

**COMMITTEE ON PUBLIC
UNDERTAKINGS
(1978-79)**

(SIXTH LOK SABHA)

TWENTY-THIRD REPORT

**[Action Taken by Government on the recom-
mendations contained in the Sixth Report of the
Committee on Public undertakings (Sixth Lok Sabha)]**

ON

**GALLOPING RISE IN FOREIGN TOURS AND
COSTS THEREOF UNDERTAKEN BY OFFICIALS
OF THE PUBLIC UNDERTAKINGS**

Presented in Lok. Sabha

Laid in Rajya Sabha on



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 1979/Phalguna, 1900 (S)

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(iii)	17	Samantasinhera	Samantasinhar
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COMMITTEE ON PUBLIC UNDERTAKINGS

LIST OF MEMBERS

(1978-79)

CHAIRMAN

Shri Joytirmoy Bosu

MEMBERS

2. Shri O. V. Alagesan
3. Shri Maganti Ankineedu
4. Shrimati Chandravati
5. Shri Tridib Chaudhuri
6. Shri Hitendra Desai
7. Shri Anant Ram Jaiswal
8. Shri L. L. Kapoor
9. Shri K. Lakkappa
10. Shri Dharmasinhbhai Patel
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19. Shri Murasoli Maran
20. Shri Era Sezhiyan
21. Shri Viren J. Shah
22. Shri Sultan Singh*

SECRETARIAT

1. Shri H. G. Paranjpe—*Joint Secretary*
2. Shri T. R. Krishnamachari—*Chief Financial Committee Officer*
3. Shri T. N. Khanna—*Senior Financial Committee Officer.*

(iii)

*Elected w.e.f. 26.12.1978 vice Shri Deorao Patil died.

~~Discontinued~~
SUB-COMMITTEE ON ACTION TAKEN

1. Shri Jyotirmoy Bosu—*Chairman*
2. Shri O. V. Alagesan—*Convener*
3. Shri Tridib Chaudhuri
4. Shri Hitendra Desai
5. Shri L. L. Kapoor
6. Shri K. Lakkappa
7. Shri Bhanu Kumar Shastri
8. Dr. Subramaniam Swamy
9. Shri K. N. Dhruvap
10. Shri Era Sezhiyan
11. Shri Viren J. Shah

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Twenty third Report on Action Taken by Government on the recommendations contained in the Sixth Report of the Committee on Public Undertakings (Sixth Lok Sabha) on Galloping rise in foreign tours and costs thereof undertaken by officials of the Public Undertakings.

2. The Sixth Report of the Committee on Public Undertakings was presented to Lok Sabha on the 20th April, 1978. The replies of Government to all recommendations contained in the Report were received on 23rd December 1978. The replies of Government were considered by the Subcommittee on Action Taken of the Committee on Public Undertakings and this Report adopted by them at their sitting held on the 7th March, 1979. The Report was finally adopted by the Committee on Public Undertakings on the 12th March, 1979.

3. An analysis of the Action Taken by Government on the recommendations contained in the Report of the Committee is given in Appendix II.

4. There has to be a review of foreign tours of executives of all public enterprises since 1975-76 by an independent nodal agency like the Bureau of Public Enterprises to see how far these were warranted and to take suitable deterrent action wherever it is not found to be so. In future the tours of Directors should be subject to prior approval of Government and the number thereof restricted to three not exceeding 30 days in all in a year as in the case of Chief Executives and that prior approval of the Board of Management should be obtained as a rule for the tours of other officials. The annual reports of the undertakings should indicate the particulars of expenses incurred on foreign tours and the results achieved thereby in order that the Parliament and the public may have an idea of the efficacy of such tours. It is hoped that all this would bring about a healthy check on wasteful foreign exchange expenditure which we can ill-afford.

NEW DELHI;
21st March, 1979
Phalguna 30, 1900 (S)

JYOTIRMOY BOSU,
Chairman,
Committee on Public Undertakings.

CHAPTER I

REPORT

This report of the Committee deals with the Action Taken by Government on the recommendations contained in the Sixth Report of the Committee on Public Undertakings (1977-78) on "Galloping rise in foreign tours and costs thereof undertaken by officials of the Public Undertakings", which was presented to Lok Sabha on the 20th April, 1978.

