

**THIRTY SIXTH REPORT**

**COMMITTEE ON PUBLIC UNDERTAKINGS**

**(2008-2009)**

**(FOURTEENTH LOK SABHA)**

**THE FUNCTIONING OF ANDAMAN & NICOBAR  
ISLANDS FOREST AND PLANTATION DEVELOPMENT  
CORPORATION LIMITED**

**MINISTRY OF ENVIRONMENT AND FORESTS**



**Presented to Lok Sabha on 25-02-2009**

**Laid in Rajya Sabha on 25-02-2009**

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

**February, 2009 / Phalguna 1930(S)**

CONTENTS

	Page No.
Composition of the Committee (2008-2009)	(iii)
Introduction	(v)
<b>Part- A Report</b>	1
A. Background	1
B. Mandate of the Corporation and Impact of the Supreme Court Ban	1
C. Restructuring /Revival of the Corporation	11
D. Viability of Plantation Projects	15
E. Diversification Plans	16
F. Wages of Industrial Workers	18
G. Financial Performance-Waiving of Loans	20
H. Board of Directors	22
<b>Part – B Recommendations/observations of the Committee</b>	24
<b>Annexures</b>	
Minutes of the sittings of the Committee	30

**COMPOSITION OF THE  
COMMITTEE ON PUBLIC UNDERTAKINGS (2008 - 2009)**

**Shri Rupchand Pal - Chairman**

**Members**

**Lok Sabha**

2. Shri Ramesh Bais
3. Shri Gurudas Dasgupta
4. Smt. Sangeeta Kumari Singh Deo
5. Shri Francis K. George
6. Dr. Vallabhbhai Kathiria
7. Shri Harikewal Prasad
8. Shri Kashiram Rana
9. Shri Mohan Rawale
10. Shri K.C."Baba" Singh
11. Smt. Pratibha Singh
12. Shri Bharatsinh Madhavsingh Solanki
13. Shri K.V.Thangkabalu
14. Shri Rajesh Verma
15. Shri Ram Kripal Yadav

**Rajya Sabha**

- 16 Shri Rahul Bajaj
- 17 Shri R.K. Dhawan
- 18 Shri Sharad Anantrao Joshi
- 19 Shri K. Chandran Pillai
- 20 Shri Vijaykumar Rupani
- 21 Shri Arjun Kumar Sengupta
- 22 Shri Amar Singh

**Secretariat**

- |   |                    |                            |
|---|--------------------|----------------------------|
| 1 | Shri J.P. Sharma   | Joint Secretary            |
| 2 | Smt. Anita Jain    | Director                   |
| 3 | Shri Ajay Kumar    | Deputy Secretary-II        |
| 4 | Smt. Malvika Mehta | Senior Executive Assistant |

## **INTRODUCTION**

I, the Chairman, Committee on Public Undertakings having been authorized by the Committee to submit the Report on their behalf, present this Thirty Sixth Report on the Functioning of Andaman & Nicobar Islands Forest and Plantation Development Corporation Limited.

2. The Committee on Public Undertakings (2008-2009) during their Study Visit to Port Blair on 20<sup>th</sup> January, 2009 had informal discussions with the representatives of Andaman & Nicobar Islands Forest and Plantation Development Corporation Ltd. (ANIFPDC). After their interaction with the representatives of the Corporation, the Committee decided to make a Report on the subject.

3. The Committee had an informal discussion with the representatives of ANIFPDC on 20<sup>th</sup> January, 2009 and further, took oral evidence of the representatives of Ministry of Environment and Forests on 6<sup>th</sup> February, 2009.

4. The Committee on Public Undertakings (2008-09) considered and adopted this Report at their sitting held on 24<sup>th</sup> February, 2009.

5. The Committee wish to express their thanks to the representatives of the Andaman & Nicobar Islands Forest and Plantation Development Corporation Limited and Ministry of Environment and Forests for placing before them the desired material and information in connection with the examination of the subject. The Committee would also like to place on record their appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

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

New Delhi:  
24<sup>th</sup> February, 2009  
5 Phalgun, 1930 (Saka)

**Rupchand Pal**  
**Chairman,**  
**Committee on Public Undertakings**

## **PART A**

### **REPORT**

#### **A. Background**

1. The Committee on Public Undertakings (2008-09) during their Study Visit from 19<sup>th</sup> to 23<sup>rd</sup> January, 2009, had held informal discussions with the representatives of Andaman & Nicobar Islands Forest and Plantation Development Corporation Limited (ANIFPDC) about its functioning at Port Blair on 20<sup>th</sup> January, 2009. During the discussion, the Committee had found that the Corporation was in a state of utter deprivation and its functioning had been severely affected on account of several issues such as the ban imposed by the Supreme Court on its forestation activities, pending decisions regarding restructuring of the Corporation, dispute between the Corporation and its employees regarding revision of pay, pending loan etc. The Committee felt that all these issues required immediate attention and hence, it was decided that a report be made on the subject.

The various issues, which are crucial in the functioning of the Corporation, have been dealt with by the Committee in detail in the succeeding paragraphs.

#### **B. Mandate of the Corporation and Impact of the Supreme Court Ban**

2. The Andaman & Nicobar Islands Forest and Plantation Development Corporation Ltd. (ANIFPDC), a Government of India Public Sector Undertaking, under the administrative control of Ministry of Environment and Forests (MoEF) was established in 1977 with the main objective of developing and managing forestry plantations on the Islands. The authorized share capital is Rs. 600 lakhs and the present paid-up capital is Rs. 359 lakhs. The President of India holds all shares except one share each held by Director General of Forests and Special Secretary, Ministry of Environment and Forests, GOI and Lieutenant Governor, Andaman and Nicobar Administration.

3. The main objectives of the Corporation as submitted in their written replies are as follows:-

“Scientific harvesting, natural regeneration and developing of forest resources on the principle of obtaining sustained annual yield. To plant, grow cultivate, produce and raise plantations of various agricultural & horticultural crops, forest species of proven utility, aromatic plants, etc. To establish, administer, own and run industries for manufacturing forest, agricultural and horticultural produces, etc. To carry on the business of planters, cultivators, producers, sellers and dealers in timber and such other products and to manufacture, dispose, sell and deal in products of natural forests, agricultural plantations, horticultural crops, aromatic plants, etc. To protect and maintain wildlife and other natural resources. To undertake projects of tourism development and any other activities.”

