

**COMMITTEE
ON
GOVERNMENT ASSURANCES
(2005-2006)**

FOURTEENTH LOK SABHA

Thirteenth Report

(Presented to Lok Sabha on)

REQUESTS FOR DROPPING OF ASSURANCES



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2006/Sravana, 1928 (Saka)

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COMPOSITION OF THE COMMITTEE ON GOVERNMENT ASSURANCES*
(2005-2006)

Shri Harin Pathak - CHAIRMAN

MEMBERS

2. Shri Rashid J.M.Aaron
3. Shri Yogi Aditya Nath
4. Shri Anandrao Vithoba Adsul
5. Shri Ajit Singh
6. Shri Jigajinagi Ramesh Chandappa
7. Shri Biren Singh Engti
8. Shri Mohan Jena
9. Shri Sunil Khan
10. Shri Rasheed Masood
11. Shri Kailash Meghwal
12. Shri A. Venkatesh Naik
13. Shri M. Shivanna
14. Shri Aruna Kumar Vundavalli
15. Shri Kailash Nath Singh Yadav

SECRETARIAT

1. Shri P. Sreedharan - Joint Secretary
2. Shri T.K. Mukherjee - Director
3. Shri B.S. Dahiya - Under Secretary

-
- **The Committee was constituted on 7 August 2005 vide Para No.1484 of Lok Sabha Bulletin Part-II dated 5 August 2005.**

INTRODUCTION

I, the Chairman of the Committee on Government Assurances, having been authorized by the Committee to submit the Report on their behalf, present this thirteenth Report of the Committee on Government Assurances.

2. The Committee (2005-2006) was constituted on 7 August 2005.

3. The Committee (2005-2006) at their sitting held on 31 May 2006 considered *inter-alia* Memoranda Nos.89, 90, 92, 93, 94, 95, 96, 97 and 98 containing requests received from the Ministries/Departments of the Government of India for dropping of pending assurances.

4. At their sitting held 03 August 2006, the Committee (2005-2006) considered and adopted their thirteenth Report.

5. The Minutes of the aforesaid sittings of the Committee form part of this report.

6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI;

03 August 2006

12 Sarvana 1928 (Saka)

HARIN PATHAK
CHAIRMAN

COMMITTEE ON GOVERNMENT ASSURANCES

REPORT

CHAPTER-I

REQUESTS FOR DROPPING OF ASSURANCES (NOT ACCEPTED)

(i) LEGISLATION ON INSURANCE SECTOR

1.1 On 6 May 2005, Shri D. Vittal Rao, MP addressed the following Unstarred Question No. 6249 to the Minister of Finance:-

- (a) whether the Government proposes a comprehensive legislation on insurance sector;**
- (b) if so, the details thereof;**
- (c) whether the Law Commission and Insurance Regulatory and Development Authority have provided some inputs in this regard;**
- (d) if so, the details thereof; and**
- (e) the action taken by the Government thereon?**

1.2 In reply, the Minister of State in the Ministry of Finance (Shri S.S. Palanimanickam) stated as follows:-

(a) to (e): Law Commission of India, in its 190th Report, has recommended, inter alia, merger of Insurance Act, 1938, Insurance Regulatory and Development Authority (IRDA) Act, 1999, deletion of redundant provisions in these Acts and setting up of Grievances Redressal Mechanism. The report was laid on the Table of Lok Sabha and Rajya Sabha on 10th December and 13th December, 2004 respectively. The Government has asked for the views of IRDA, which has set up a Committee of Experts on 7th March, 2005 to study the report of the Law Commission, specifically the provisions relating to investments, sufficiency of assets, insurance surveyors, Tariff Advisory Committee, Shareholders' Fund and Policyholders' Fund. The views of IRDA are awaited.

1.3 The above reply was treated as an assurance and was required to be fulfilled by the Ministry of Finance within three months of the date of reply i.e. by 5 August 2005 but the assurance is yet to be fulfilled.

1.4 The Ministry of Finance vide their O.M. F. No. H-12016 (08)/2005-Ins.IV dated 6 February 2006 requested to drop the assurance on the grounds that the Insurance Regulatory & Development Authority, (IRDA) has reported that the Committee of Experts has submitted its report to them, which will formulate its views to enact a law for the amendments in the concerned Acts, and it will take a sufficient/long time for fulfilling the assurance.

1.5 In view of the above, the Ministry with the approval of Minister of State (Finance) requested to drop the assurance.

1.6 The Committee note that a question was asked on 6 May 2005 regarding legislation on Insurance Sector. The question sought information regarding the proposal of the Government for a comprehensive legislation on insurance sector, inputs received in this regard from Law Commission and Insurance Regulatory & Development Authority (IRDA) if any, and the action taken by the Government in this regard. In reply it was *inter-alia* stated by the Government that Law Commission of India in its 190th Report, which was laid in Lok Sabha and Rajya Sabha on 10 and 13 December 2004 respectively have recommended merger of Insurance Act, 1938, IRDA Act 1999, deletion of redundant provisions in these Acts and also setting up of a Grievances Redressal Mechanism. It was also stated that IRDA had set up a Committee of Experts to study the report of the Law Commission and its views were awaited. This reply was treated as an assurance. As the assurance remained unfulfilled, the Ministry of Finance requested the Committee to drop the assurance on the ground that the Committee of Experts has submitted its report to the IRDA, which will formulate its views to enact a law for the amendments in the concerned Acts and the whole process would take a long time. The Committee considered this request at their sitting held on 31 May 2006 and decided not to drop the assurance.

1.7 The Committee observed that in the reply furnished by the Ministry it was stated that the views of IRDA were awaited, as a result of which the assurance remained unimplemented. However, after the receipt of requisite views of IRDA, the Ministry have taken the plea that it will take a sufficient /long time for fulfilling the assurance and as such the assurance may be

dropped. This plea of the Ministry is not acceptable to the Committee. The Committee are of the view that the recommendations of the Law Commission for merger of Insurance Act, 1938, Insurance Regulatory and Development Authority (IRDA) Act, 1999, deletion of redundant provisions in these Acts and setting up of a Grievances Redressal Mechanism are of immense relevance for the insurance sector and the required amendments should be expedited. The Committee, therefore, desire that the Government should come out with the legislation without any further loss of time as promised to the House. The Committee would like to be apprised of the present position of the assurance.