2. Action Taken notes have been received from Government in respect of all the nine recommendations contained in the said Report. These have been categorised as follows:—

- (i) Recommendations/observations that have been accepted by the Government.

Serial Nos. 2, 3, 4, 5, 6, 7 and 8.

- (ii) Recommendations/observations which the Committee do not desire to pursue in view of Government's replies.

Serial Nos. 1 and 9.

3. The Committee will now deal with the action taken by Government on some of their recommendations.

A. Delay in submission of Information to the Committee

Recommendation at Serial No. 1 (Paragraph 20)

4. The Committee on Public Undertakings considered that non-supply of information by 72 Public Undertakings on certain points asked for by the Committee even after a period of three months amounted to withholding of information which was very vital for accountability of Undertakings to Parliament. This in the opinion of the Committee amounted to a contempt of the Committee and was reprehensible.

5. In their reply, the Government have stated as follows:—

"Material from 72 enterprises, which could not be furnished by the 20th March, 1978, has since been collected and transmitted to the Lok Sabha Secretariat. Reasons for not submitting the information by these 72 enterprises within the time indicated by the Lok Sabha Secretariat have also been obtained from the Heads of the respective enterprises and furnished to the Com-

mittee's Secretariat [vide BPE's letter No. 2(106)/77-BPE (GM-I) dated the 23rd April, 1978.] All the Public Enterprises tried to furnish the relevant information within the time allotted to them and there was no intention to withhold anything from the Committee. As the information called for from the Public Enterprises was for three years and on a number of points, and had to be collected by the Public Sector Enterprises from their respective units/offices located throughout the length and breadth of the country, it took some time for the Public Enterprises to submit the information complete in all respects."

6. The Committee wish to draw attention to their comment contained in paragraph six of their Seventeenth Report which is reproduced below:—

"The Committee cannot but take a serious view of the reprehensible delay on the part of the 72 undertakings. The explanations tendered display a sense of irresponsibility and non-cooperation for reasons not understandable, which is not conducive to proper accountability to Parliament, and ought therefore to be curbed. Assuming there were genuine difficulties in furnishing the entire information called for, they should have at least tried to cover a good part of it in time and on their own come up with the explanation well before the stipulated date. It should not have been left to the Committee to seek and obtain an explanation. The matter should be brought to the notice of Cabinet Minister concerned."

7. As the Committee could not go into the details of expenditure on foreign travels by executives of these 72 undertakings owing to their belated submission they desire that the BPE should critically examine them in the light of their observations in the Sixth Report as well as in this Report and ensure that suitable action is taken wherever warranted.

B. Need for Stricter Scrutiny of Foreign Tours

Recommendations at (Serial Nos. 3, 4, 5, 6 and 8)

(Paragraphs 22 to 27, 29 and 30)

8. Taking note of vast increase in the expenditure on foreign travels the Committee urged that Government should keep strict watch in the matter. The Committee further emphasised that it was essential that excessive and frequent tours by senior officers should be stopped and that Government should put an end to trips abroad on frivolous grounds.

9. In this connection they recalled the recommendation contained in their 85th Report (1975-76), that "Government should critically examine the proposals for foreign tours received from the Public Undertakings and only if

they are satisfied that a proposed tour is absolutely necessary in the larger interest of the Public Undertakings, they should allow a minimum number of officers to go abroad for a short duration." The Committee further desired that all cases after 1975-76 should be critically reviewed.

10. In their reply the Government *inter-alia* informed the Committee as follows:—

"...The Government has once again examined this issue. A copy of the latest instructions issued to the concerned Administrative Ministries is enclosed (See Appendix I). In brief the Government has indicated to the Administrative Ministries that—

- (a) the foreign tours of the Chief Executives, *i.e.* Chairman and Managing Directors of the enterprises, in future, may be undertaken only with prior approval of the Secretary of the concerned Administrative Ministry. In exceptionally urgent cases, however, where it is not possible to obtain prior approval of the Secretary of the concerned Administrative Ministry, *ex-post facto* approval may be obtained at the earliest;
- (b) the number and duration of such foreign visits be restricted to three in number of 30 working days in a whole year;

11. It was further stated that the Government was also examining the question of extending the abovementioned restrictions regarding prior approval and number and duration of foreign visits to the Directors of the Public Sector Enterprises.