4. When asked to explain the mandate of the Corporation and to state whether the same has been achieved/is being achieved, the Ministry of Environment and Forests in their written replies stated the following:-

“The detailed objectives, as given in the Memorandum of Association are:-

- a. To provide the necessary infrastructure to harvest and develop forest resources, to promote forest resources based industries, to arrange marketing of timber and other forest resources on the mainland and abroad.
- b. To plant, grow, cultivate, produce, and raise plantations of various forest species of proven utility and other agricultural, plantation, horticultural crops, medicinal and aromatic plants and to buy, sell, export, import, process, distribute or otherwise deal with all kinds of forest crops, natural products, agricultural, plantation and horticultural crops, medicinal and aromatic plants.
- c. To carry on the business of planters, cultivators, producers, sellers and dealers in timber, processed or not and such other products of every description and to manufacture, dispose of, sell and deal in products of natural forest and forest plantations, agricultural, plantation and horticultural crops and medicinal and aromatic plants.

- d. To establish, administer, own and run industries for manufacturing forest products, agriculture, plantation and horticulture products, medicinal and aromatic plants.
- e. To conduct and contract for training and research connected with the integrated development of forest resources of the islands and cultivation as well as processing of agricultural, plantation and horticultural crops, medicinal and aromatic plants.
- f. To maintain and improve Wild Life and other Natural Resources.

In order to achieve the above objectives, the Corporation had been engaged in the following activities before the imposition of the ban imposed by the Supreme Court vide its letter order dated 10<sup>th</sup> October, 2001:

- (a) “Harvesting and marketing of timber in the leased out area at Little Andaman and North Andaman.
- (b) Red Oil Palm Plantation at Little Andaman.
- (c) Rubber Plantation at Katchal.
- (d) Small scale plantation of horticulture and aromatic species at Little Andaman and South Andaman
- (e) Small scale tourism at Little Andaman

The Corporation was largely involved in extraction and marketing of timber which yielded around 70% of the turn over, till 2001. Till such time, apart from revenues earned from the other projects, the Corporation achieved its goal of doing business in the forestry sector and earning surplus revenue, from which it paid dividend as well as Taxes to the Public Exchequer. It also provided direct employment to more than 2000 persons apart from indirect beneficiaries. Because of its performance the Corporation was awarded the status of a ‘Mini-Ratna’ in 1997.

After the ban imposed by the Hon’ble Supreme Court the harvesting of timber in Little Andaman and North Andaman projects was totally stopped. Since the end of 2005 and at present the Corporation is engaged in extraction of timber in worked forest area as an agent of the forest department, in accordance with approved Working Plans. Both the

Plantation projects of Rubber and Red Oil Palm are losing projects due to age as well as non-viable sizes. Therefore, the Corporation is earning less than its expenses on wages, salaries, statutory payments and maintenance costs.”

5. The Committee, having noted that due to the ban imposed by the Supreme Court vide its order dated 10<sup>th</sup> October 2001, the Corporation has been converted from a profit-making mini-ratna to a loss-making PSU. Questioned about the background of the circumstances leading to the Supreme Court order, the Ministry of Environment and Forests in their written replies submitted as under:-

“Originally a writ petition was filed by T N Godavarman Thirumalpad Vs Union of India and others vide W.P. (C) No. 202 of 1995 where the Society for Andaman and Nicobar Ecology (SANE), Bombay Natural History Society (BNHS) and Kalpavriksh intervened and challenged the legality and ecological safety of commercial forestry being practiced at that time in the Little Andaman Island.”

6. On being queried as to how the judgment has impacted the functioning of the Corporation and the response of the Government to the same, the Ministry of Environment and Forests stated the following:-

“Complete ban on felling of naturally grown trees imposed by the Hon’ble Supreme Court, completely crippled the flagship projects of Little Andaman and North Andaman Forestry operations, thereby making the Corporation lose its earning capacity by 75 % and converting it into a loss making PSU. The A & N Administration has also filed I.A. seeking the Court permission for permitting the functioning of the Corporation.”

7. In this regard, the Chairman, Committee on Public Undertakings, during oral evidence of the representatives of the Ministry of Environment and Forests stated the following:-

“There have been two mandates of the Corporation. One is the development of the forestry and the second one is the management of the forestry. I think, in spite of the Supreme Court’s intervention, both the



principle objectives are very much in tact and applicable in India. Even the Supreme Court has never banned the development of forestry. The management of forestry, which is associated with the development, has also not been banned. That is the first thing. The original mandate is intact..... We interacted with all the concerned people when we visited Andaman and we came to the conclusion that the original mandate is very much in tact. The Government instituted several Committees, Commission and all these. There had been one man Commission and also other studies had come up. But nowhere has it been stated that the original mandate needs to be radically changed. That is my impression.”

8. Further, during evidence, it was asked as to what was the plea of the Government to the Supreme Court to protect the mandate of the Corporation when the original Writ Petition came. To this the Ministry of Environment and Forests in their written submission stated as under:-

“Detailed Affidavit (IA No. 918 of 2003) was filed in Supreme Court by Andaman & Nicobar Administration seeking variation of the order of the Supreme Court dated 07-05-2002 wherein the Court was informed about the adverse consequences due to loss of employment to nearly 2000 employees of the Corporation as well as direct or indirect affect on nearly 10,000 persons living and settled in the Islands. The Court was informed that the closure of the Corporation will aggravate the socio-economic scenario further- leading to destitution and frustration of a large number of people. The loss of job opportunities may create law and order problems and an increase in irregularities, poaching and undesirable activities.”

9. When asked whether any Commission or Committee appointed by the Government or any study or any recommendation have ever contested the original mandate, the Ministry submitted the following:-

“Prior to Supreme Court order, no Commission or Committee or any study or any recommendation contested original mandate of the Corporation. At the instance of the Supreme Court, Prof. Shekhar Singh was appointed as

Commissioner by the Ministry of Environment and Forests in the year 2001-02. His report recommended the closure of the Corporation. “

10. The Committee, while feeling that there are experts holding key positions in International Environmental Organizations, asked the Ministry why one man Commission was suddenly set up by the Government at the instance of the Supreme Court. The Ministry stated in their written replies as under:-

“The Orders of the Supreme Court were made in I.A. No. 502 in W.P. No. 202 of 1995. The Hon’ble Supreme Court, in its wisdom, appointed Prof. Shekhar Singh as Commissioner for an independent survey of A&N ecology, specifically in regard to the state of forests and to what extent the cutting of trees, if any, could be protected, and what was required to be done to improve the ecology, and forest cover of the area.”

