

SECOND REPORT

COMMITTEE ON PETITIONS

(FIFTEENTH LOK SABHA)

MINISTRY OF DEFENCE

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC
DISTRIBUTION
(DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION)

(Presented to Lok Sabha on 16.03.2010)



LOK SABHA SECRETARIAT
NEW DELHI

March, 2010/Phalguna, 1931 (Saka)

P.C.B. No. 1 Vol. II

Price Rs. 25.00

©2010 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Thirteenth Edition) and printed by the General Manager, Government of India Press, Minto Road, New Delhi-110 002.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE ON PETITIONS	(iii)
1 INTRODUCTION	(v)
2. REPORT	
I. Action taken by the Government on the recommendations of the Committee on Petitions (14th Lok Sabha) in their Forty Sixth Report on the petition requesting to give benefits to casual workmen employed by the HAL, Nasik Division, Ozar, Nasik at par with workmen employed in Hyderabad Division	1
II. Action taken by the Government on the recommendations of the Committee on Petitions (14th Lok Sabha) in their Forty Eighth Report on the representation signed by Shri Shail K. Ojha, Editor, Science Patron, regarding loss of revenue to the Government as a result of Advertisement Policy of Central Warehousing Corporation	7
3. ANNEXURES	
I. A copy of the Advertisement and Publicity Policy of the Central Warehousing Corporation	14
II. Minutes of the Third sitting of the Committee held on 17.12.2009	18

COMPOSITION OF THE COMMITTEE ON PETITIONS

Shri Anant Gangaram Geete — *Chairman*

MEMBERS

2. Shri Rajendra Agrawal
3. Shri Khiladi Lal Bairwa
4. Shri E.T. Mohammed Basheer
5. Shri N.S.V. Chitthan
6. Shri Gurudas Dasgupta
7. Shri Dip Gogoi
8. Shri Devendra Nagpal
9. Shri Jagdambika Pal
10. Prof. Ramshankar
11. Shri Sarvey Sathyanarayana
12. Shri Rakesh Singh
13. Dr. Sanjay Sinh
14. Shri Kabir Suman
15. Shri Joseph Toppo

SECRETARIAT

- | | | |
|-------------------------|---|----------------------------|
| 1. Shri Ashok Sarin | — | <i>Joint Secretary</i> |
| 2. Shri V.R. Ramesh | — | <i>Director</i> |
| 3. Shri U.B.S. Negi | — | <i>Additional Director</i> |
| 4. Smt. Jagriti Tewatia | — | <i>Under Secretary</i> |

SECOND REPORT OF THE COMMITTEE ON PETITIONS

(FIFTEENTH LOK SABHA)

INTRODUCTION

I, the Chairman, Committee on Petitions, having been authorized by the Committee to present the Report on their behalf, present this Second Report of the Committee to the House, Lok Sabha on the following matters:—

- (i) Action taken by the Government on the recommendations of the Committee on Petitions (14th Lok Sabha) in their Forty Sixth Report on the petition requesting to give benefits to casual workmen employed by the HAL, Nasik Division, Ozar, Nasik at par with workmen employed in Hyderabad Division.
- (ii) Action taken by the Government on the recommendations of the Committee on Petitions (14th Lok Sabha) in their Forty Eighth Report on the representation signed by Shri Shail K. Ojha, Editor, Science Patron, regarding loss of revenue to the Government as a result of Advertisement Policy of Central Warehousing Corporation.

2. The Committee considered and adopted the draft Second Report at their sitting held on 17th December, 2009.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;
17 December, 2009
26 Agrahayana, 1931 (Saka)

ANANT GANGARAM GEETE,
Chairman,
Committee on Petitions.

CHAPTER I

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (14TH LOK SABHA) IN THEIR 46TH REPORT ON THE PETITION REQUESTING TO GIVE BENEFITS TO CASUAL WORKMEN EMPLOYED BY THE HAL, NASIK DIVISION, OZAR, NASIK AT PAR WITH WORKMEN EMPLOYED IN HYDERABAD DIVISION

The Committee on Petitions (14th Lok Sabha) in their Forty Sixth Report presented to Lok Sabha on 23rd December, 2008 on the petition requesting to give benefits to casual workmen employed by HAL, Nasik Division, Ozar, Nasik at par with workmen employed in Hyderabad Division.

1.2 The Committee had made certain observations/recommendations in the matter and the Ministry of Defence (Department of Defence Production) were requested to implement those recommendations and furnish their action taken notes for the consideration of the Committee.

1.3 Action taken notes have been received from the Ministry of Defence (Department of Defence Production) *vide* their O.M dated 22nd June, 2009 in respect of all the recommendations contained in the Report. The recommendations made by the Committee and the replies thereto furnished by the Ministry are detailed in the succeeding paragraphs.