12. The Committee recommend that the abovementioned restrictions should also be imposed on the Directors of the Public Undertakings forthwith.

13. Among the guidelines issued by the Government, the following is also included:—

- (e) the foreign tour programmes of other executive/officers of the enterprises may continue to be approved and sanctioned after a detailed and thorough personal scrutiny in each individual case by the Chairman/Chief Executive of the enterprises as hithertofore."

14. The Committee are positive in their mind that prior approval of the Board of Directors for foreign tours by officers other than Chief Executives should be obtained as a rule. The Committee would require the Government nominee on the Board to be more vigilant with a view to seeing that there is no wasteful expenditure on this account.

15. As regards review of cases of tours since 1975-76 the Government have stated that the Public Sector Enterprises have reported that the review has revealed that these were undertaken for bonafide official business and with the approval of competent authorities as per procedure in force.

16. The Committee consider it took an absurd proposition that the review of this kind was left to be done by the Public Undertakings themselves. This can be done satisfactorily only by an independent nodal agency like the Bureau of Public Enterprises as suggested elsewhere in this Report.

C. Annual Reports to be made more Informative

Recommendation at Serial No. 7.

(Paragraph 28)

17. The Committee recommended that expenditure on and particulars of all foreign travels including purpose of such foreign travels should always be clearly narrated in the annual reports of the Undertakings.

18. While accepting this recommendation, the Government have stated that "administrative Ministries are being advised to ask the Public Sector Enterprises under them to comply with this."

19. The Committee would insist that annual report should also indicate the results achieved by foreign tours in each and every case together with total expenses in order that the Parliament, the Administrative Ministries and the public may have an idea of the efficacy of such tours.

D. Critical Review of Tours already undertaken

Recommendation at Serial No. 9 (Paragraph 31)

20. Having understood that there were some habitual frequenters, the Committee recommended that they should be identified and deterrent action taken against them. The Committee further recommended that anybody found undertaking foreign tours which are not considered absolutely essential should be required to repay expenditure, if incurred, from his salary and allowances.

21. The Government in their reply stated that "in view of the revised instructions which have been issued by the Government for the regulation of foreign tours it is expected that the occasions of the type referred to in this recommendation would not arise."

22. The Committee are of the view that a critical examination of the type suggested by them on the basis of the reply to recommendation at Serial No. 1 alone can bring out whether any action is warranted. They therefore recommend that it should be done by the Bureau of Public Enterprises for all the Public Undertakings.

**RECOMMENDATIONS/OBSERVATIONS THAT HAVE BEEN
ACCEPTED BY THE GOVERNMENT**

Recommendation (Serial No. 2, Paragraph 21)

The Committee are of the view that while there may be some justifications for visits abroad by some of the undertakings, the large scale and frequent foreign visits on these grounds by top executives of public undertakings on one ground or the other appear to be an excuse by all the executives for going abroad. The Committee would strongly recommend that Government should strictly scrutinise proposals before sanction for tours abroad are accorded. One such glaring example is that of a very senior Medical Officer going to Paris to bring back a Key Punch Operator who was under treatment there. The Committee also find that the purpose of visit of the General Manager, Delhi Road Transport Corporation to United Kingdom during the year 1975-76 has not been stated. Similarly in the case of Life Insurance Corporation of India though the purpose of visits of the officers has not been indicated, the expenditure of Rs. 1,04,854 during 1974-75 to 1976-77 is shown as "air travel expenses incurred by the Central Office." The Committee would like to know the reasons for these visits.

Reply of Government

The Public Sector Undertakings, in general, have reported that the foreign tours by their executives are undertaken only when absolutely necessary for *bona fide* official business such as:

- (i) discussions with foreign collaborators, suppliers and the World Bank authorities for finalisation of tenders/contracts/agreements;
- (ii) expediting of supplies and inspection of equipment for various projects under execution;
- (iii) inplant training of officials in concerned technology;
- (iv) for providing technical consultancy services to different foreign countries;

(v) in connection with International Seminars, exhibitions and for boosting export of industrial products;

(vi) as members of export technical teams.