11. Regarding the current status of the Interim Appeal filed by the Andaman & Nicobar Islands Administration seeking permission for the functioning of the Corporation, the Ministry stated the following:-

“I.A. No. 918 of 2003 was filed by the Andaman & Nicobar Administration - Application for variation of order dated 07.05.2002 regarding closure of Andaman Trunk Road (ATR) and Andaman & Nicobar Islands Forest and Plantation Development Corporation Limited. The application dated 13.03.2003 came up for hearing on 18.02.2005. The Hon’ble Court was pleased to grant the Administration a period of six weeks to file the supplementary affidavit. Supplementary affidavit limited to the matter relating to the closure of ATR passing through Jarawa Reserve was filed on 22.02.2005. Final decision in the matter is awaited.”

12. The Committee during the oral evidence of the representatives of the Ministry of Environment and Forests stated that it was felt that the Corporation’s case was not taken up properly in the Supreme Court and they were not sure whether it was brought to the Court’s notice that if the Corporation were to be wound up, a lot of people would be unemployed leading to a section of disgruntled people in a very sensitive area of our country security-wise. On

being asked to explain their stand, the Ministry of Environment and Forests stated:-

“Detailed Affidavit raising all the above issues were filed in the Supreme Court of India seeking the permission of the Court for the continued functioning of the Corporation.”

13. Further, during oral-evidence, the Committee stated that:-

“The Supreme Court did not ask the closure of the Corporation. It only said trees cannot be felled. That was the judgment of the Supreme Court. Now, after the judgement of the Supreme Court, seven years have passed. In 2001, the order was given, and prior to that, for a number of years, the case was pending. Then, there have been accumulated losses. The story is that a Mini Ratna company became a pauper. During all these seven years, what was the Ministry doing to protect this Corporation? If you have decided prematurely that this Corporation will be wound up, then that is separate. Therefore, the question arises, what is the role of the Ministry with regard to the functioning of the public sector? What is the role?”

14. The response by the Ministry to the queries stated above was the following:-

“Realising the sensitivity of the Andaman & Nicobar Islands, the Ministry was not of the view to wind up the Corporation. A decision was taken in a meeting chaired by the Hon’ble Minister (E&F) to allocate some interim work to the Corporation and to raise the issue at the level of the Deputy Prime Minister.... The view of the Ministry is to continue the Corporation by exploring alternative profit centres, downsizing the Corporation and further diversifying its activities in which its employees can be gainfully employed.... Presently the work of harvesting of timber as per the approved work plans is being done by the Corporation. The decision was also taken to provide interim loans to the Corporation to help it tide over the financial situation and a study was entrusted to one of the foremost professional organisations, i.e. Tata Consultancy Services (TCS) to study and formulate a revival plan for the Corporation.”

15. Regarding the legal steps taken by the Government to vacate the Supreme Court Order, the Ministry of Environment and Forests stated:-

“IA No. 918 was filed in the Supreme Court in March, 2003 by Andaman & Nicobar Administration seeking the continuation of the work of the Corporation.”

16. The Ministry were asked whether after the Supreme Court verdict, any kind of timber cutting and removal work has been undertaken for purpose of regeneration process. The Ministry replied as under:-

“Extraction of timber is being carried out strictly in accordance with approved working plans as directed by the Supreme Court. The operation is to be followed by regeneration operations by the Forest Department.”

17. The Committee queried whether under the National Environment Policy, the felling of trees is totally banned in India or it is banned in any part of the country or it is partially banned. The Ministry stated the following in their written replies:-

“The National Forest Policy, 1988 stipulates that tropical rain / moist forest, particularly in areas like Andaman & Nicobar Islands should be totally safeguarded. It further provides that even production forestry programmes should not entail clear felling of adequately stocked natural forests. The principle is the protection of ecologically sensitive area and preservation of bio-diversity.”

18. It was asked whether the felling of trees is totally banned only in the Andaman and Nicobar Islands, to which the Ministry replied:-

“Felling of trees is allowed as per the provisions contained in approved working plans in the Andaman & Nicobar Islands.”

19. In this connection, the Special Secretary, MoEF, during oral evidence added the following: -

“Under the Forest Conservation Act, no forest in the country can be worked unless there is a Working Plan duly prepared and approved by the Government of India and that is how tree felling now takes place on forest land only through the medium of approved Working Plans.... 5 Working Plans have already been prepared and all of them have been approved.”

20. The Committee further asked whether the Government maintains any record of felling of trees. The Ministry submitted the following:-

“The Supreme Court Order stipulated that no felling can take place other than those approved in the Forest Working Plans. Accordingly, from 2005 onwards the Corporation has been assigned forest coupes for extraction of timber and supply in log forms to the A&N Forest Department on the basis of felling list (marking list) provided by the respective Divisions of the Forest Department based on approved Working Plans. A log wise detailed list (measurement book) is maintained which is subsequently used for recovery of cost of felling, logging and dragging.”

21. The Committee also asked whether the activities of the Corporation (which was set up in 1977) were reviewed in the light of the provisions of the Forest Conservation Act, which was passed in 1980. The Ministry replied as under:-

“After the ban imposed by the Supreme Court’s orders, the activities of the Corporation were reviewed by the Ministry through studies / committees.”

22. The Special Secretary, MoEF, during oral evidence stated the following in this regard: -

“Since naturally grown forests should not be removed in order to plant exotic species, guidelines were issued in 1985 by this Ministry not to undertake such species by taking out the existing vegetation in whatever form it is.”

23. The Committee asked that though under the Forest Conservation Act, 87% of Andaman & Nicobar Islands Forest area is required to be protected because of soil erosion, why was the mandate of the Corporation not revisited at

that time i.e. in 1980 leading to the present sorry state of affairs. The Ministry stated the following in reply:-

“Till the Hon’ble Supreme Court of India passed orders banning felling of trees in 2001, there were no problems regarding the working of the forestry project of the Corporation and it continued to generate healthy profits. As such, no need was felt for any review of this aspect of the Corporation working. Moreover, the Forest (Conservation) Act, 1980 has no such specific provisions in respect of the Andaman & Nicobar Islands or for any State.”