1.4 In paras 2.23, 2.25 to 2.30 of the Report, the Committee had observed/recommended as follows:—

“The Committee note from the reply of the Ministry that in Nasik Division, certain unskilled jobs, *viz.* loading/unloading, movement of parts, sanitation work, maintenance of horticulture sites, etc. are being executed through Contract Labour engaged in similar jobs as permanent employees of the company. The Division ensures that the respective Contractors are complying with all the statutory requirements including payment of minimum wages as notified by the Government of Maharashtra from time to time. Such Contract Labour who are engaged by the registered Contractors are extended certain facilities, *viz.* six paid holidays including national holidays, one day paid leave for every 20 days actually worked, coverage under contributory PF, etc. Apart from the above facilities, the Division is extending canteen, medical and transport facilities without any legal obligation. The Contract Labour are paid the minimum wages as notified by the State Government of Maharashtra from time to time. However, the salary and allowances payable to the permanent employees are as per the Tripartite Wage settlement arrived at between the HAL Management and the recognized Employees’ Union. According to the Ministry, it is not correct to state that the Contract Labourers who are presently engaged by the Contractors in HAL, Nasik Division were Casual Workers of HAL prior to 1995 and HAL

Management in 1995 transferred these Labourers to private Contractors. Since beginning, they are engaged as ‘Contract Labourers’ by Contractors to perform specific unskilled jobs as per the terms and conditions of the Contract. HAL has been filling up posts only in areas critical to the requirement of the Division/ Complex taking into account the production activities and order book position and has not been filling any vacancy in the unskilled category.”

(Para 2.23)

“As regards the Casual Labourers of HAL, Hyderabad Division, the Committee were informed that they were engaged directly by the Company. Their wages and certain benefits were rationalized/introduced during the year 2003, in pursuance of directions by the Labour Authorities/Courts, viz. decisions/orders in ID No.48/94 in the Industrial Tribunal, Hyderabad, Andhra Pradesh, Writ Petition No.26364/96 of Hon’ble High Court of Judicature, AP, Writ Appeal No.1264/97 of Hon’ble High Court of Judicature, AP, Civil Appeal No.610/98 (SLP No.1164/98) in the Hon’ble Supreme Court of India, New Delhi followed with a series of tripartite meetings with Labour Authorities and Recognized Union by signing a Tripartite Settlement under the Industrial Disputes Act, 1947 with the Recognized Union of the Division. Whereas the same is not applicable to Contract Labour who are engaged through contractors. Further, the Contract Labour in Hyderabad Division are engaged through respective contractors who are governed by the Terms and Conditions of the contract like the Contract Labour at Nasik Division and have not been granted the benefits as in the case of Casual Labour in Hyderabad Division. During the course of evidence, the Committee were informed that there are about 1,073 persons who are working as Contract Labourers at Nasik Division, whereas in Hyderabad Division, 519 Contract Labourers and 45 Casual Labourers are working.”

(Para 2.25)

“The Committee note that the wages and certain benefits of Casual Labour of the Hyderabad Division were revised during 2003 in pursuance of the directions of the Labour Authorities and various Courts of Laws (including the Hon’ble Supreme Court of India) and to absorb them as regular employees as and when vacancies arise. They could not be absorbed as regular employees, as vacancies were not available suiting their qualifications. Consequently, based on the demand raised by the recognized Trade Union and discussions held, it was decided to enhance their wages. The benefits extended to the Casual Labour of Hyderabad Division during 2003, are as under:—

(i)	Basic Pay	Rs. 2900.00
(ii)	DA	Rs. 1386.00
(iii)	Accommodation Allowance	Rs. 290.00
(iv)	Transport Allowance	Rs. 100.00
(v)	Washing Allowance	Rs. 20.00
(vi)	Ex-gratia	Rs. 208.00
TOTAL:		Rs. 4904.00 (p.m.)

Besides the above, they are provided facilities, viz. PF, ESI, Casual Leave, Vacation Leave, Paid Holidays, Uniforms, Gratuity, Canteen facilities, etc.”

(Para 2.26)

“In their submission, the Ministry have contended that there is difference between the Casual Labour of the HAL, Hyderabad Division and the Contract Labour engaged by the Contractors at HAL Nasik Division. The nature of work being carried out by the Casual Labourers (45 in number) of Hyderabad Division is that of messenger/helper. The Contract Labourers of Nasik Division are engaged through Contractors who have been awarded work/work package pertaining to House keeping, Security, Horticulture, Loading/Unloading of materials etc. Further, since the Contract Labour at Nasik are paid Wages by the Contractor’s Establishment, the issue of extending equal benefits to the Contractor’s Labour at HAL Nasik Division is not applicable. Over the years, no Contract Labourer has been regularized in the Company except in 1984 and 1988 to 1990 when 34 and 38 Contract Labourers were regularized in Hyderabad Division, consequent to the settlement reached between the Division and the recognized union.”

(Para 2.27)

“The Committee, however, note from the submission made by the Ministry of Labour & Welfare that the industrial dispute raised by Nasik Workers Union, Nasik was taken in conciliation by Assistant Labour Commissioner (Central). Failure of Conciliation (FOC) report was submitted by the Assistant Labour Commissioner (Central), which was duly examined and referred to the CGIT-cum-Labour Court No.II, Mumbai for adjudication on 07.04.2008 with the following directions:—

‘Whether the demand of the Nasik Workers Union for absorption of Contract Labourers, is legal and justified? If so, to what relief are they entitled to?’