Proposals for visits to foreign countries are thoroughly scrutinised from the angle of necessity and inescapability. In respect of foreign tours of executives other than Chief Executives of the Public Enterprises, prior approval of the Chairmen and Managing Director/Board of Directors as necessary, is taken. In case of Chief Executives, they have to inform the Administrative Ministry/Department concerned sufficiently in advance of their intended tours so that, if need be, the concerned Ministries could issue appropriate instructions in this regard.

Indian Airlines have reported that the Key Punch Operator whose case has been referred to in the above recommendation, a young lady employee, who had gone to New York on a private visit on the basis of a free passage entitlement of the airlines on return had developed some psychiatric symptoms at the Paris Airport leading to her detention by the French Police. The French Government did not want to send the patient alone and desired a Doctor to accompany her to India. The Indian Embassy in Paris came into the picture and the Indian Airlines complied with their request. The Doctor also an airlines employee, travelled on a free passage entitlement. The total expenditure incurred by way of dearness allowance, airport charges etc. was Rs. 824 only.

The facts relating to the visit of the General Manager, Delhi Road Transport Corporation to the United Kingdom during the year 1975-76 are that on receipt of an invitation of Government of United Kingdom, a team of Indian Road Transport Managers was deputed to visit that country in September, 1975 for studying various aspects of transport problems there. The then General Manager, Delhi Road Transport Corporation was one of the members of this team. On their return the team submitted a report to the Government of India concerning the transport problems faced by their Government and how they were solving them so that this country could learn from U.K. experience.

The Life Insurance Corporation has intimated having explained the position in the matter of supply of information to the Committee *vide* letter Secretarial/299(ii) of 13th June, 1978 from the Chairman of the L.I.C. of India to the Chairman of the COPU. Besides, the details of foreign tours during 1974-75 to 1976-77 of its officers drawing more than Rs. 1800 per month have also been furnished to Shri H. G. Paranjpe, Jt.

Secretary, Lok Sabha Sectt. *vide* copy of letter No. Secretarial 299(ii), dated 15-6-1978.

[Ministry of Finance, Bureau of Public Enterprises O.M. No. 2(38)/78-BPE (GM-I) dated the 22nd December, 1978.]

Recommendation (Serial No. 3 Paragraphs 22 and 23)

As regards the expenditure furnished by 85 undertakings on foreign travels, the Committee are perturbed to note that an expenditure of Rs. 356.44 lakhs was incurred during the years 1974-75, 1975-76 and 1976-77 on foreign travels by Chairman/Managing Director and officers drawing a pay more than Rs. 1800 per month.

The Committee are deeply perturbed to note that the expenditure on foreign travel has gone up year after year. The average expenditure per undertaking has risen from Rs. 0.77 lakhs in 1974-75 to Rs. 1.12 lakhs in 1975-76 and Rs. 2.30 lakhs in 1976-77 thus registering an increase of nearly 200 per cent in 1976-77 as compared to the position obtaining in 1974-75. It is all the more disquieting that this abrupt and sharp increase in the expenditure in 1976-77 was during the period when emergency was kept in vogue with lot of fan fare. It appears that the Government instead of tightening the financial control over travels abroad showed laxity with the result that the expenditure shot up at a galloping speed as compared to the year 1974-75. The Committee deprecate this and require that Government should put an end to trips abroad on frivolous grounds.

Recommendation (Serial No. 4, Paragraph 24)

The Committee is positive that had the administrative Ministries strictly implemented the recommendation of the Committee on Public Undertakings made in their 85th Report (1975-76) that "Government should critically examine the proposals for foreign tours received from the Public Undertakings and only if they are satisfied that a proposed tour is absolutely necessary in the larger interest of the Public Undertakings, they should allow a minimum number of officers to go abroad for a short duration," the expenditure on this account would have been much less. This is a serious lapse and failure on the part of the Government. The Committee would like that all cases after 1975-76 should be reviewed critically.