24. The Committee queried why any special provision was not made in the National Forest Act, 1980 in the case of Andaman & Nicobar Islands considering the strategic importance of employing the people who are settled there, to which the Ministry replied thus:-

“The Forest (Conservation) Act, 1980 was made by the Government making prior approval of the Central Government necessary for dereservation of reserved forests and for use of forest land for non-forest purposes. It extends to the whole of India except the State of Jammu & Kashmir and there are no specific provisions in respect of Andaman & Nicobar Islands or for any State for that matter. “

25. In this regard, the Special Secretary, MoEF made the following remarks: -

“Sir, the conservation-oriented harvesting of forest in the country emanated out of the National Forest Policy, 1988 in view of the need of conservation of balance forest left in the country, which is of the order of 1/5<sup>th</sup> of the geographical area, that is, the forest cover. Earlier, lots of exploitation of forest had taken place in several parts of the country. This was the fulcrum of the National Forest Policy, 1988. Prior to that, in 1980, the Forest Conservation Act, 1980 was promulgated according to the guidelines of which no non-forestry activity can anywhere take place without the approval of the Government of India through the Ministry of Environment and Forests. Under the guidelines, planting of tree species like red-oil palm, rubber, tea, coffee and a few other species on forest land

would be considered as non-forestry activity. If any user agency seeks permission from the Government of India -- through the particular State Government -- it has to establish that that species has been a part of the forest of that region for so many years past. It means that it has been one of the indigenous species.

As regards rubber, it was started in the late 1960s. Of course, rehabilitation of Sri Lankan expatriates and the physical maturity came. Besides, there were also directions in respect of Andaman, which is strategically so important; geologically very fragile; and extremely eco-sensitive.

It has got erodible soil and rainfall being high, it is very much susceptible to erosion and that is why 87 per cent forest cover that was there is required to be protected. These species were considered as exotic by virtue of their introduction in the island for the last 30-40 years. They said that no exotic species would be planted, natural forest would be maintained and in the worked out forests where work has already taken place, the regeneration has subsided greatly. In fact, in 2001, in another inter-locutory application, the court had observed that even if physically mature and exploitable trees are present in a unit area, they are not necessarily to be removed unless assured regeneration exists on the ground. Possibly in the years gone by, due to timber working and less emphasis on regeneration efforts, certain parts of Andaman had become deficient in regeneration of natural species. That is how the emphasis on indigenous species and less emphasis on rubber in the present day.”

### **C. Restructuring /Revival of the Corporation**

26. As regards the restructuring/revival of the Corporation, the Ministry were asked to furnish brief details of the restructuring proposal of the Corporation. The Ministry in their written submission stated as under:-

“A revised restructuring proposal has been submitted by ANIFPDCL through the PCCF (Principal Chief Conservator of Forests), A&N Island which proposes the following :-

- (a) Downsizing the Corporation by offering VRS/VSS

- (b) Continue the forestry project
- (c) Phase out the Red Oil Palm project by 2015
- (d) Closing down the rubber Plant project or continue for few more years.
- (e) Diversification activities like development of tourism, Research & Consultancy, Training, etc.
- (f) Proposing for converting the Govt. loan sanctioned so far into paid up capital & waiving off the interest accrued thereon.”

27. On being asked for how long the restructuring proposal has been pending with the Government and what efforts have been made by the Government to finalise and implement it, the Ministry stated in their written replies:-

“A Cabinet Note on restructuring was submitted to the Cabinet Secretariat in December, 2005 and it was listed for the meeting of the Cabinet scheduled for 29.12.2005. However, the same could not be taken up. Thereafter another note for the Cabinet was prepared and submitted vide our letter dated 25.07.2006. The Cabinet Note proposed VRS to 83% of the employees. However, the same could not be taken up by the Cabinet and the matter has remained pending till date. Now, another revised restructuring proposal has been recently submitted by ANIFPDCL through the PCCF, A&N Island which is being examined.”

28. The Ministry also stated that:-

“The Cabinet Note could not be taken up by the Cabinet on 29.12.2005. Thereafter it was resubmitted in July, 2006. However the same could not be taken up and was returned back for some procedural modifications and the direction that the Prime Minister’s office may also be consulted in the matter.”

29. When asked why there has been an inordinate delay in finalisation of the revival package, the Ministry submitted as under:-

“The Ministry had entrusted Tata Consultancy Services to submit a plan for revival of the Corporation which submitted its report in 2004. However,



on 26<sup>th</sup> December, 2004 a devastating earthquake and Tsunami hit the Islands which caused widespread damage to life and property. Therefore, it was difficult to take a decision on downsizing and VRS of the employees who were living and settled in the Islands. Subsequently, the Ministry constituted a Scientific Expert Committee led by Prof. C. R. Babu to evaluate Shekhar Singh Commission's recommendations and recommend good practices for environmental protection in Andaman & Nicobar Islands while not unnecessarily impeding their sustainable development.

A Cabinet Note on restructuring of the Corporation was submitted to the Cabinet Secretariat in December, 2005 and was listed for the meeting of the Cabinet scheduled for 29.12.2005. The Cabinet Note could not be taken up by the Cabinet on 29.12.2005. Thereafter it was resubmitted in July, 2006. However the same could not be taken up and was returned back for some procedural modifications and the direction that the Prime Minister's office may also be consulted in the matter. Now, another revised restructuring proposal has been recently submitted by ANIFPDCL through the PCCF, A&N Island which is being examined."

30. With regard to the recommendation made by the Shekhar Singh Committee for closure of the Corporation, it was asked whether his recommendation was accepted and at what level, the decision was taken to continue the Corporation. In their written replies, the Ministry submitted as under:-

"The Hon'ble Supreme Court in its order dated 7<sup>th</sup> May 2002 accepted the report of the Shekhar Singh Commission in the first instance and passed specific orders on many recommendations. As one of the orders was an imposition on felling of trees, other than as per approved working plans, the forestry operations effectively came to a stop.... In a meeting held under the Chairmanship of the Minister, E & F on 11.12. 2002 regarding future of the Corporation which was also attended by the Lt. Governor of A&N Islands, Member of Parliament, A&N Islands and senior officers of the MoEF, following decisions were taken:

- a). To hand over harvesting of the timber, amongst other commercial activities to the Corporation, as a corollary to declaration of A&N Forest Department as a service Department.
- b). Implementation of VRS scheme in the Corporation to reduce manpower.
- c). Financial Grant to be given to the Corporation to tide over the situation.
- d). To convene a meeting to discuss the fate of the Corporation at the level of the Dy. Prime Minister.

Consequently, a meeting was convened under the chairmanship of Dy. Prime Minister on 17<sup>th</sup> October, 2003 wherein the following decisions were taken:

- a. The Corporation be given responsibility of extraction of 30,000 cu.m. timber as per approved working plans.
- b. Downsizing of the Corporation by offering VRS /VSS package to surplus employees.
- c. To tide over the financial crisis, immediate financial assistance to be arranged by the Ministry.
- d. A Cabinet Note be formulated for seeking the revival of the Corporation.”