(II) PRODUCT PATENTING

1.8 On 10 May 2005, Shri Kuldeep Bishnoi, MP asked the following USQ No. 6744 to the Minister of Commerce and Industry:-

- (a) whether a large number of applications are pending for the grant of patent on products in various sectors especially in Pharma Sector;**
- (a) if so, the details thereof along with reasons thereof; and**
- (b) the steps taken by the Government to accelerate the process of grant of patent on a product?**

1.9 In reply to the above question, the Minister of State in the Ministry of Commerce and Industry (Shri E.V.K.S. Elangovan) stated as follows:-

(a) and (b): As per the provision of the Patents Act, 1970, no application for a patent is required to be examined unless a request for the same is made. Presently, patent Office has 4384 requests pending for disposal covering both product and process in all sectors of technologies. Out of these, 2280 are in the category of pharmaceuticals and are currently under process.

(c): In order to accelerate the process of grant of patent, the Government has taken up comprehensive modernization of Patent Offices. Its major components include review of existing procedure and development of new user-friendly procedures, computerization of the procedure for grant of patents, development of human resource capabilities by recruiting additional examiners and their training, networking of offices, strengthening novelty search facilities, awareness and outreach activities. These are in addition to legislative measure, such as simplification of procedure and rationalization of time-lines for processing of patent applications.

1.10 The above reply was treated as an assurance and was required to be fulfilled by the Ministry Commerce & Industry within three months of the date of reply i.e. by 9 August 2005, but the assurance is yet to be fulfilled.

1.11 The Ministry of Commerce & Industry vide their O.M. No. 1/55/2005-IPR-III dated 11 November 2005 requested for dropping of the said assurance on the following grounds:-

- (a) Receipt of applications for patents and processing thereof are continuous activities. Processing of patent applications depend on a number of factors including the content and nature of applications, role and cooperation of applicants, legal requirements and oppositions, etc.
- (b) the procedure for grant of a patent involves various stages and the processing and grant of patent is guided by statutory time frames. In a typical case, the stages involved are (i) Filing the applications; (ii) Publication; (iii) Request for examination; (iv) Report of the Examiner; (v) Reply by the applicant; (vi) Opposition; (vii) Reply to opposition and modification of patent claims, if necessary; (viii) Decision on the application; and (ix) Grant of patent.
- (c) Ordinarily it takes around 50-60 months for processing and final decision on a patent application from the date of filing.

1.12 In view of the above, according to the Ministry it was not feasible to indicate an exact time frame within which all the pending patent applications in the category of pharmaceuticals and others could be disposed of.

1.13 The Ministry, therefore, requested the Committee on Government Assurances to drop the assurance in view of the non-feasibility of fulfilling the same. The Ministry also stated that it had the approval of Minister of State for Commerce and Industry.

1.14 The Committee note that a question was asked on 10 May 2005 regarding 'product patenting'. The question sought information on a large number of applications pending for the grant of patent on products in various sectors particularly in Pharma Sector, its details alongwith the reasons thereof and the steps taken by the Government to accelerate the process of grant of patent on a product. In reply it was inter-alia stated that patent office has 4384 requests pending for disposal covering both product and process in all sectors of technologies. Out of these, 2280 are in the category of pharmaceuticals and are currently under process. It was also stated that in order to accelerate the process of grant of patent the Government has taken up comprehensive modernization of patent offices which includes review of existing procedure and development of new user-friendly procedures etc. besides legislative measures like simplification of procedure and rationalisation of time-lines for procedure of patent applications. This reply was treated as an assurance. The assurance is yet to be fulfilled. The Ministry requested the Committee to drop it on the grounds that receipt of applications for patents and their processing is a continuous process and it also depends upon the contents and nature of applications. According to them the procedure for granting of a patent involves various stages and is guided by statutory time frame. The Committee considered this request at their sitting held on 31 May 2006 and decided not to drop the assurance.

15. The Committee agree that receipt of applications for patents and processing thereof is a continuous process and in order to accelerate the

process of grant of patent the Government have taken up comprehensive modernisation of patent offices, but they are unhappy to note that as many as 4384 requests are pending with the patent office which include 2280 pending applications in the category of pharmaceuticals alone. The Committee also regret to note that the assurance could not be implemented by the Government even after the lapse of more than one year. The Committee, therefore, desire that the said modernisation process of patent office be expedited, pending applications be disposed of at the earliest and the implementation of the assurance should also be expedited. The Committee also desire to be apprised of the time generally taken in other countries in granting of patent.

(III) DEVELOPMENT OF NEW CITIES

1.16 On 26 July 2005, Shri Naveen Jindal, M.P., addressed the following Unstarred Question No.235 to the Minister of Urban Development:-

- “(a) whether there is any proposal to develop some new cities in the National Capital Region NCR) to decongest Delhi;**
- (b) if so, the details of the plans in this regard;**
- (c) whether the cost of creating basic infrastructure such as roads, potable drinking water, adequate electricity etc. will be borne by the Central Government; and**
- (d) if not, the agency which will bear the expenses?”**

1.17. In reply, the then Minister of Parliamentary Affairs and Urban Development (Shri Ghulam Nabi Azad) stated as follows:-

“(a) & (b): The National Capital Region Planning Board (NCRPB) has informed that the Government of Rajasthan has identified Shahjahanpur-Neemrana-Behror on NH-8 in Rajasthan sub-region for setting up new township. The Government of Haryana has also identified three possible locations for development of new townships at Samalkha, Sampla and Jahangirpur-Badli.