The Committee note that the matter is still pending before the Central Government Industrial Tribunal-cum-Labour Court No. 2, Mumbai and thus the same is *sub-judice*.”

(Para 2.28)

“From the foregoing, the Committee observe that the Contract Labourers of HAL, Nasik Division were not engaged directly by the Company. They were, in fact, engaged by registered contractors by the terms and conditions of contract for execution of certain unskilled jobs like House keeping, Loading/Unloading of materials, sanitation work, etc. They are paid minimum wages as notified by the State Government of Maharashtra from time to time. They are also extended certain facilities like paid holidays, coverage under contributory PF, medical, transport, canteen, etc. However, they cannot be regularized unless they possess the requisite qualification and are eligible to apply for those posts and also they register themselves through the Employment Exchanges. On the other hand, the Casual Labourers of HAL, Hyderabad Division were engaged directly by the Company. Their wages and certain benefits were revised during 2003 in pursuance

of the directions of the Labour authorities and various Courts of Laws. They are to be absorbed as regular employees subject to availability of vacancies as per their qualifications in the Company.”

(Para 2.29)

“Considering the fact that the demand of the workers of Nasik Division for their absorption and relief is before the Central Government Industrial Tribunal-cum-Labour Court No. 2, Mumbai for adjudication and the same is still pending before them, the Committee would like the Ministry to make sincere efforts for an early decision so as to resolve the issue expeditiously within a fixed time frame to avoid any hardship to such workers without precluding the option of out-of-court settlement, specially in view of the fact that in 1984 and 1988 to 1990, 34 and 38 Contract Labourers had been regularized in Hyderabad Division, consequent to the settlement reached between the Division and the recognized union. These workers, being quite experienced, should be given opportunity and priority for their absorption/regularization against the regular posts in the Company subject to their suitability for the jobs and fulfilling the necessary requirements. The Committee would like to be apprised of the action taken in this regard within a period of 3 months.”

(Para 2.30)

1.5 The Ministry of Defence (Department of Defence Production) in their reply, have stated as follows:—

“The Company has been filling up posts only in critical areas to meet specific requirements of the Division taking into account production activities and order book position. Permanent workmen are recruited in the technical areas like Fitter, Turner, Welder, Grinder etc. against requirement of technical trades. Vacancies in these categories are filled by following recruitment procedures laid down by the Company.

Contract Labourers are engaged in unskilled jobs like loading/unloading, sanitation, horticulture etc., where no appointment has been made in the recent past. Further, it may not be appropriate to follow the procedure adopted by Hyderabad Division 2 decades back.

However, as and when vacancies arise in the unskilled areas, the case of contract labourers at Nasik division will be considered subject to their meeting eligibility criteria like qualification etc.

It is pertinent to mention here that since the case is already *sub judice*, it is appropriate to wait for the outcome of the case also.”

1.6 In Para 2.31 of the Report, the Committee had recommended as follows:—

“As regards separation of the Provident Fund of the Contract Labourers from the Provident Fund Trust of HAL, the Committee note that the Provident Fund Trust of the HAL Division is applicable to the permanent employees of HAL, Nasik Division and the Contractors have been allotted separate Provident Fund

Codes by the Provident Fund Authorities. This has been done to fully protect the interests of the Contract Labourers who are engaged by the Contractors, in so far as the statutory provisions are concerned. The Provident Fund contributions of most of the Contract Labourers are deposited with respective Regional Provident Fund Commissioner by the Contractors. In some of the Divisions, Provident Fund contributions of the Contract Labourers are deposited in HAL Provident Fund Trust but on a different sub code. As per the instructions, such contractors have been advised to register themselves with the respective Provident Fund Authorities and deposit the Provident Fund contributions of Contract Labourers with the Provident Fund Authorities, *i.e.* Regional Provident Fund Commissioner. Both HAL Provident Fund Trust as well as the Provident Fund maintained under the Regional Provident Fund Commissioner are governed by the provisions of the Employees' Provident Fund and Misc. Provisions Act, 1952. The Committee are, therefore, satisfied to note that there is no difference in HAL Provident Fund of the permanent employees of Nasik Division as well as Provident Fund maintained under the Regional Provident Fund Commissioner in respect of Contract Labourers and, therefore, would not like to pursue this issue further."

1.7 The Ministry of Defence (Department of Defence Production) in their reply, have stated as follows:—

"It is noted that, after detailed analysis, the Committee has upheld the views of the Company. As such, no action is called for from the Company."

Observations/Recommendations

1.8 In a petition submitted to the Committee, some casual labourers of the Hindustan Aeronautics Ltd. (HAL), Nasik Division represented that they had been doing the work of regular and perennial nature for the last 20 to 25 years. According to petitioner, the casual workers of Hyderabad Division of HAL were being paid higher wages. The petitioners, therefore, requested that they may be regularized and granted similar benefits as being granted to the casual workers of Hyderabad Division of HAL.