Recommendation (Serial No. 5, Paragraphs 25 and 26)

The Committee are all the more disturbed to find that some of the Undertakings have incurred very heavy expenditure on foreign travel. Among the 30 undertakings, which had incurred expenditure on this ac-

count beyond Rs. 1 lakh during each or any of the three years viz. 1974-75, 1975-76 and 1976-77, there are as many as four undertakings (viz. Electronics Trade and Technology Development Corporation Ltd., Engineers India Ltd., Bharat Heavy Electricals Ltd., and Engineering Projects India Ltd.) which crossed the limit of Rs. 10 lakhs. Four undertakings (viz. Hindustan Aeronautics Ltd., Metallurgical and Engineering Consultants (India) Ltd., Minerals and Metals Trading Corporation of India Ltd., and projects and Equipment Corporation of India Ltd.), incurred expenditure between Rs. 5 lakhs to Rs. 10 lakhs on this account. The Committee would like to urge that the expenditure incurred by these undertakings should be thoroughly scrutinised with a view to ensuring that the visit abroad was essential and in the best interest of the public undertaking/country and that the minimum number of persons undertook the visits. In cases where tours were not necessary, the responsibility should be fixed by the controlling authority under advice to the Committee.

It is also essential that excessive and frequent tours by Senior Officers should be stopped.

Recommendation (Serial No. 6, Paragraph 27)

The Committee in their 85th Report recommended that "the officers who go abroad should be asked to submit, on return, detailed reports on their tour to the Board of Directors and the administrative Ministry concerned who should evaluate the reports critically." The Committee are not aware whether their above recommendation is being followed in letter and spirit. But considering the galloping rise in expenditure on foreign travels, a good part of which should have surely been avoided, the Committee have no hesitation in further recommending that in order to oversee the expenditure, the Secretary of the administrative Ministry should personally scrutinise each and every case.

Recommendation (Serial No. 8, Paragraphs 29 and 30)

Frittering away country's foreign exchange resources should constitute a serious penal offence. Remedial measures should be taken in this direction. While going through the particulars received from the Public Sector Undertakings covering foreign tours and travels abroad, the Committee are much constrained to see that the foreign tours and travels, by Public Sector Executives have increased by 'Leaps and bounds'. Undoubtedly the number of tours that have been undertaken, could have been considerably reduced.

The foreign exchange that we have could be best utilised for starting our heavy and core sector industries for importation of technical know-how in certain high priority area which is not available in the country. The Committee, therefore, deprecate the practice of such officers who

have been undertaking pleasure trips in the name of tours abroad. In future the Government should keep a very strict eye in this sphere because it is not only a waste of our precious resources but at the same time it causes serious dissatisfaction and demoralisation amongst subordinates and other officers who are deprived from making such tours.

Reply of Government

The observations of the Committee have been brought to the notice of the Ministries and also to the Public Sector Enterprises.

Regarding the Committee's observations made in the 85th Report (1975-76), it is submitted that the Government had duly explained the position *vide* its reply to Recommendation No. 48 of the said Report. In general, however, the public sector enterprises have reported that the review of cases of foreign tours after 1975-76 has revealed that these were undertaken for *bona fide* official business and with the approval of competent authorities as per procedure in force.

However, the Government have once again examined this issue. A copy of the latest instructions issued to the concerned Administrative Ministries are enclosed (*vide* Appendix I). In brief the Government has indicated to the Administrative Ministries that:—

- (a) the foreign tours of Chief Executives, *i.e.* Chairman and Managing Directors of the enterprises, in future, may be undertaken only with prior approval of the Secretary of the concerned administrative Ministry. In exceptionally urgent cases, however, where it is not possible to obtain prior approval of the Secretary of the concerned Ministry, *ex post facto* approval may be obtained at the earliest;
- (b) the number and duration of such foreign visits be restricted to three in number of 30 working days in a whole year;
- (c) the Government nominees on the Board of Directors of the concerned public enterprises be entrusted with the task of ensuring observance of the above mentioned limits;
- (d) the foreign tour programmes of other executives/officers of the enterprises may continue to be approved and sanctioned after a detailed and thorough personal scrutiny in each individual case by the Chairman/Chief Executive of the enterprises as hithertofore;
- (e) a statement of foreign visits alongwith reports of the concerned officers, indicating accomplishment of tasks undertaken/executed during such tours, be placed before the Board of Directors of the enterprises in its monthly meetings;

(f) the Government nominees on the Board will keep a vigilant eye to prevent any wasteful expenditure on foreign travel.