(c) & (d): The proposals for setting up of new townships in the National Capital Region are at a preliminary stage and details regarding costs and financing pattern have not been finalised.”

1.18 The above reply was treated as an assurance and was required to be fulfilled by the Ministry of Urban Development within three months of the date of the reply *i.e.* by 25 October 2005. However the assurance has not been fulfilled so far.

1.19 The Ministry of Urban Development vide D.O.No.H.11016/40/2005-DDVI dated 27 October 2005 requested for dropping of the assurance on the grounds that the proposals were only at the conceptual stage for which detailed studies need to be

carried out to assess the feasibility, costs, financing pattern etc. The process of invitation, selection and awarding of consultancy for the study would itself take considerable time before the recommendations of the study are available. Thereafter the recommendations are to be studied by the National Capital Region Planning Board and by the respective State Governments. Any decision about bearing/sharing the cost of basic infrastructure in those cities, would be dependent on the above process.

1.20 The Ministry stated that it is too premature to furnish any details of costs because of the uncertainties involved in the process.

1.21 In view of the above, the Ministry requested that the assurance may be dropped. The Ministry also stated that it had the approval of Minister for Urban Development.

1.22 The Committee note that a question was asked on 26 July 2005 regarding development of new cities. The question sought information regarding proposal for development of new cities in National Capital Region (NCR) to decongest Delhi, its details and the bearing/sharing of cost for creation of the basic infrastructure. In reply it was stated by the Government that as per the information made available by the National Capital Region Planning Board (NCRPB), the Government of Rajasthan has identified Shahjahanpur-Neemrana-Behror on National Highways-8 in Rajasthan sub-region for setting up new township and the Government of Haryana has also identified three locations i.e. 'Samalkha', 'Sampla' and Jahangirpur-Badli. It was also stated that these proposals were at a preliminary stage and details of costs and financing were yet to be finalized. This reply was treated as an assurance. As the assurance remained unfulfilled, the Committee were requested to drop this assurance on the ground that the proposals were only at a conceptual stage for which detailed studies were required to be carried out to assess the feasibility, costs etc. According to them, the process of invitation selection and awarding of consultancy for the study would itself take considerable time before the recommendations of the study are available and thereafter the recommendation would be studied by the NCRPB and the respective state Governments. Moreover, any decision about bearing/sharing of the cost of basic infrastructure would depend on this process. The Committee considered this request of the Ministry at their sitting held on 31 May 2006 and decided not to drop the assurance.

1.23 The Committee are of the view that the development of the new townships in the NCR is important to decongest Delhi. Moreover, since the House has been assured that the said proposals are at a preliminary stage and details regarding costs are being finalised, the Ministry are required to sort out the matter and implement the assurance at the earliest. The Committee, therefore, desire that a status report highlighting the present position of the said proposal be furnished and utmost priority be accorded to the said proposal.

REPORT CHAPTER-II

REQUESTS FOR DROPPING OF ASSURANCES (ACCEPTED)

(I) WHITE PAPER ON PUBLIC ENTERPRISES

2.1 Five assurances were given in reply to the following Unstarred Questions by the then Minister of State for Heavy Industries and Public Enterprises in regard to White Paper on Heavy Industries:-

- 1. USQ No.309 dated 25 February 2000**
- 2. USQ No.1943 dated 09 March 2001**
- 3. USQ No.4205 dated 14 December 2001**
- 4. USQ No.5857 dated 03 May 2002**
- 5. USQ No.4926 dated 24 April 2003**

2.2 The implementation of the above mentioned assurances remained unfulfilled. The Ministry of Heavy Industries & Public Enterprises sought extensions of time on several occasions for fulfillment of the aforesaid assurances, as the White Paper on Heavy Industries could not be finalised due to various reasons.

2.3 The Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry) vide their O.M. No.F.No.2(9)/2003-Coord. dated 20 July 2004 had requested the Committee to drop the assurances *inter-alia* on the ground that sincere efforts were made by the Ministry towards preparation and finalization of the White Paper. However, the approval of the competent authority could not be obtained due to various reasons including changing circumstances from time to time. It was also stated that the Ministry were working out the details on the future of each Public Sector Enterprise in the light of the National Common Minimum Programme to be placed before the Board for Reconstruction of Public Sector Enterprises. This request of the Ministry was considered by the Committee at their

sitting held on 27 October 2004, in which the Committee decided not to drop the assurance. The Ministry were informed of the decision of the Committee.

2.4 Thereafter the Minister of State (Independent Charge) for Heavy Industries and Public Enterprises (Shri Sontosh Mohan Dev) vide his D.O. Letter No.2(9)/2003-Coord-72-F dated 31 January, 2005 requested the Committee to reconsider their decision afresh and drop the five assurances on the ground that the laying of White Paper on this subject was assured as a part of the policy of the previous Government. Sincere efforts were made towards preparation and finalisation of the White Paper but the same could not materialise due to various reasons including changing policy environment from time to time. Upon the formation of the present Government, the announcement of the new public sector policy in the National Common Minimum Programme has brought about a paradigm shift in the way the role and status of public sector enterprises would be viewed. The Department of Heavy Industries are working out details on the future of each PSE in the light of present policy for placing the same before the Board for Reconstruction of Public Sector Enterprises (BRPSE). Their future would be decided upon by the Cabinet after receipt of the recommendations of BRPSE. In this context, the preparation of a White Paper on PSEs of DHI at this stage may not serve any fruitful purpose, as decisions regarding several of the PSEs may take some time.

2.5 He also stated that there were two assurances in Rajya Sabha also on the same subject and upon their request, the Committee acceded to it.

2.6 The request of the Minister of State (Independent Charge) for Heavy Industries and Public Enterprises was considered by the Committee at their sitting held on 10 February 2005. However, the Committee did not agree with the

contention of Minister that the preparation of the White Paper at this stage will not serve any fruitful purpose and the Committee were of the firm view that 'White Paper' will definitely improve the deteriorating condition of Public Sector Enterprises and the Committee decided not to drop the assurance. Accordingly the Committee in their second report 2004-2005 (para 1.10) *inter-alia* observed that 'White Paper' will not change the policy of the Government, rather it will strengthen the hands of the Government".