1.9 Considering the fact that the demand of the workers of Nasik Division for their absorption and relief was before the Central Government Industrial Tribunal-cum- Labour Court No. 2, Mumbai for adjudication and the same is still pending before them, the Committee had recommended to make sincere efforts for an early decision so as to resolve the issue expeditiously within a fixed time frame. It was also recommended that these workers, being quite experienced, should be given opportunity and priority for their absorption/regularization against the regular posts in the Company subjects to their suitability for the jobs and fulfilling the necessary requirements.

1.10 The Committee are constrained to note that the demand of the workers is yet to be resolved as the Central Government Industrial Tribunal-cum-Labour Court No. 2, Mumbai has not adjudicated. The Ministry have not furnished any facts so as to indicate that the Company have made sincere and concerted efforts to expedite the

adjudication of the case or to resolve the issue without waiting for the same. The fact remains that the workers continue to suffer hardship and mental agony.

1.11 The Committee are not convinced with the submission of the Ministry that it may not be appropriate for them to follow the procedure adopted by Hyderabad Division two decades back when certain contract labourers were regularized as a result of settlement between the Division and the Union. The Committee strongly feel that if the nature of work performed by the contract labourers are perennial in nature and the workers fulfil the requisite eligibility conditions for any kind of post in the unskilled area, then there should not have any objection for their consideration for regular appointment or absorption in the Division/Company on the lines as was done in the past. Since these workers are poor and belong to weaker and lower strata of the society, it should always be endeavour of the Government to uplift them, more so on humanitarian and welfare grounds.

1.12 The Committee hope that the Ministry/Company would address the issue in right earnest and take immediate steps to consider all contract workers for their absorption/regularization in the company on priority basis. The Committee would like to be apprised of the conclusive action taken in the matter.

CHAPTER II

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (14TH LOK SABHA) IN THEIR 48TH REPORT ON THE REPRESENTATION SIGNED BY SHRI SHAIL K. OJHA, EDITOR, SCIENCE PATRON, REGARDING LOSS OF REVENUE TO THE GOVERNMENT AS A RESULT OF ADVERTISEMENT POLICY OF CENTRAL WAREHOUSING CORPORATION

The Committee on Petitions (14th Lok Sabha) in their Forty Eighth Report presented to Lok Sabha on 25th February, 2009 on the representation regarding loss of revenue to the Government as a result of advertisement policy of Central Warehousing Corporation.

2.2 The Committee had made certain observations/recommendations in the matter and the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) were requested to implement those recommendations and furnish their action taken notes for the consideration of the Committee.

2.3 Action taken notes have been received from the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) *vide* their O.M dated 30th September, 2009 in respect of all the recommendations contained in the Report. The recommendations made by the Committee and the replies thereto furnished by the Ministry are detailed in the succeeding paragraphs.

2.4 In Para 3.14 of the Report, the Committee had observed/recommended as follows:—

“In his representation, the petitioner Shri Shail K. Ojha, Editor, ‘Science Patron’ New Delhi, submitted that the Central Warehousing Corporation (CWC), a Public Sector Undertaking of the Government of India release advertisements worth Rs. 40-50 lakh per year. According to the petitioner, such advertisements are mostly released at very high rates and circulated in newspapers/magazines which are either anonymous/unrecognized or unregistered or meant only for grabbing advertisements. The petitioner has alleged that the Corporation have neither any advertising policy nor any proper basis for sanctioning the rates for the advertisements released by them. As a result thereof, lakhs of rupees are being embezzled by officers with vested interests every year. On such advertisements, the Corporation have spent an amount which is 15-20 times more than the prescribed norms. The petitioner, therefore, requested that the Committee may intervene to stop embezzlement of Government funds and to direct the authority concerned to release advertisements according to proper procedure/policy.”

2.5 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in their reply, have stated as follows:—

“The CWC has since formulated a policy on advertisement and publicity. All officials of CWC have been sensitized about the necessity to take due care while releasing advertisement to newspapers/periodicals in future strictly in accordance with the policy of the CWC. A copy of the policy is enclosed at **Annexure.**”

2.6 In Para 3.15 of the Report, the Committee had observed/recommended as follows:—

“The Committee note from the submission of the Ministry that the Corporation does not have any advertisement policy on the Promotional advertisement programmes of the Corporation. Many Public Sector Undertakings (PSUs) consulted by the Corporation have also reported that they do not have any policy in this regard. As per the policy of the Government of India, small and medium level newspapers/periodicals have to be encouraged, if they have a circulation of 500 and above. The advertisements were released keeping in view the areas to be covered and the target audience for promoting the activities of the Corporation from time to time. Nevertheless care was taken to verify the details given by the newspapers/periodicals through Newspaper Readership Survey (NRS), and certificates of Audit Bureau of Circulation (ABC) and Chartered Accountant (CA). It cannot be said that payments were at higher rates as the Corporation issues advertisement at tariff card rates. According to the Corporation, the rates approved by the Directorate of Advertising and Visual Publicity (DAVP) have not been made applicable to profit making PSUs after 1975 and the periodicals/newspapers have refused to extend DAVP rates. In connection with their circulation details, readership analysis, etc. many of the journals had submitted DAVP certificate. Souvenirs etc., do not come under this category. If a journal does not have DAVP accreditation, some of them have ABC standing, the others were recommended by the Administrative Ministry. The allegation of any self-interest being involved, according to the Ministry, is without any basis. Precise circulation figures of such journals are available with appropriate authorities, such as DAVP.”