31. The Ministry also stated:-

“The MoEF decided to appoint Tata Consultancy Services (TCS) to prepare a revival plan for the Corporation and a report was submitted by them in 2004. Subsequently, the Ministry constituted a Scientific Expert Committee led by Prof. C. R. Babu to evaluate Shekhar Singh Commission’s recommendations and recommend good practices for environmental protection in Andaman & Nicobar Islands while not unnecessarily impeding their sustainable development.”

32. In this regard, the Committee made the following remarks during oral evidence of the representatives of the Ministry of Environment and Forests: -

“There is a need to keep the Corporation, the activities of the Corporation there because it is a very sensitive place. If the Corporation is wound up, a lot of people are going to be unemployed and we are going to have a

section of disgruntled people in a very sensitive area of our country, which is not at all good, when we consider the security aspect.”

**D. Viability of Plantation Projects**

33. On being asked whether the Supreme Court has put a ban on replantation in respect of rubber and Red Oil Palm Plantation projects, the Ministry stated the following:-

“As per the recommendation of the Shekhar Singh Commission, the existing plantation of oil palm, rubber etc. are to be phased out and the land so released, in so far as it is forest land, be regenerated. No exotic species of fauna or flora should be introduced into the Islands.”

34. When asked what was being done to make the above-mentioned projects viable, MoEF replied thus:-

“As on date there is no proposal for replantation of these areas. Therefore, the same would be allowed to regenerate naturally or planted with natural species.”

35. It was also queried whether there is any proposal in the detailed revival package for plantation of palm, rubber etc. To this, the Ministry replied:-

“Both the palm and the rubber plantation are at the end of their productive life and will be phased out naturally in the next few years. The National Forest Policy, 1988 and the policy decisions of the Ministry prohibit monoculture and introduction of the exotics in natural forests. However, the possibility of replacing the palm oil plantation by indigenous horticultural species or medicinal plants, etc. can be examined with a possible view of implementation. However, the same may require seeking the Hon’ble Supreme Court permission and will need to be examined from the legal point of view.”

36. Regarding the issue of closure or survival of the rubber plant projects, the Ministry clarified that:-

“The rubber plantations have now reached the end of their maturity. Therefore, the following options are technically possible:-

- (i) Closing down the Rubber division in Katchal immediately,
- (ii) Maintain them for few more years to extract latex using the slaughter tapping techniques.”

37. In respect of the Red-oil Palm project, the Ministry explained that:-

“The red oil palm plantation project is required to be phased out as last of these plantations are reaching the end of their economic life i.e., till 2015. The staff and workers strength related to the project and the life of the project is proposed to co-terminate or will stand diverted in diversification activities.”

38. When asked whether there was any specific order of the Supreme Court saying that the rubber and palm plantations have to be wound up, the Ministry submitted the following in their written replies:-

“As per the recommendation of the Shekhar Singh Commission, the existing plantation of oil palm, rubber etc. are to be phased out and the land so released, in so far as it is forest land, be regenerated. Moreover, the National Forest Policy, 1988 and the policy decisions of the Ministry prohibit monoculture and introduction of the exotics in eco-sensitive areas like the Andaman & Nicobar Islands.”

#### **E. Diversification Plans**

39. On being asked to give details of the post-restructuring/revival diversification plans for the Corporation, the Ministry of Environment and Forests suggested the following:-

“The following activities have been suggested for diversification:

- (i) Tourism and allied Activities
- (ii) New forestry and allied activities
- (iii) Research, consultancy and training

- (iv) Value addition and marketing of various products
- (v) Importing timber from the neighbouring countries to meet local demand
- (vi) Establishing a saw mill and convert the imported timber into demanded size timber (subject to approval of competent authority)
- (vii) Sawing and marketing of timber being extracted from the forest areas.
- (viii) Import and marketing of river sand in view of heavy local demand due to limited availability of coastal sand.
- (ix) Setting up of a fresh water bottling plant at Little Andaman where there is perennial availability of fresh water.

However, the Corporation will need to select a few viable projects and present a detailed project report for financing to this and other Ministries utilizing available schemes of the Government of India. “

40. In this connection, the Committee during oral evidence made the following observations:-

“Based on the judgment of the Supreme Court, you know, we have to have some kind of a diversification plans to retain the Corporation. What plans have you made so far? There are several proposals. Once you stop the forestry operations there, you can even import timber from the neighbouring countries. It is very viable. Then, you can have a palm oil refining unit. You can have fresh water bottling plants because there are a lot of fresh water springs around those forest areas. So, these kinds of diversification plans, which are not highly technological fields, can very easily be taken up by the Corporation. But it appears that nothing has been done so far by the Corporation. There is actually no concern, as far as the Ministry and the Management are concerned, to retain this Corporation, which had attained a status of *Mini Ratna*.”

41. The Ministry were asked to give their considered opinion on the adoption of diversification activities like importing timber from neighbouring countries instead of forestry operations, setting-up of a palm-oil refining unit, setting-up of

fresh water bottling plants or producing any value-added products etc. to ensure continuance of the Corporation. In their written replies, they stated as under:-

“In principle, the Ministry has no objection to the above provided the same is in conformity with the National Forest Policy, 1988, the Forest (Conservation) Act, 1980 and the orders of the Supreme Court. However, the Corporation will need to prepare and submit detailed project reports for financing, if the same is desired by it.”

#### **F. Wages of Industrial Workers**

42. The Corporation employs 1137 industrial workmen. A representation was received from the Vanvikas Karamchari Sangh, Andaman & Nicobar Islands dated 19.01.2009, which mainly stated that the wages of the industrial workers of the Corporation had not been revised during the last 14 years and that workers were being paid according to the 1994 pay scales.

43. In this regard, the Corporation stated the following:-

“There had been a dispute between the Corporation and the employees regarding revision of pay. An out of the Court settlement was worked out and has been sent to the Government of India for approval. Revision of pay of Industrial Employees is needed who are presently getting around Rs. 4000/- p.m. only whereas pay of Industrial Employees in Administration is around Rs. 10,000/- p.m.”