2.7 The Ministry of Heavy Industries and Public Enterprises vide their letter No.21(14)/2005-Coord. dated 22 February 2006 with the approval of Hon'ble Minister of Heavy Industries and Public Enterprises once again requested the Committee to drop the five pending assurances on the ground that a Private Member Resolution regarding sick PSEs came up for discussion on 10 December 1999. It is observed that the then Minister, Heavy Industries & Public Enterprises, in reply to the Resolution and particularly replying about disinvestment stated that he was considering that a White Paper would have to be issued in the matter.

2.8 Accordingly, five assurances were given by this Department in reply to aforesaid Lok Sabha Questions from time to time. Consequent upon assumption of office by the present Government, a new public sector policy was announced in the National Common Minimum Programme (NCMP). The public sector policy contained there in is amply clear, which stipulates that while every effort will be made to modernize and restructure/sick public sector companies and revive sick industry, chronically loss making companies will either be sold off, or closed, after all workers have got their legitimate dues and compensation. A Board for Reconstruction of Public Sector Enterprises (BRPSE) has been constituted to make recommendations

on the revivability and future of the PSE. BRPSE has made recommendations on various revival measures including financial restructuring, fresh infusion of funds, manpower rationalization etc.

2.9 The Ministry further stated that Department of Disinvestment under the Ministry of Finance circulated a draft White Paper on "Disinvestment of Central Public Sector Enterprises". The proposed White Paper would cover the entire gamut of Disinvestment Policy etc. in respect of CPSEs. The entire issue in this regard would be dealt most appropriately by the Department of Disinvestment. As such the preparation of White Paper on PSEs of Department of Heavy Industry will not serve any fruitful purpose particularly when the Department of Disinvestment is already in the process of preparing a "White Paper on Disinvestment of Central Public Sector Enterprises". Moreover the Department of Heavy Industry are following the policy to revive ailing PSEs, as per NCMP.

2.10 In the light of the above, the Ministry requested that they may kindly be absolved from the obligation to fulfil the assurances referred to above and the Committee on Government Assurances may kindly be moved for dropping the assurances given in reply to aforesaid Lok Sabha Unstarred Questions. The Ministry also stated that the Committee on Government Assurances, Rajya Sabha have kindly agreed for dropping of two similar assurances.

2.11 The Committee note that five questions were asked from February 2000 to April 2003 regarding the proposal of the Government to bring out a white paper on heavy industries. In reply to each question an assurance was given by the Government that the said white paper was under preparation. Accordingly, a request for the second time was made to the Committee to drop these assurances, on the ground that the issue of 'white paper' is being dealt by the Ministry of Finance, Department of Disinvestment and that the Department is already in the process of preparing the white paper. The Committee considered this request at their sitting held on 31 May 2006 and noted that, as the Department of Disinvestment are already in the process of preparing the white paper, the preparation of white paper by the Department of Heavy Industry would not serve any purpose. As such, having been satisfied by the reasons advanced by the Ministry the Committee decided to drop the assurance.

(II) EXCISE DUTY EXEMPTION OF REFINERY

2.12 On 14 December 2001, Shri Sansuma Khunggur Bwiswmuthiary, M.P., addressed the following Unstarred Question No.4080 to the Minister of Finance:-

- “(a) whether the Union Government have contemplated to provide Excise Duty Exemption Benefit to `Bongaigaon Refinery & Petrochemicals Limited` (BRPL), Dhaligaon, Assam located in a backward Bodo tribal region in the line of Numaligarh Refinery so as to help facilitate revitalisation of Bongaigaon Refinery & Petrochemicals Limited;**
- (b) if so, the details thereof, including recent actions initiated so far in this regard; and**
- (c) if not, the reasons therefor?”**

2.13 In reply, the then Minister of State in the Ministry of Finance (Shri Gingee N. Ramachandran) stated as follows:-

- “(a) & (b) The matter of extending excise duty exemption to Bongaigaon Refinery & Petrochemicals Limited is under examination.**
- (c) Does not arise in view of (a) & (b) above.”**

2.14 The reply to the above question was treated as an assurance and was required to be fulfilled by the Ministry of Finance within three months of the date of the reply *i.e.* by 13 March 2002. However the assurance has not been fulfilled so far.

2.15 The Ministry of Finance vide O.M.No.337/35/2006-TRU dated 05 May 2006 requested for dropping of the assurance on the grounds that the issue of excise duty exemption to BRPL and other oil refineries was examined in 2002 budget and it was decided to extend a uniform 50% exemption from specified duties of excise to all the

four oil refineries in the North East Region, including BRPL. This exemption was initially granted under notification No.21/2002-Central Excise dated 01 March 2002 and is at present available under notification No.29/2002-Central Excise dated 13 May 2002.

2.16 Accordingly the Ministry, with the approval of the Minister of State for Finance, requested that the above report may be treated as fulfillment of assurance.

2.17 A question was asked on 14 December 2001 regarding Excise duty exemption of refinery. The question inter-alia sought information regarding Excise duty exemption benefit to Bongaigaon Refinery and Petrochemicals Limited (BRPL). In reply, the Government stated that the matter of extending excise duty exemption to Bongaigaon Refinery and Petrochemicals Limited (BRPL) is under examination. The reply was treated as an assurance. The Ministry, however, requested for dropping the assurance on the ground that the issue of excise duty exemption to BRPL and other oil refineries was examined in 2002 budget and it was decided to extend a uniform 50% exemption from specified duties of excise to all the four oil refineries in the North East Region, including BRPL. The Committee considered the request of the Ministry at their sitting held on 31 May 2006 and having been satisfied by the reasons furnished by the Ministry decided to drop the assurance.