2.7 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in their reply, have stated as follows:—

“The above observation is based on the written submission and oral reply given before the Hon’ble Committee by the Ministry and CWC representatives.”

2.8 In Para 3.16 of the Report, the Committee had observed/recommended as follows:—

“As regards the formulation of a policy on releasing advertisements, the Committee were informed that the CWC considered formulation of such a policy in the year 2004. After taking into consideration all pros and cons and also the prevailing practices being followed by other PSUs, it was decided by the

Corporation that there should be some flexibility in the matter of releasing advertisements. Accordingly, it was decided to continue with the prevailing system with the approval of the then Managing Director, CWC. However, adequate checks have been applied to control expenditure before releasing advertisements. Indian Newspapers Society have issued circular to all its members not to extend DAVP rates to PSUs even in the case where advertisements have been released through DAVP.”

2.9 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in their reply, have stated as follows:—

“The observation is the factual position submitted by the representatives of the Ministry and CWC in their written as well as oral submission on 06.10.2008 before the Hon’ble Committee.”

2.10 In Para 3.17 of the Report, the Committee had observed/recommended as follows:—

“The Committee were also informed that during the year 2005-06, the budgetary allocation for advertisement was Rs.44 lakh against which the Corporation utilized Rs. 38.16 lakh. The list of publications to whom advertisements were released is enclosed at Annexure-I. A total number of 181 advertisements were released during the said year. The Ministry/Corporation had contended that since the names of periodicals, their addresses, periodicity etc. have been mentioned in the list of publications to whom advertisements were released by CWC, it cannot be said that they were unregistered or unauthorized or having bogus names. At the time of release of payment through Account Payee cheques also, it was also ensured that they intimate details of PAN No. etc. According to the Ministry/Corporation, it cannot be said that payments were at higher rates as this was regulated by the tariff card rate of every periodical, which differs from each other. It was also informed that during the year 2005-06, Manager (Publicity) had the power to approve and finalize the cost of advertisement upto Rs. 2,000/- in each case, Secretary of the Corporation had the power of Rs. 50,000/- and beyond that the Managing Director was empowered. However, presently, the Dy. G.M. (Publicity) has been delegated full powers to decide in consultation with the Director concerned.”

2.11 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in their reply, have stated as follows:—

“The above observation is the factual position submitted to the Committee by the Corporation in writing in response to the questionnaire received from the Lok Sabha Secretariat of the Committee. Further clarifications were also submitted during the oral evidence on 06.10.2008 by the representatives of the Ministry and CWC.”

2.12 In Para 3.18 of the Report, the Committee had observed/recommended as follows:—

“The Committee are constrained to note that the CWC do not have any advertisement policy/guidelines on the promotional advertisement programmes/

activities of the Corporation. The Committee are deeply anguished and surprised to find that the periodicals/magazines to which promotional advertisements were released are largely unknown or even not read by a miniscule section of the society. The possibility of such periodicals/magazines existing only on paper for namesake only cannot be ruled out. The Committee are at a loss to comprehend as to how these advertisements promote programmes/activities of the Corporation as these seem to cover neither any discernible area nor target any significant audience. The Committee also disapprove the policy of the Corporation to release the advertisement at tariff card rates of periodicals/newspapers. The Committee desire the Ministry/Corporation to spend the precious public money after due checks and balances apart from persuading these periodicals/newspapers/journals to adhere to DAVP rates. The Committee would also like the Ministry/Corporation to take up the matter at highest level with the Ministry of Information and Broadcasting/DAVP to ensure that DAVP rates instead of tariff card rates are applicable for PSUs as well.”

2.13 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in their reply, have stated as follows:—

“It is a fact that previously there was no formal and written policy/guidelines in existence on the promotional advertisements, programmes/activities of the Corporation. However, an Advertising and Publicity Policy of CWC has since been formulated with the approval of Board of Directors of CWC which will take due care of issues relating to releasing advertisements to periodicals and magazines which produce DAVP certificates, CA certificate, NRS/ABC circulation figures etc. The Corporation has noted the disapproval of the Committee for releasing advertisements at Card Rates to periodicals/newspapers. In this regard, matter was taken up with Director, DAVP inquiring if there is any regulatory authority or other organization which may ensure enforcement of DAVP rates by periodicals/newspapers for advertisements released by PSUs. In reply, Director, DAVP, through his letter dated 01.12.2008, has stated that in pursuance of clause III of DAVP’s advertising policy, the periodicals and newspapers do not accept advertisements by PSUs on DAVP rates. The issue was again taken up with Ministry of Information and Broadcasting to intervene in the matter as per wishes of the Committee. But, DAVP has shown their inability to publish the advertisement of CWC at economical rates. ”

2.14 In Para 3.19 of the Report, the Committee had observed/recommended as follows:—

“The Committee emphasize that the purpose of an advertisement is to give wide publicity and create awareness among the masses about the programmes/activities of any organisation/institution, even if the same is targeted to a particular audience/locality. The Committee, therefore, feel that a large sum of money being spent by the Corporation on advertisements for their programmes/activities over the years is simply going waste for want of desired publicity by the reputed media in the country.”