44. On this issue, the Chairman, Committee on Public Undertakings made the following remarks:-

“In such an island, people have very limited opportunities for employment and vast resources and these people should be adequately and properly taken care of.... Certainly it had not got this status of mini-ratna at the mercy of someone and it had got this status on its own. Suddenly some one gave a PIL, suddenly one man Commission was set up, and suddenly the Government withdrew all these revival and diversification projects. So, naturally the people need not be paid their dues and even the industrial workers need not be given the minimum wage. They are the people from

Island. So, let them not be touched by the Sixth Pay Commission. To say the least, we are ourselves creating a sense of secessionism; we are ourselves creating, through our wrong policies, a sense of deprivation and injustice because they are our countrymen. They have built up this Corporation which has been enjoying the mini-ratna status.... As regards the Government employees -- after the Sixth Pay Commission -- the pay scales of the regular employees of the Government needs to be addressed appropriately, especially, when we find that something is happening according to some submission. How can it happen that the Corporation employees pay scale, amenities, etc. are not increased? As regards the industrial workers, I have already mentioned that they are not even getting the minimum wages. We were ashamed to listen to them mentioning about the amount of consolidated pay that they have been receiving for the last several years. It is unbelievable.”

45. In this regard, the Ministry were asked whether the industrial workers of the Corporation were being given the minimum wages and were asked to explain their stand with justification. In their written submission, the Ministry stated the following:-

“The Industrial workers of the Corporation are drawing the scales of pay with effect from 01.01.1994 fixed in accordance with an award given by the Industrial Tribunal during January, 1995. Under the Scale of Pay so extended, the Central Dearness Allowance admissible under the 4<sup>th</sup> Central Pay Commission at the 1986 level is paid. A proposal was submitted by the Corporation in November, 2008 for revising the pay scales and was examined by the Ministry in consultation with the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises. OM's issued by the Department of Public Enterprises clearly stipulate that the PSUs will have to bear the financial implication on account of implementation of recommendation for grant of higher pay scale to their employees from their own resources and there shall be no budgetary support from the Government of India for this purpose. The Corporation has been accordingly advised. “

**G. Financial Performance-Waiving of Loans**

46. The Corporation was asked to furnish their financial performance for the last 3 years. The details as given by them are presented below:-

(Rupees in lakhs)

Year	2005-06	2006-07	2007-08
Turn over	214.93	392.27	337.16
Loss (before fringe benefit tax)	1213.89	1338.40	1665.83
Loss (after tax)	1214.90	1339.90	1668.13

47. In their written replies, the Corporation brought to the attention of the Committee, the acute financial crisis being faced by them and stated thus:-

“The Corporation is now surviving on the period interest bearing loan taken from GOI. The liability of loan has now gone up to the tune of Rs. 6539.82 lakhs and is affecting the financial performance of the Company. The loan along with the interest may be considered for their waiving off or converting into paid up capital. Otherwise even if the Corporation becomes viable after restructuring, the liabilities on account of Government loan will keep it in the state of sickness. For the current year, GOI is yet to release the loan promised by it though it was stated that the release of loan would be considered after draft Cabinet Note is submitted. If it is not released immediately the Corporation may face acute financial crisis and may not be able to pay salary and wages of workers leading to unrest and this would affect the performance of the Corporation.”

48. The Ministry were asked to explain the factual position in this regard and the steps taken by the Government towards this end. The Ministry replied as under:-

“At present such a proposal had not been considered by the Government. Conversion of this outstanding loan into paid up capital has been proposed by the Corporation for its restructuring and will be taken up for consideration during the formulation of the Cabinet Note on its



restructuring. The total loan amount outstanding against the Corporation as on date is Rs.52.88 Crores....

There is a provision of Rs. 10.00 crores as an interest bearing loan to the Corporation during the year 2008-09. An interim loan of Rs. 3.00 crores has been released.”

49. The Special Secretary, Ministry of Environment and Forests stated the following in his remarks during the oral-evidence taken by the Committee:-

“This Corporation has been under the administrative control of the Ministry of Environment and Forests but, after 2001-02, there have been occasions where loans have been advanced to the Corporation. Presently, the cumulative loan amount stands at Rs. 52.88 crore, that is about Rs. 53 crore. The cumulative loss of the Corporation is Rs. 75.34 crore. In this scenario, efforts have been made in the past, twice during 2005 and 2006, to analyse and to approach the Government through Cabinet notes, but it has not happened yet.”

50. The Chairman, Committee on Public Undertakings, in this regard stated as under:-

“My colleague has also asked about huge amount of money being waived even for the private sector. Those who have been indulging for years altogether in all sorts of manipulation and malpractices have also been bailed out, but not for the Government Corporation that needed only Rs. 52 crore. Was there any proposal for waiving of the loan? Please tell us about the same, otherwise, it should be considered.”

51. When asked for how long the proposal for waiving off loans to the Corporation has been pending, the Ministry in their written replies stated thus:-

“The proposal of waiving off/adjustment of loans to the Corporation has been received as part of the restructuring proposal submitted to the Ministry vide PCCF, A&N Islands letter dated 29<sup>th</sup> December 2008.”

## **H. Board of Directors**

52. On the issue of very less number of Directors on the Board of the Corporation, the Committee during oral-evidence of the representatives of Ministry of Environment and Forests asked the following:-

“About the Board of Directors, you say, that the Clause 66 of the Articles of Association says the minimum number of Director is four and the maximum number is 15 but the Corporation has been functioning with only the minimum number, that is four. Can you imagine how will the Corporation function just with four Directors? How will the Corporation function when according to the Articles of Association, there are supposed to be 15 Directors? And, all along you are having only four Members! Was there any attempt made to increase the number of Directors or the only four Directors thought themselves enough that they did not need any other Directors? Similarly, you said that the Government has not appointed any non-functional Directors? Was any recommendation made? Was this proposal considered or not? These are the clarifications, which I would like to seek.”

53. To these questions, the Ministry furnished written replies and submitted as under:-

“According to Article 66 of the Memorandum of Association and Articles of Association of the Corporation, the President is empowered to determine the number of Directors of the Company, not less than four and not more than 15. Other than the Managing Director, all other Directors are ex-officio and paid by the Corporation. Accordingly, MoEF has been appointing Directors of the Corporation from time to time.... As the activities of the Corporation have been severely curtailed by the reduction in its forestry operations and it is today a loss making PSU, there was no need to mandatorily fill up the these Ex-officio vacancies.... Being a small Corporation (with a paid up capital of only Rs. 359 lakhs), the functioning of Corporation is not affected by the absence of members in the Board of Directors. The day to day management of the Corporation is being looked after by the Managing Director with assistance of his principal officers

under the broad guidance of the Board of Directors.... All Directors except the Managing Director are ex-officio. In view of the present prevailing situation of the Corporation, no useful purpose would be served by increasing the non functional Directors as the same would increase the administrative expenses, etc.”

54. On the number of non-official Directors in the Corporation and their experience in their fields, ANIFPDC in their written replies stated thus:-

“The Government of India has not appointed the non-official Directors on the Board of Directors.”