(III) CORRUPTION CASES

2.18 On 18 December 2002, S/Shri Ram Rati Bind and Saiduzzama, M.Ps. addressed the following Unstarred Question No.4468, to the Minister of Communications and Information Technology:-

- “(a) the number of cases of corruption detected against officers/employees of Mahanagar Telephone Nigam Ltd. working in Delhi and Mumbai from Nov. 1, 1998 to October 31, 2002;**
- (b) the details of each case and the action taken so far in each case;**
- (c) whether no action has been taken on the complaints received from representatives of Unions and Members of Parliament during the said period;**
- (d) if so, the reasons therefor; and**
- (e) the time by which action will be taken against guilty personnels after investigating the matter?”**

2.19 In reply to the above question, the then Minister of State in the Ministry of Communications and Information Technology (Smt. Sumitra Mahajan) stated as follows:-

- “(a) 94 cases.**
- (b) Details of each case and details of action taken are given in the statement enclosed.**
- (c) No Sir. Action has been taken/initiated on the complaints received during the said period from the Union representatives and the Members of Parliament.**
- (d) Does not arise in view of (c) above.**
- (e) Guilty officers/officials have been punished in 29 cases. In 21 cases, allegations could not be established. For remaining disciplinary/**

prosecution cases, it is not possible to give specific time frame for their finalization as investigation/inquiry is done as per prescribed procedure in consultation with various authorities like Central Vigilance Commission & Union Public Service Commission etc.”

2.20 The above reply was treated as an assurance and was required to be fulfilled by the Ministry of Communications and Information Technology within three months of the date of reply i.e. by 17 March 2003. The assurance has not yet been fulfilled and the Ministry had sought extension of time upto 27 April 2006.

2.21 The Ministry of Communications and Information Technology requested for dropping of the said assurance vide their O.M. No.16-25/2002-VM.I dated 16 March 2004.

2.22 The request of the Ministry was considered by the Committee at their sitting held on 28 October 2004 and decided not to drop the assurance. Accordingly, the Committee in their Second Report strongly recommended that foolproof measures to tackle the menace of corruption should be initiated by the Government instantly (Para 1.16). The Ministry were informed of the decision of the Committee.

2.23 The Ministry of Communications and Information Technology vide their O.M. No.16-25/2002-VM.I dated 01 February 2006 again requested the Committee to reconsider their decision afresh and drop the assurance on the ground that out of 94 corruption cases in MTNL which were reported in reply to part (a) of the said question, 57 cases have been finally disposed of after following the prescribed procedure. At present, inquiry is under progress in only 8 departmental cases in which 17 officers/official are facing disciplinary proceedings. The remaining 29 cases are sub-judice in which 127 officers/officials are involved. In this connection, it may

be mentioned that the finalization of 8 departmental cases involving 17 officers may take some more time as this is a quasi-judicial matter. In these cases, prescribed procedure including consultation with various authorities like CVC, UPSC etc. is to be adopted as provided under the rules before the competent authority takes a final decision. As regards 29 cases involving 127 officers, which are *sub-judice*, the judicial process may take its own time and the department has no say in respect of these cases. Thus, these judicial cases will be decided by the concerned courts on their turn in due course.

2.24 In view of the above position, the Ministry, with the approval of MOS(C&IT), requested that this matter may kindly be placed again before the Committee for reconsideration of their earlier decision and the assurance may please be dropped.

2.25 The Committee note that a question was asked on 18 December 2002 regarding Corruption Cases. The question inter-alia sought information of the number of cases of corruption detected against officers/employees of MTNL working in Delhi and Mumbai. The detail of each case and the action taken on the complaints received from representatives of Unions and members of Parliament. In reply, it was *inter-alia* stated that action has been taken on the complaints received during the said period from the Union representatives and Members of Parliament and action has been taken in some cases. For remaining disciplinary/prosecution cases, it is not possible to give specific time frame for their finalization as investigation/inquiry is done as per prescribed procedure in consultation with various authorities like Central Vigilance Commission & Union Public Service Commission etc. The reply was construed as an assurance. However, the Ministry requested for dropping the assurance on the ground that out of 94 corruption cases in MTNL which were reported in reply to part (a) of the said question, 57, cases have been finally disposed of after following the prescribed procedure. At present, inquiry is under progress in only 8 departmental cases in which 17 officers/official are facing disciplinary proceedings. Further 29 cases are *sub-judice*. The Committee considered the request of the Ministry at their sitting held on 31 May 2006 and acceded to the request of the Ministry to drop the assurance.

(IV) DEVELOPMENT OF COAL AND IRON MINES BY SAIL IN FOREIGN COUNTRIES

2.26 On 9 May 2005, Shri Ateeq Ahmad, MP addressed the following Unstarred Question No. 6355 to the Minister of Steel:-

- (a) whether Steel Authority of India Limited (SAIL) has decided to develop and produce coal and iron after acquiring coal and iron mines in various countries;**
- (b) if so, the details thereof; and**
- (c) the time by when the work is likely to be started?**

2.27 In reply, the Minister of Chemical & Fertilizers and Minister of Steel (Shri Ram Vilas Paswan) stated as follows:-

(a) to (c): For the purpose of ensuring supplies on a sustained basis SAIL has plans to acquire equity stakes in overseas mines and is currently exploring the possibilities of forging strategic alliances with overseas coal mining companies. Several proposals are currently under consideration and examination for their suitability. No equity stake has been taken in any overseas mine as yet.

No plans have as yet been drawn up for developing iron ore mines in overseas territories.

2.28 The above reply was treated as an assurance and was required to be fulfilled by the Ministry of Steel within three months of the date of reply i.e. by 8 August 2005. The assurance is yet to be fulfilled.

2.29 The Ministry of Steel vide their O.M. No. 6/33/2005/S-CIP dated the February 2006 have requested to drop the assurance on the grounds that so far SAIL has not taken any equity stake in any overseas mine and no plans have yet been drawn up for developing iron ore mines in foreign countries. As acquisition and development of Coal & Iron Ore mines in foreign countries is a continuous process, fixing of time limit for such a process is not practical.