2.15 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in their reply, have stated as follows:—

“The above observations and advice of the Committee have been noted. From now onwards, it will be ensured that CWC advertisements are released after thorough scrutiny in each case with due care and caution so as to get result oriented publicity and in accordance with the CWC Policy on Advertisement and Publicity which has since been finalized. The observation of the Hon’ble Parliamentary Committee has been brought to the notice of the concerned officers of CWC to follow the instructions contained in the policy strictly while releasing advertisements.”

2.16 In Para 3.20 of the Report, the Committee had observed/recommended as follows:—

“The Committee are also of the firm view that in the absence of any advertising policy in the CWC, the budgetary allocation on account of the advertisements could not be spent judiciously and the same is being left to the sole discretion of the sanctioning authorities concerned. In the absence of any policy/guidelines on the issue, there is scope for malpractices or irregularities and complaints from various quarters. In the circumstances, the contention of the petitioner that the Corporation have released advertisements at very high rates to unknown periodicals/magazines and in the process, caused heavy loss to the exchequer do not seem completely devoid of merits. The Committee, therefore, desire that an independent inquiry should be conducted over the issue and responsibility fixed for causing loss to the exchequer and action taken against the officials found guilty in this regard. The Ministry, being the nodal agency, cannot absolve themselves of their responsibility in this regard. The Committee, therefore, recommend that the Ministry/CWC should immediately formulate a policy/guidelines regarding their promotional advertisements which should not only be objective but also be transparent leaving no scope for any irregularity or malpractice or complaints from any quarter in this regard. The Committee would like to be apprised of the action taken by Ministry/CWC in the matter within a period of three months.”

2.17 The Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) in their reply, have stated as follows:—

“The above observations of the Committee have been noted for compliance and are being acted upon. So far, four officials of CWC have been chargesheeted for major and minor penalty proceedings depending on gravity of their misconduct in the releasing of advertisement at high rates. Minor penalty proceedings against one official has been completed and is pending for final decision of the Disciplinary Authority whereas proceedings against other three officials are in progress. Policy on Advertisement and Publicity of CWC has also been finalized which covers all the necessary details regarding release of advertisements and publicity and the competent authority for such releases has also been specified therein.”

Observations/Recommendations

2.18 In his representation, the petitioner Shri Shail K. Ojha, Editor, “Science Patron” New Delhi, had submitted that the Central Warehousing Corporation (CWC), a Public Sector Undertaking of the Government of India release advertisements worth Rs. 40-50 lakh per year. According to the petitioner, such advertisements are mostly released at very high rates and circulated in newspapers/magazines which are either anonymous/unrecognized or unregistered or meant only for grabbing advertisements. The petitioner had alleged that the Corporation have neither any advertising policy nor any proper basis for sanctioning the rates for the advertisements released by them. As a result thereof, lakhs of rupees are being embezzled by officers with vested interests every year.

2.19 After deliberating over the issue, the Committee had observed that the CWC had no advertisement policy on the promotional advertisement programmes of the Corporation. The periodicals/magazines to which promotional advertisements were released are largely unknown. The Committee, therefore, felt that in the absence of the advertisement policy in the CWC, the budgetary allocation on account of the advertisements could not be spent judiciously and the same was being left to the sole discretion of the sanctioning authorities concerned thereby giving them scope for malpractices or irregularities. The Committee had, therefore, recommended to formulate objective and transparent advertisement policy to avoid irregularities/ malpractices or complaints from any quarter in this regard.

2.20 After perusing the action taken replies furnished by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution), the Committee note with satisfaction that an Advertising and Publicity Policy of CWC has since been formulated with the approval of Board of Directors of CWC which will take due care of issues related to release of advertisements to periodicals and magazines which produce DAVP certificates, Chartered Accountant Certificate, Newspaper Readership Survey/Audit Bureau of Circulation (NRS/ABC) circulation figures etc. and also it will be ensured that advertisements are released after thorough scrutiny in each case with due care and caution so as to get result oriented publicity. The Committee trust that the Advertisement and Publicity Policy would be implemented in letter and spirit by the Central Warehousing Corporation.

2.21 The Committee would also like the Ministry to review the advertising policy being adopted by other PSUs under its administrative control and ensure that it is uniform everywhere .