## **PART – B**

### **Recommendations/Observations of the Committee**

The Committee had an on the spot study visit of Andaman & Nicobar Islands and held informal discussions with the employees and management of the Andaman & Nicobar Islands Forest and Plantation Development Corporation Ltd. (ANIFPDC) about its functioning on 20<sup>th</sup> January, 2009. It was brought to the notice of the Committee that the Corporation was in a state of dire deprivation and its functioning had been severely constricted mainly on account of the ban imposed by the Supreme Court on its forestation activities. The situation further worsened due to pending decisions regarding the restructuring of the Corporation, dispute between the Corporation and its employees regarding revision of pay and grant of loan by the Government to the Corporation in meeting its daily needs. The Committee took a serious note of the plight of the industrial workers of the Corporation who made a representation to the Committee. The Committee, therefore, decided to examine the functioning of ANIFPDC and present a Report on the subject to the Parliament. For this purpose, the Committee took oral evidence of the representatives of the Ministry of Environment and Forests for ascertaining the factual position. After thoroughly examining the issue, the Committee would like to make the following recommendations:-

#### **Revival /Restructuring of the Corporation**

The Committee note that due to a ban imposed by the Supreme Court in 2001, the forestry operations of the Corporation at both the forestry divisions at Little Andaman and North Andaman were completely stopped resulting in the Corporation being converted from a profit-making “Mini-Ratna” to a loss-making PSU. As of now, the future of the Corporation is uncertain and a decision on its restructuring is pending with the Government. The restructuring proposal stipulates continuation of forestry project, phasing out of Red Oil Palm Plantation Project, closure of Rubber Plantation Project at Katchal, taking up of various diversification activities and downsizing the Corporation by offering VRS to about 62% of its existing employees. In this regard, the Committee further note that the

administrative Ministry i.e. Ministry of Environment and Forests engaged the services of Tata Consultancy Services to submit their plan for revival of the Corporation in the wake of post-ban scenario which submitted its Report in 2004. The Tata Consultancy Services study recommended downsizing of the Corporation, as an immediate measure so as to reduce its size to manageable proportions alongwith diversification of activities of the Corporation into new fields like tourism etc. Another Scientific Expert Committee set up by the Government and headed by C.R. Babu also recommended the same. The Committee, therefore, feel that there is sufficient expert opinion available with the Ministry for revival of the Corporation by restructuring, downsizing and diversifying, but to their utter dismay, nothing substantial has been done by the Government in this regard. On the contrary, the Committee is saddened to note that the Government instead of finding an early viable solution has been dilly-dallying on the restructuring issue since 2005 on one pretext or the other, like non-clearance of the proposal by the Cabinet on several occasions.

The Committee are not happy with the lackadaisical approach of the Government in handling the important issue of revival and restructuring of the Andaman & Nicobar Islands Forest and Plantation Development Corporation Ltd. which involves the fate of so many employees. In the opinion of the Committee, the casual approach of the Government to the whole issue is largely responsible for turning a one-time Mini-ratna Company to a pauper organisation as on date. As a result of gross neglect by the Government, the employees and industrial workers of the Corporation have been continuously subjected to inhuman hardships and miseries. The Committee, therefore, strongly recommend that the Government should do everything possible to put the revival plan in place at the earliest and its urgent implementation through restructuring and proposed diversification activities without harming the basic interest of the existing employees like loss of jobs in a far flung and isolated area where there is hardly any means of alternate livelihood. The Committee further recommend that in the matter of the revival plan, the Government should take into confidence the employees/officers of the Corporation as well as

the Andaman & Nicobar Administration. Till such time, the Government should provide sufficient financial assistance to the Corporation in the form of waiver of loan and such other financial support as is conducive to the revival of the Corporation.

#### **Fate of the Industrial Workers**

The Committee note that there are around 1200 industrial workers working in the ANIFPDC who are drawing the scales of pay which were calculated and arrived at during 1994 on the basis of wage structure granted by Industrial Tribunal/ Labour Court through an award. The wage structure has never been revised during the last 14 years and no other allowance is being paid to the employees. Adding further to their woes, the management unilaterally stopped the benefits like Annual Free Sea Passage, LTC, stagnation of Increment, *in-situ* promotion etc. As such the industrial workers of the Corporation are finding it difficult to make their ends meet with the meagre wages they are getting as against escalation of the cost of living over the period of time.

In this regard, the Committee have been informed by the Government that an out of court settlement was worked out between the employees and the management. The Corporation submitted a proposal to the Ministry in November, 2008 for revising the pay-scales. According to the Ministry, the said proposal was examined in consultation with the Department of Public Enterprises (DPE) in the Ministry of Heavy Industries and Public Enterprises. The Committee feel horrified to note that on such an important issue the DPE has casually drawn the attention of the Ministry to an Office Memorandum issued by them which stipulates that the PSUs will have to bear the financial implication on account of the implementation of recommendation for grant of higher pay-scale to their employees from their own resources and that there shall be no budgetary support from the Government of India for this purpose. The Committee are saddened over the apathetic attitude of the administrative Ministry towards its own baby by simply conveying to it the decision of the Department of Public Enterprises (DPE).

In the opinion of the Committee, the Ministry has simply washed off their hands from the responsibility of safeguarding the interest of the Corporation fully owned by them. The Committee are surprised to note that whereas the recommendations of the Sixth Central Pay Commission have been implemented for employees under the Andaman & Nicobar Administration, the Industrial Workers of the Corporation are not getting even the minimum wages fixed by the Government of India which is a sheer violation of the Minimum Wages Act, 1948. The Committee feel that the Government must take into consideration the strategic location of the Andaman & Nicobar Islands from security point of view as well as the fact that very limited livelihood opportunities are available in the Islands and such neglect may create a sense of secessionism in the disgruntled industrial workers. The Committee, therefore, recommend with all conviction that the Government should take all urgent steps to ensure that industrial workers and other employees of the Corporation are given the benefits of the Sixth Central Pay Commission without any further delay so as to bring them succour and adequate relief from their hardships and sufferings and apprise the Committee of the action taken thereon.