2.30 Accordingly, the Ministry requested to drop the assurance.

2.31 A question was asked on 9 May 2005 regarding 'Development of Coal and Iron Mines by SAIL in Foreign Countries. The question *inter-alia* sought information regarding the development and production of coal and iron mines after acquiring coal and iron by SAIL in foreign countries. In reply, the Government *inter-alia* stated that several proposals were currently under consideration and examination for their suitability. The reply was construed as an assurance. The Ministry, however, requested for dropping the assurance on the ground that so far SAIL has not taken any equity stake in any overseas mine and no plans have yet been drawn up for developing iron ore mines in foreign countries. According to them, as acquisition and development of Coal & Iron ore mines in foreign countries is a continuous process, fixing of time limit for such a process is not practical. The Committee considered the request of the Ministry at their sitting held on 31 May 2006 and having been satisfied by the reasons furnished by the Ministry decided to drop the assurance.

(V) AGREEMENT ON BUS-SERVICE WITH PAKISTAN

2.32 On 27 July, 2005, Dr. Rattan Singh Ajnala and S/Shri Rajender Kumar, Dalpat Singh Parste, Sukhdev Singh Dhindsa, Sardar Sukhdev Singh Libra, Subrata Bose and S.K. Kharventhan, MPs addressed the following Unstarred Question No. 451 to the Minister of External Affairs:-

- (a) whether an agreement was reached between India and Pakistan during recent months to start early bus-service between Amritsar and Lahore and to religious places like Nankana Sahib;**
- (a) if so, the current status of the said agreement;**
- (c) the various other issues discussed during the same period including the gains and progress made so far in each of them.**
- (d) whether the Government has made efforts to open the Kargil-Skardu and Kailash-Mansarovar roads for the benefit of pilgrims;**
- (e) if so, the details and the outcome thereof;**
- (f) whether Pakistan has offered for talks on bilateral issues including Kashmir as reported in the Times of India dated June 14, 2005; and**
- (f) if so, the details alongwith the reaction of the Indian Government thereto?**

2.33 In reply, the Minister of State in the Ministry of External Affairs (Shri E. Ahamed) stated as follows:-

(a) & (b): During the first technical talks in May 2005 between India and Pakistan on the Amritsar-Lahore/Nankana Sahib Bus Service, the two countries discussed the modalities for operationlization of the Amritsar-Lahore bus, and agreed in principle to start the Amritsar-Nankana Sahib Bus Service.

(c): During recent months, various other issues have been discussed with Pakistan, which, inter-alia, include enhancing interaction and cooperation across the LoC; reestablishing the Khokhrapar-Munnabao

route by 1st January 2006; opening the consulates General of the two countries in Mumbai and Karachi respectively

before the end of the current year; alleviating the situation of prisoners; taking forward the Iran-Pakistan-India pipeline projects; reactivating the Joint Commission as early as possible and an early convening of the Joint Business Council.

(d) & (e): India has proposed starting a Kargil-Skardu to Pakistan during President Musharraf's visit to India in April 2005. Pakistan's response is awaited. India has also proposed to China on several occasions the opening of an alternative route to Kailash-Mansarovar. Government is continuing efforts with both the countries to open the above-mentioned routes.

(f) & (g): Government is committed to continuing the present process of confidence-building, and discussing any outstanding bilateral issue with Pakistan, including the issue of Jammu and Kashmir, in an atmosphere free from terrorism and violence.

2.34 The above reply was treated as an assurance and was required to be fulfilled by the Ministry of External Affairs within three months of the date of reply i.e. by 26 October 2005, but the assurance is yet to be fulfilled.

2.35 The Ministry of External Affairs vide their letter No. J/I/125/28/2005 dated 7 February 2006 have requested to drop the assurance on the grounds that India had proposed starting a bus link connecting Kargil to Skardu in Pakistan during President Musharraf's visit to India in April 2005. But Pakistan had cited difficulties due to mountainous terrain. During the recent Foreign Secretary level talks in New Delhi on 17-18 January 2006, Foreign Secretary reiterated the proposal, but it was rejected by the Pakistan side.

2.36 The Government have proposed to the Chinese side, on several occasions in recent years, the opening of an alternative route to Kailash-Mansarovar through Demchok in Jammu & Kashmir or Shipki La in Himachal Pradesh. The Chinese have cited difficulty in opening these routes on the ground that it would involve travel over

longer distance on their side through difficult terrain, with poor road conditions and lack of proper infrastructure for accommodation and communications.

2.37 In the light of the above facts, the Ministry with the approval of Minister of State for External Affairs requested to drop the assurance.

2.38 A question was asked on 27 July 2005 regarding Agreement on Bus-Service with Pakistan. The question *inter-alia* sought information regarding Agreement on Bus-Service with Pakistan. In reply, the Government *inter-alia* stated that India had proposed starting a Kargil-Skardu to Pakistan during President Musharraf's visit to India in April 2005 and Pakistan's response was awaited. Similarly, India has also proposed to China on several occasions the opening of an alternative route to Kailash-Mansarovar and Government was continuing efforts with both the countries to open the above-mentioned routes. The reply was treated as an assurance. The Ministry, however, requested for dropping the assurance on the ground that India had proposed starting a bus link connecting Kargil to Skardu in Pakistan during President Musharraf's visit to India in April 2005. But Pakistan had cited difficulties due to mountainous terrain. During the recent Foreign Secretary level talks in New Delhi on 17-18 January 2006, Foreign Secretary reiterated the proposal, but it was rejected by the Pakistan side. Similarly, for opening of an alternative route to Kailash-Mansarovar route the Chinese have cited difficulty on the ground that it would involve travel over longer distance on their side through difficult terrain, with poor road conditions and lack of proper infrastructure for accommodation and communications. The Committee considered the request of the Ministry at their held on 31 May 2006 and decided to drop the assurance.