2.22 As regards conducting an independent inquiry against the officials of CWC found guilty for releasing advertisement at high rates, the Committee have been informed that so far four officials of CWC have been chargesheeted for major and minor penalty proceeding depending on gravity of their misconduct in releasing of advertisements at high rates. The Committee note that whereas minor penalty

proceedings against one official has been completed and is pending for final decision of the Disciplinary Authority, the proceedings against other three officials are in the pipeline. The Committee would like the proceedings against the guilty be completed expeditiously and they be apprised of the final outcome and precise action taken in the matter.

NEW DELHI;
16 March, 2010
25 Phalguna, 1931 (Saka)

ANANT GANGARAM GEETE,
Chairman,
Committee on Petitions.

ANNEXURE I

(See para 2.5 of the Report)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India Undertaking)

No. CWC/PUB/Advertisement Policy/2009-2010

Dated: 25.08.2009

**The Regional Managers,
Central Warehousing Corporation,
Regional Office,**

**Ahmedabad, Bhopal, Bangalore, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati,
Hyderabad, Jaipur, Kochi, Kolkata, Lucknow, Mumbai, Navi Mumbai, Panchkula,
Patna.**

SUB: Advertisement & Publicity Policy ...regarding.

Sir,

Please find enclosed herewith the Advertisement & Publicity Policy, duly approved by the Board of Directors in its 281st meeting. BoD has stressed for release of publicity material in Hindi/English journals, be substituted with a minimum of 50% of the total amount spent on advertisement be in Hindi and the remaining 50% be spent on advertisement in English and other regional languages. This is in tune with the recommendations of the Committee of Parliament on official language.

This is for your information please.

Yours faithfully,

Encl.: As above

Sd/-
(BHUMESH CHANDRA)
DGM (PUBLICITY)

Copy to:— 1. PS to Chairman/Managing Director

2. PS to Director (Fin.), Director (Pers.), Director (M&CP), CWC, CO, New Delhi.

3. PS to Secretary, CWC, CO, New Delhi.

4. All HODs, CWC, CO, New Delhi.

5. All EEs, CWC, Construction Cell(s).

(BHUMESH CHANDRA)
DGM (PUBLICITY)

CENTRAL WAREHOUSING CORPORATION
(A Govt. of India Undertaking)

Advertisement and Publicity Policy

1. Preamble

Central Warehousing Corporation (CWC) is the National storage agency performing functions of scientific storage of agricultural inputs and produces and other notified commodities, bonded warehousing, operation of ICDs/CFSs, Pest Control services, rail transportation of containers, etc. CWC is also actively emerging as a total logistics solutions provider. CWC alongwith its associates, 17 State Warehousing Corporations (SWCs) have also been in the forefront in issuing negotiable Warehouse Receipt to the farmers/traders etc. The warehousing scenario in the country is likely to undergo significant change with the enactment of Warehousing (Development & Regulation Act, 2007, as well as the fiscal incentives extended in the Union Budget, 2009-10 inviting entry of private players to establish and run Registered Warehouses, thus posing huge competition to CWC.

Therefore, there is an imperative business requirement to publicize the service portfolio of the Corporation in order to retain and improve the standing and the image of the Corporation among all stake holders and general public including the farming community. Keeping in view the above, the Corporation lays down the Policy on Advertisement and Publicity with the following salient features.

2. Objectives

- (i) To widely publicize among the public, users, trade, impex operators etc. about the capabilities, services and the achievements of the Corporation.
- (ii) To project CWC as a National storage agency capable of delivering total logistics solutions.
- (iii) To highlight contributions of CWC towards foodgrains storage, educating the farming community towards post-harvest loss minimization at farm level.
- (iv) To strengthen the image of CWC as a leading Corporate house, dealing with scientific storage and logistics, contributing to the national economy.
- (v) The contributions of the Corporation in developing and strengthening the public warehousing infrastructure in India.

3. Advertisements

Advertisement and publicity may be made through:

- (a) Visual Publicity,
- (b) Print Media, and
- (c) Electronic Media.

The Corporation may release advertisements for:

- (a) Operational requirement and
- (b) Publicity/institution Promotion purposes.

DAVP has informed that as per Indian Newspaper Society, the newspapers will publish advertisements of PSUs at commercial rates and at present DAVP is not in a position to release the advertisements of PSUs in some newspapers. Therefore, the advertisement rates may as far as possible be allowed as per the rates approved by DAVP, if accepted by the media/publications/agencies; if not the commercial rates may be accepted.

(i) Operational Advertisements

The **operational advertisements** are those through which CWC invites bid to perform functions such as handling and transport, security & housekeeping services, consultancy, recruitment process, supply of stores/equipments/chemicals, construction, repair and maintenance of infrastructure, public notices pertaining to AGM/election of Director, etc. The operational advertisements are time bound in nature and as such shall be released in the media/newspapers chosen by the respective Competent Authority.

(ii) Publicity/Institution Promotional Advertisements

Publicity/Institution Promotional advertisements (IPAs) are those through which CWC propagate the services/products available, achievements, and image projecting messages of the Corporation, etc.