Government are also examining the question of extending the above mentioned restrictions regarding prior approval and number and duration of foreign visits to the Directors of the Public Sector Enterprises.

[Ministry of Finance, Bureau of Public Enterprises O.M. No. 2(38)/78-BPE (GM-I) dated the 22nd December, 1978.]

Recommendation (Serial No. 7, (Paragraph 28)

The Committee further require that expenditure on and particulars of all foreign travels including purpose of such foreign travels should always be clearly narrated in the annual reports of the Undertakings.

Reply of Government

Government accept this recommendation. Administrative Ministries are being advised to ask the Public Sector Enterprises under them to comply with this.*

[Ministry of Finance, Bureau of Public Enterprises O.M. No. 2(38)/78-BPE (GM-I) dated the 22nd December, 1978.]

*The Bureau of Public Enterprises informed the Committee on 20th March, 1979 that these instructions have since been issued on the 26th February, 1979.

III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENTS' REPLIES

Recommendation (Serial No. 1, Paragraph 20)

The Committee are constrained to bring on record once again that out of 172 public undertakings which were asked on 23rd December, 1977 to furnish information to the Committee on Public Undertakings the details of expenditure on foreign travels undertaken by their respective Chairman/Managing Director and officers drawing more than Rs. 1800 per month during the years 1974-75, 1975-76 and 1976-77, only 100 undertakings have furnished such information upto 20th March, 1978. In respect of the remaining 72 undertakings which have not furnished the requisite information by the due date, the Committee would like to reiterate the following observations made in their 1st and 4th Reports (Sixth Lok Sabha) that:—

“The Committee considered that deliberate non-supply of information even after a period of three months amounts to withholding of information which is very vital for accountability of undertakings to Parliament. This may amount to a contempt of the Committee. This, in the opinion of the Committee, is reprehensible.”

Reply to Government

Material from 72 enterprises, which could not be furnished by the 20th March, 1978, has since been collected and transmitted to the Lok Sabha Secretariat. Reasons for not submitting the information by these 72 enterprises within the time indicated by the Lok Sabha Secretariat have also been obtained from the Heads of the respective enterprises and furnished to the Committee's Secretariat *vide* BPE's letter No. 2(106)/77-BPE(GM-I) dated the 23rd April, 1978. All the Public Enterprises tried to furnish the relevant information within the time allotted to them and there was no intention to withhold anything from the Committee. As the information called for from the Public Enterprises was for three years and on a number of points, and had to be collected by the Public Sector Enterprises from their respective units/officers located throughout the length and breadth of

the country, it took some time for the Public Enterprises to submit the information complete in all respects.

[Ministry of Finance, Bureau of Public Enterprises O.M. No. 2(38)/78-BPE(GM-I) dated the 22nd December, 1978.]

Recommendation (Serial No. 9, Paragraph 31)

It is also understood that there are some habitual frequenters. These officials should be identified and deterrent action should be taken against them. In any case no person belonging to Public Sector Undertakings should be allowed to go abroad without clear approval of the Secretary of the Ministry who in his turn also should obtain approval from his Minister. In urgent cases foreign tours may be undertaken by the officers of the public undertakings and *expost facto* sanction of the Ministry/Minister should be taken at the earliest. Anybody found undertaking foreign tours which are not considered absolutely essential should be required to repay expenditure, if incurred, from his salary and allowances.

Reply to Government

In view of the revised instructions which have been issued by the Government for the regulation of foreign tours it is expected that the occasions of the type referred to in this recommendation would not arise.

[Ministry of Finance, Bureau of Public Enterprises O.M. No. 2(38)/78-BPE(GM-I) dated the 22nd December, 1978.]

IV

**RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE
COMMITTEE**

NIL

V

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
GOVERNMENT ARE AWAITED

—NIL—

NEW DELHI:

21st March, 1979

Phalguna 30, 1900 (Saka) . . .