(VI) ERADI TRIBUNAL

2.39 On 16 August 2004, Smt. Krishna Tirath, M.P., addressed the following Unstarred Question No.2576 to the Minister of Water Resources:-

- “(a) whether the Eradi Tribunal set up in 1986, to settle the Punjab-Haryana-Himachal water sharing disputes has not yet submitted any report;**
- (b) if so, the reasons therefor; and**
- (c) by when it is likely to be submitted to the Government?”**

2.40 In reply, the Minister of State in the Ministry of Water Resources (Shri Jai Prakash Narayan Yadav) stated as follows:-

- “(a) & (b) The Ravi and Beas Waters Tribunal, also known as the Eradi Tribunal, constituted on 2nd April 1986 to verify the quantum of usage of water by the farmers of Punjab, Haryana and Rajasthan from the Ravi Beas system as on 1st July, 1985 and to adjudicate the claims of Punjab and Haryana regarding the shares in their remaining waters, forwarded a report dated 30th January 1987. References seeking explanation and guidance on certain points of the report were made to the Tribunal in August 1987 and are under consideration of the Tribunal.**
- (c) The period for forwarding of further report by the Tribunal has been extended upto 5th February, 2005.”**

2.41 The reply to the above question was treated as an assurance and was required to be fulfilled by the Ministry of Water Resources within three months of the date of the reply *i.e.* by 15 November 2004. However the assurance is yet to be implemented.

2.42 The Ministry of Water Resources vide O.M.No.20/BS/15/2004-I.T./80-82 dated 05 January 2006 have requested for dropping of the assurance on the grounds that tribunals being quasi-judicial, Central Government has no role in respect of (expediting/fulfilling) matters of consideration of tribunals. However, in order to fulfill

the assurance within the scope available to the Central Government in that regard, Hon'ble Minister of State for Water Resources in the letter dated 14 March 2005 addressed to the Hon'ble Member, had explained the position in the matter. The tenure of the Ravi & Beas Water Tribunal (Eradi Tribunal) for forwarding its further report, earlier extended upto 05 August 2005, has further been extended upto 05 February 2006 in view of the following. In its hearing held on 02 April 2005, the Tribunal felt it necessary to postpone the further hearing of the case to 20 August 2005 in view of the constitutionality of the Punjab Termination of Agreements Act, 2004 being pending before the Supreme Court. In the subsequent hearing held on 05 September 2005, the Tribunal considered it necessary to postpone the hearing again to await the Supreme Court's order, till 27 January 2006. As per Section 12 of the Inter-State River Water Disputes Act, 1956, the Tribunal can be dissolved by the Central Government after the Tribunal has forwarded its report and Central Government is satisfied that no further reference to the Tribunal in the matter would be necessary. In view of the same, the tenure of the Tribunal for forwarding its further report has been further extended upto 05 February 2006.

2.43 The Ministry further stated that Central Government has no role in expediting/fulfilling matters of consideration of tribunals. The position also having been explained to the Hon'ble Member in letter dated 14 March 2005.

2.44 In view of the above, the Ministry with the approval of Minister of State in the Ministry of Water Resources have requested that the assurance may be dropped.

2.45 A question was asked on 16 August 2004 seeking information regarding submission of Report by Eradi Tribunal. In reply, the Government inter-alia stated that the references seeking explanation and guidance on certain points of the report were made to the Tribunal in August 1987 and are under consideration of the Tribunal. The reply was construed as an assurance. However, the Ministry requested for dropping of the assurance on the ground that the Tribunal being quasi-judicial, Central Government has no role in respect of (expediting/fulfilling) matters of consideration of tribunals. The Committee considered the request of the Ministry at their sitting held on 31 May 2006 and decided to drop the assurance. However, they would like to be informed about the present status of submission of the Report by the Tribunal.

NEW DELHI;

3 August 2006

12Sravana 1928 (Saka)

HARIN PATHAK
CHAIRMAN

COMMITTEE ON GOVERNMENT ASSURANCES

MINUTES

TENTH SITTING

Minutes of the sitting of the Committee on Government Assurances (2005-2006) held on 31 May 2006 in Committee Room No. 53, Parliament House, New Delhi.

The Committee sat from 1100 hours to 1200 hours on Wednesday 31 May 2006.

PRESENT

Chairman

Shri Harin Pathak

Members

2. Shri. J.M. Aaroon Rashid
3. Shri Anandrao Vithoba Adsul
4. Shri Ajit Singh
5. Shri Mohan Jena
6. Shri Sunil Khan
7. Shri Rasheed Masood
8. Shri Kailash Meghwal
9. Shri A. Venkatesh Naik
10. Shri M. Shivanna

Secretariat

1. Shri P. Sreedharan - Joint Secretary
2. Shri T.K. Mukherjee - Director
3. Shri B.S. Dahiya - Under Secretary

the outset, the Chairman welcomed the Members to the sitting of the Committee apprised them about the agenda of the sitting. Thereafter, the

Committee considered the Draft Twelfth Report regarding requests for dropping of assurances and after discussion adopted the same without any amendment. The Committee authorized the Chairman to finalise the report and to present the same to the House. Thereafter, the Committee considered the following ten memoranda containing requests received from various Ministries for dropping of pending assurances:-

Memorandum No.89 Request for dropping of assurances given in reply to various USQs tabled from 25 February 2000 to 24 April 2003 regarding "White Paper on Public Enterprises".

Committee considered the above Memorandum and noted that the Department Disinvestment under the Ministry of Finance have circulated a draft White Paper on "Disinvestment of Central Public Sector Enterprises", which would cover the entire gamut of Disinvestment Policy etc. in respect of Central Public Sector Enterprises. The entire issue in this regard would be dealt most appropriately by the Department of Disinvestment. As such the preparation of White Paper on PSEs of Department of Heavy Industry will not serve any fruitful purpose particularly when the Department of Disinvestment are already in the process of preparing a "White Paper on Disinvestment of Central Public Sector Enterprises". The Committee, therefore, agreed to the plea of the Government and decided to drop the assurances.