- The publicity advertisements may be released to the media chosen by the Competent Authority at his discretion.
- The IPAs may be released to the media/newspapers/periodicals which at least has State wide circulation. It may be ensured that such periodicals are registered with Registrar of Newspapers of India (RNI) or empanelled by DAVP or figuring in National Readership Survey (NRS).
- Release of IPAs to the same periodical shall not be more than two times in a financial year.
- It may be ensured that a minimum of 50% of the total amount spent on advertisements be in Hindi and the remaining 50% be spent on advertisements in English and other regional languages in a financial year.
- IPAs may also be released in House Journals, Souvenirs etc. of Central/State Government Ministries; Central/State PSUs/SWCs; Indian Trade/Professional Magazines.
- IPAs to any other category of publication not covered in the above will be issued only with the approval of any one of the Functional Director or Managing Director.

4. Publication of Newsletter

At present, user specific newsletters by name 'Bhandaran Bharti' and 'Smarika' are being published with articles on warehousing and logistics and about the activities of the Corporation and circulated to all the stockholders, which may be continued.

5. Seminars, Conferences, Exhibitions

The Corporation may participate in seminars, conferences, exhibitions, trade fairs, Krishi Melas organized in India/abroad in the areas of warehousing logistics supply chain management, etc.

6. Corporate Film

Corporate Film(s) will be made and used as a part of the Image building and Corporate Publicity exercises during seminars, exhibitions, VIP visits, customer presentations etc.

7. Electronic Media

Advertisements in electronic media as well as websites may be released with an aim to give better exposure to the activities and achievements of the Corporation.

8. Implementation Methodology

Appropriate Authority and the delegation of power are given below:—

(a) Operational Advertisements

The EE/RMs, HODs, Functional Directors and MD are competent to release operational advertisements and sanction the actual expenditure.

(b) IPAs

- (i) RM — upto Rs. Ten Thousand per advertisement and the overall expenditure will be within the budgetary limit provided for the Region in this regard.
- (ii) Secretary/Head of Publicity Division, CO — upto Rs. Twenty-five thousand per advertisement.
- (iii) Functional Directors — upto Rs. Fifty Thousand per advertisement.
- (iv) MD — above Rs. Fifty Thousand per advertisement.
- (v) The Publicity Division, CO will act as the nodal agency for releasing operational/IP advertisements to the media, as approved by the Authority concerned in CO and will monitor the expenditure thereof against the budget provisions.

9. In case of any interpretation or omission in the aforesaid guidelines, MD's decision will be final. MD may also decide on any exception in the above policy guidelines at his discretion.

ANNEXURE II

MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON PETITIONS
(FIFTEENTH LOK SABHA)

The Committee on Petitions sat on Thursday, 17th December, 2009 from 1600 hours to 1715 hours in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Anant Gangaram Geete — *Chairman*

MEMBERS

2. Shri Rajendra Agrawal
3. Shri Khiladi Lal Bairwa
4. Shri E.T. Mohammed Basheer
5. Shri N.S.V. Chitthan
6. Shri Gurudas Dasgupta
7. Shri Dip Gogoi
8. Shri Jagdambika Pal
9. Prof. Ramshankar
10. Shri Sarvey Sathyanarayana
11. Dr. Sanjay Singh
12. Shri Joseph Toppo

SECRETARIAT

- | | | |
|---------------------|---|----------------------------|
| 1. Shri Ashok Sarin | — | <i>Joint Secretary</i> |
| 2. Shri V.R. Ramesh | — | <i>Director</i> |
| 3. Shri U.B.S. Negi | — | <i>Additional Director</i> |

**

**

**

6. The Committee then considered and adopted the following Reports without any modifications:—

- (i) First Report on the action taken by the Government on the recommendations contained in their Forty Fifth Report (14th Lok Sabha) on the representations regarding delay in allotment of petrol pump under Defence quota by IOCL at Bareilly, U.P.; irregularities in award of the dealership of IOCL at Itwa,

District Sidharth Nagar, U.P.; and in the allotment of petrol pump located at Gannaur Railway Road, Sonapat, Haryana.

- (ii) Second Report on the action taken by the Government on the recommendations contained in their Forty-Sixth and Forty-Eighth Reports (14th Lok Sabha) on the petition/representation regarding demand of casual workers employed by the HAL, Nasik Division; and loss of revenue to the Government as a result of Advertisement Policy of Central Warehousing Corporation respectively.

7. The Committee authorized the Chairman to finalise these Reports and present the same to the House.

The Committee then adjourned.

“All Parliamentary Publications including DRSC Reports are available on sale at the Sales Counter, Reception, Parliament House (Tel. Nos. 23034726, 23034495, 23034496), Agents appointed by Lok Sabha Secretariat and Publications Division, Ministry of Information and Broadcasting, CGO Complex, Lodhi Road, New Delhi (Tel Nos. 24367260, 24365610) and their outlets. The said information is available on website 'www.parliamentofindia.nic.in'

The Souvenir items with logo of Parliament are also available at Sales Counter, Reception, Parliament House, New Delhi. The Souvenir items with Parliament Museum logo are available for sale at Souvenir Shop (Tel. No. 23035323), Parliament Museum, Parliament Library Building, New Delhi. List of these items are available on the website mentioned above”.