#### **Waiving of Loan**

The Committee note that prior to the ban imposed by the Supreme Court in 2001, the Corporation was earning profit since its inception in 1977 and because of its performance, the Corporation was awarded the status of “Mini-Ratna” in 1997. The Corporation was doing good business in the forestry sector and earning surplus revenue from which it paid dividend as well as taxes to the public sector. After the ban, the harvesting of timber in the Little Andaman and North Andaman Project was totally stopped which otherwise yielded around 70% of the total turnover of the Corporation being its main commercial activity. However, as a result of the ban, the Corporation from 2001 onwards converted into a loss-making PSU earning less than its expenses on wages, salaries, statutory payments and maintenance cost. The Committee have been informed that at present, the liability of loan taken from the Government of India has gone up to the tune

of Rs. 65.39 crores and is affecting the financial performance of the Corporation. The Committee have further been informed that the Government of India is yet to release the loan promised by it which may result in acute financial crisis and non-payment of salaries and wages to the workers already reeling under severe hardship. The Committee further note that Government has not considered any proposal for waiving off the loan or converting this amount into paid-up capital though the same was proposed by the Corporation in its restructuring proposal. The Corporation is now surviving on the period interest bearing loan taken from the Government of India.

The Committee feel that this issue requires immediate Government attention and recommend that the Government may consider converting the loan alongwith the interest thereon into paid-up capital. If that not so, the Corporation becoming viable after restructuring will continue to be in a state of sickness because of its loan liabilities. The Committee, therefore, recommend that urgent steps must be taken to finalize the restructuring proposal after obtaining expeditious clearance from the Cabinet.

#### **Diversification of Activities**

The Committee note that as per the restructuring proposal of the Corporation pending with the Government, the Corporation plans to enter into various diversification activities like development of tourism, research and consultancy, training etc. to earn enough revenues required for its existence. The Committee understand that for taking up the diversification activities, the Corporation needs to select a few viable projects and present a detailed project report to the Ministry of Environment and Forests and other concerned Ministries. In this regard, the Committee further note that during the course of evidence, the representatives of Ministry of Environment and Forests informed them that in principle, the Ministry has no objection in adoption of diversification activities by the Corporation like importing timber from neighbouring countries instead of carrying out forestry operations, setting up of a Palm Oil Refining Unit, setting up of fresh water bottling plant or setting up any other value added projects etc.,



provided the same are in conformity with the National Forest Policy, 1998, the Forest Conservation Act, 1980 and the orders of Supreme Court.

The Committee, while noting that the Government of India is the complete owner of the ANIFPDC, feel that as such, the Government itself has to come out with viable diversification proposals which could be taken up by the Corporation to ensure its continuance. The diversification may further involve setting up of a refinery for Red Palm Oil and Coconut and a bottling plant for drinking water. The cultivation of medicinal plants and species and training in them may also be another area, which may provide a fillip to the Corporation alongwith participation in the tourism activities. The Committee recommend greater participation of the Government in the diversification efforts of the Corporation and further emphasize here that the original mandate of the Corporation need not be disturbed while trying to do the best in preserving the environment and bio-diversity, but at the same time, sustainable development should be the motto and not the uncalled for hindrance to livelihood in the name of environmental protection.

New Delhi:  
24<sup>th</sup> February, 2009  
5 Phalguna, 1930 (Saka)

Rupchand Pal  
Chairman,  
Committee on Public Undertakings

**MINUTES OF THE 15<sup>th</sup> SITTING OF THE COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON 6<sup>th</sup> February 2009**

The Committee sat from 1130 hrs to 1250 hrs.

## Chairman

## Shri Rupchand Pal

## Members, Lok Sabha

2. Shri Gurudas Dasgupta
3. Shri Francis K. George
4. Shri Kashiram Rana
5. Smt. Pratibha Singh
6. Shri K. V. Thangkalu
7. Shri Ram Kripal Yadav

## Members, Rajya Sabha

- 8 Shri R.K. Dhawan

## Secretariat

- |    |                     |                     |
|----|---------------------|---------------------|
| 1. | Shri J.P.Sharma     | Joint Secretary     |
| 2. | Smt. Anita Jain     | Director            |
| 3. | Shri Ajay Kumar     | Deputy Secretary-II |
| 4. | Shri H. Ram Prakash | Under Secretary     |

## Representatives of Ministry of Environment & Forests

- |    |                   |  |
|----|-------------------|--|
| 1. | Shri P.R. Mohanty | Director General of Forest and Special Secretary |
| 2. | Dr. Ranjana Gupta | Deputy Inspector General                         |
| 3. | Shri M.D. Sinha   | Assistant Inspector General                      |
2. The Committee took oral evidence of the representatives of Ministry of Environment & Forests in connection with the functioning of Andaman and Nicobar Island Forest and Plantation Development Corporation Limited.
3. At the outset, the Chairman welcomed the representatives of Ministry and also drew their attention to direction 58 of the Directions by the Speaker relating to evidence before the Parliamentary Committees. Thereafter, Members raised queries on various aspects pertaining to the subject and the explanations/clarifications on the same were made by the representatives of Ministry of Environment & Forests. Information on some of the points raised by the Committee was not readily available with the representatives of Ministry of

Environment & Forests. It was, however, promised by them that the same would be furnished to the Committee Secretariat in a week's time.

4. The Chairman then thanked the representatives of Ministry for providing all the information on the subject matter as desired by the Committee.
5. A copy of the verbatim proceedings has been kept on record separately.
6. The witnesses then withdrew.

The Committee then adjourned.

**MINUTES OF THE 16<sup>th</sup> SITTING OF THE COMMITTEE ON PUBLIC  
UNDERTAKINGS HELD ON 24<sup>th</sup> February 2009**

The Committee sat from 1000 hrs to 1030 hrs.

**CHAIRMAN**

**Shri Rupchand Pal**

**MEMBERS LOK SABHA**

- |    |                          |
|----|--------------------------|
| 2. | Shri Gurudas Dasgupta    |
| 3. | Dr. Vallabhbhai Kathiria |
| 4. | Shri Harikewal Prasad    |
| 5. | Shri Mohan Rawale        |

**MEMBERS RAJYA SABHA**

- |    |                         |
|----|-------------------------|
| 6. | Shri Rahul Bajaj        |
| 7. | Shri K. Chandran Pillai |
| 8. | Shri Vijaykumar Rupani  |

**SECRETARIAT**

- |    |                     |                  |
|----|---------------------|------------------|
| 1. | Shri J. P. Sharma   | Joint Secretary  |
| 2. | Shri Ajay Kumar     | Deputy Secretary |
| 3. | Shri H. Ram Prakash | Under Secretary  |

2. The Committee considered and adopted the following Draft Reports without modifications: -

- (i) Draft Report on functioning of Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited; and

- (ii)        xxxx                xxxx                xxxx                xxxx

3. The Committee then authorized the Chairman to finalize the Reports for presentation.

The Committee then adjourned.