JYOTIRMOY BOSU,

Chairman,

Committee on Public Undertakings

APPENDIX I

[Vide reply to recommendation at Serial No. 8]

Ministry of Finance (Vitta Mantralaya) Bureau of Public Enterprises (Sarkari Udyain Karyalaya) O.M. No. BPE|GL-018|77|MAN|9(31)|76-BPE GM-I) dated the 18th December, 1978 regarding Tours abroad of incumbents of top posts in public enterprises.

The undersigned is directed to refer to this Ministry's O.M. of even number dated 8th August, 1977, on the subject mentioned above. Under these instructions the public sector enterprises were empowered to authorise their executives to undertake foreign travel and apply to the Reserve Bank of India for the necessary foreign exchange. The Chief Executives, *i.e.* Chairmen and Managing Directors were, however, required to intimate the Ministry concerned in advance about their foreign tours so that the Ministry may, in case necessary, give any appropriate instructions regarding the time and purpose of such visits.

2. The frequency of foreign travel by executives of the public sector enterprises and expenditure thereon, when recently subjected to a review, disclosed a substantial increase in the incidence of foreign travel as well as expenditure incurred thereon suggesting the need for a stricter control. It may be mentioned that the Committee on Public Undertakings have also commented on the quantum of foreign travel by officers of the P.S.Es. This need not be viewed merely as a device to save money/foreign exchange. It has also to be viewed from the angle of absence of senior officers from their headquarters for long periods, undoubtedly, to the detriment of the regular work. It has, therefore, been decided that;

- (a) the foreign tours of Chief Executives, *i.e.* Chairmen and Managing Directors of the enterprises in future may be undertaken only with prior approval of the Secretary of the concerned administrative Ministry. In exceptionally urgent cases, however, where it is not possible to obtain prior approval of the Secretary of the concerned Administrative Ministry, *ex post facto* approval may be obtained at the earliest;
- (b) the number and duration of such foreign visits be restricted to three in number of 30 working days in a whole year;
- (c) the Government nominees on the Board of Directors of the concerned public enterprises will be entrusted with the task of ensuring observance of the abovementioned limits;

- (d) the foreign tour programmes of other executives/officers of the enterprises shall continue to be approved and sanctioned after a detailed and thorough personal scrutiny in each individual case by the Chairman/Chief Executive of the enterprise as hitherto;
- (e) a statement of foreign visits alongwith reports of the concerned officers, indicating accomplishment of tasks undertaken/executed during such tours, will be placed before the Board of Directors of the enterprise in its monthly meetings;
- (f) the Government nominees on the Board will keep a vigilant eye to prevent any wasteful expenditure on foreign travel.

3. The Ministry of Industry, etc. are requested to convey the foregoing ~~decisions~~ of the Government to the Public Sector Enterprises under their administrative control for ensuring compliance.

S. M. PATNKAR,
Adviser (Finance)

To

All Ministries/Departments of the Government of India.

Copy to:

1. The Comptroller & Auditor General of India, New Delhi.
2. All F.As., Administrative Ministries.
3. Chief Executives of Public Sector Enterprises.
4. Adviser (P), Adviser (C), Adviser (M), Secretary (PESB) Director (I&R), Director (M) and DS (C), and PS to AS&DG, Bureau of Public Enterprises.
5. Secretary, Standing Conference on Public Enterprises, New Delhi.

APPENDIX II

(Vide para 4 of Introduction)

Analysis of the action taken by Government on the recommendations contained in the Sixth Report of the Committee on Public Undertakings (Sixth Lok Sabha).

1. Total number of recommendations	9
2. Recommendations that have been accepted by Government (Vide recommendations at Serial Nos. 2, 3, 4, 5, 6, 7 and 8).	7
Percentage to total	77.7%
3. Recommendations which the Committee do not desire to pursue in view of Governments' replies (Vide recommendations at Serial Nos. 1 and 9).	
Number.	2
Percentage to total	22.3%
4. Recommendations in respect of which replies of Government have not been accepted by the Committee	
Number.	NIL
Percentage to total	NIL
5. Recommendations in respect of which final replies of Government are still awaited	
Number.	NIL
Percentage to total	NIL