Memorandum No.90 Request for dropping of assurance given on 14 December 2001 in reply to USQ No. 4080 regarding "Excise duty exemption of refinery".

The Committee considered the above memorandum and noted that the issue of excise duty exemption to Bongaigaon Refinery and Petrochemicals Limited (BRPL) and other oil refineries was examined in 2002 budget and it was decided to extend a

uniform 50% exemption from specified duties of excise to all the four oil refineries in the North East Region, including BRPL and this exemption was at present available. Accordingly, the Committee were convinced with the grounds put forward by the Government and decided to drop the assurance.

Memorandum No.91 Request for dropping of assurance given on 7 March 2002 in reply to SQ No. 110 regarding "Allotment of LPG Agencies/Petrol Pumps to Widows in ITBP and BSF"

Committee considered the above memorandum and noted with concern that the Ministry could allot only 51 dealerships/distributorships so far though the scheme was introduced in April 2001. The Committee, therefore, reiterated their earlier stand that the process of allotment of dealerships/distributorships should be streamlined and should also be made more effective. The Committee, therefore, decided not to drop the assurance and to take oral evidence of the representatives of the Ministry in this regard.

Memorandum No.92 Request for dropping of assurance given on 18 December in reply to USQ No. 4468 regarding "Corruption Cases"

Committee considered the above memorandum and noted that out of 94 corruption cases in MTNL, 57 cases have been finally disposed of after following the prescribed procedure. The Committee also noted that at present, the inquiry is under progress in only 8 departmental cases in which 17 officers/official are facing disciplinary proceedings and the remaining 29 cases are *sub-judice* in which 127 officers/officials are involved. The Committee, therefore, decided to drop the assurance, however they desired to be apprised, of the final decision in all the cases.

Memorandum No.93 Request for dropping of assurance given on 6 May 2005 in reply to USQ No. 6249 regarding "Legislation on Insurance Sector"

The Committee considered the above memorandum and noted that the Committee Expert has submitted its report to the Insurance Regulatory and Development Authority (IRDA) which will formulate its views to enact a law for the amendments in the concerned Acts. The Committee, therefore, desired that the merger of Insurance Act, 1938, Insurance Regulatory and Development Authority (IRDA) Act, 1999, deletion of redundant provisions in these Acts and setting up of Grievances Redressal Mechanism as recommended by the Law Commission of India in its 190th report should be expedited. The Committee, therefore, desired that the Government should come out with the legislation and decided not to drop the assurance.

Memorandum No.94 Request for dropping of assurance given on 9 May in reply to USQ No. 6355 regarding "Development of Coal and Iron Mines By SAIL in Foreign Countries."

Committee considered the above memorandum and noted that acquisition and of Coal & Iron Ore mines in foreign countries is a continuous process and fixing of time limit for such a process may not be practical. The Committee were, therefore, convinced with the grounds forwarded by the Government and decided to drop the assurance.

Memorandum No.95 Request for dropping of assurance given on 10 May 2005 in reply to USQ No. 6744 regarding "Product Patenting"

The Committee considered the above memorandum and noted that Patent Office has 4384 requests pending for disposal covering both product and process in

all sectors of technologies out of which, 2280 are in the category of pharmaceuticals and are currently under process. The Committee also noted that in order to accelerate the process of grant of patent, the Government has taken up comprehensive modernization of Patent Offices. The Committee, therefore, desired that the said modernization should be expedited and pending applications should be disposed of at the earliest. The Committee also desired that the time taken in other countries in granting patent be communicated to them and decided not to drop the assurance.

Memorandum No.96 Request for dropping of assurance given on 26 July 2005 in reply to USQ No. 235 regarding "Development of New Cities"

The Committee considered the above memorandum and noted that the House was assured that the proposals for setting up of new townships in the National Capital Region were at a preliminary stage and details regarding costs and financing pattern were being finalised. The Committee, therefore, desired that a status report highlighting the present position of the said proposal should be furnished to them. The Committee, therefore, decided not to drop the assurance.

Memorandum No.97 Request for dropping of assurance given on 27 July 2005 in reply to USQ No. 451 regarding "Agreement on Bus-Service with Pakistan"

The Committee considered the above memorandum and having convinced by the reasons forwarded by the ministry decided to drop the assurance.

Memorandum No.98 Request for dropping of assurance given on 16 August 2004 in reply to USQ No. 2576 regarding "Eradi Tribunal"

The Committee considered the above memorandum and noted that the Punjab, Haryana and Himachal water sharing disputes were under consideration of a tribunal and the tribunal being quasi-judicial, Central Government had no role in respect of expediting/fulfilling matters of consideration of tribunals. Accordingly, the Committee, decided to drop the assurance.

The Committee then adjourned.

MINUTES

TWELFTH SITTING

Minutes of the sitting of the Committee on Government Assurances (2005-2006) held on 03 August 2006 in Chairman's Chamber, Room No.133, Parliament House Annexe, New Delhi.

The Committee sat from 1500 hours to 1530 hours on Wednesday 03 August 2006.

PRESENT

Chairman

Shri Harin Pathak

Members

2. Shri J.M. Aaroon Rashid
3. Shri Anandrao Vithoba Adsul
4. Shri Jigajinagi Ramesh Chandappa
5. Shri Biren Singh Engti
6. Shri Mohan Jena
7. Shri A. Venkatesh Naik
8. Shri M. Shivanna
9. Shri Aruna Kumar Vundavalli

Secretariat

1. Shri P. Sreedharan - Joint Secretary
2. Shri B.S. Dahiya - Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee and apprised them about the work done by the Committee during the year. He expressed his sincere thanks to the Members for their whole hearted cooperation and valuable contribution in the functioning of the Committee. He,

then informed the Committee of the agenda for the sitting. Thereafter, the Committee considered the draft Thirteenth Report regarding requests for dropping of assurances. After some discussion, the Committee adopted the report and authorized the Chairman to present the same to the House.

The Committee then adjourned.

