

COMMITTEE ON PETITIONS

(FIFTEENTH LOK SABHA)

TWENTIETH REPORT

**MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(Presented to Lok Sabha on 28.08.2012)**

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COMPOSITION OF THE COMMITTEE ON PETITIONS

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- 5. Shri Soumik Roy - Executive Assistant**

**TWENTIETH 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 Twentieth Report of the Committee to the House on the Action taken by the Government on the recommendations of the Committee on Petitions (15 Lok Sabha) in their Eighth Report on petitions requesting to amend section 12A-4A of the Food Corporation Act, 1964 enabling food transferee employees of FCI to opt for liberalized pension scheme of the Central Government.

2. The Committee considered and adopted the draft Twentieth Report at their sittings held on 3 August, 2012.
3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

03 August, 2012
12 Shravana, 1934 (Saka)

Anant Gangaram Geete,

**Chairman,
Committee on Petitions.**

REPORT

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE EIGHTH REPORT (14TH LOK SABHA) OF COMMITTEE ON PETITIONS ON THE PETITION REQUESTING TO AMEND SEC 12A-4A OF THE FOOD CORPORATION ACT 1964 ENABLING FOOD TRANSFEREE EMPLOYEES OF FCI TO OPT FOR LIBERALISED PENSION SCHEME OF THE CENTRAL GOVERNMENT.

The Committee on Petitions (Fourteenth Lok Sabha) in their Eighth Report presented to Lok Sabha on 29.07.2005 had dealt with a Petition requesting for the amendment of Sec 12A – 4A of the Food Corporation Act, 1964 and thereby enabling Food Transferee employees of the Food Corporation of India (FCI) (employees transferred from Regional Directorate of Food under the Ministry of Food to FCI) to opt for the liberalized Pension scheme of the Central Government.

2. The Committee had made certain observations/recommendations in the matter in their Eighth Report (14th Lok Sabha) which were forwarded to the Ministry of Consumer Affairs, Food and Public Distribution who were requested to furnish the Action Taken Replies thereon for consideration of the Committee.

3. Action Taken Replies have since been received from the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) vide their O.M. dated 23rd January, 2006 and 25 Aug 2011 respectively in respect of all the recommendations contained in the Report. The recommendations made by the Committee and the replies thereto furnished by the Ministry have been detailed in the succeeding paragraphs :-

4. In paragraphs 2.22 to 2.24 of the Report, the Committee noted/recommended as follows :-

- (i) The Food Corporation of India was set up by an Act of the Parliament called Food Corporation Act, 1964. There were about 20,000 employees working in the Regional Directorate of Food, under the Ministry of Food and all were transferred to the Food Corporation of India (FCI). The transfer of this staff was proposed to be regulated by the issue of Executive Orders safeguarding their conditions of services, etc.
- (ii) The staff agitated on the proposed transfer by way of Executive Orders and demanded that, their transfer to the FCI should be regulated by a statutory provision to be made in the Food Corporation Act, 1964 which should inter-alia guarantee all the existing rights and other conditions of service as available to Central Government servants. Thus to meet their demand, a new Section 12A, was inserted in the Act by the Food Corporation (Amendment) Act, 1968 (57 of 1968).
- (iii) The amendment in the Food Corporation Act, 1964 was discussed in Lok Sabha on 9th & 10th December, 1968 and during discussion, the Hon'ble Minister of State for Food gave the following assurances :-
- (a) That the service conditions of the workers transferred to FCI will in no way be less favourable than, what they were in the Central Government Department.
- (b) Their service conditions are not going to be affected and they were not likely to lose on this score. Even in regard to permanency and other benefits, naturally those will be available to them because it is only on paper that the transfer would take place.
- (iv) The Government of India in consonance with the above assurances issued an executive order vide letter No 5/1/66-RE-1 dated 30th September, 1971.
- (v) The Section 12A of the Food Corporation Act was further amended by promulgation of an ordinance on 31.12.1976 and the ordinance was later passed as an Act (No 12 of 1977) by Parliament. This was done to ensure that the transferred employees (popularly known as Food Transferees) were enabled to opt for Central Government retirement benefits like pension and Death-cum-

Retirement Gratuity (DCRG) as at that point of time these benefits were considered to be more favourable, due to liberalization of pension rules by the 3rd Pay Commission.

- (vi) The IVth Central Pay Commission had recommended that CPF beneficiaries who were in service as on 01.01.1986 should be deemed to have switched over to pension scheme on that date unless they specifically opt to continue under the CPF Scheme. After acceptance of these recommendations, the Department of Pension had issued an O.M. dated 1.5.1987 requesting the employees to exercise option to switch over by 30th September, 1987. Administrative employees of Department of Space/ISRO were covered by the provisions of this O.M."

(Para 2.22)

The Committee had noted the reasons given by the Ministry of Consumer Affairs, Food & Public Distribution (Department of Food & Public Distribution) for declining the request of the petitioners to allow them to opt one more time for the liberalized pension scheme, on the grounds that, after the transfer of these employees to FCI, they ceased to be the Central Government employees vide section 12-A(3) of the Food Corporation Act, 1964 and, thus, became employees of the FCI. Also the option exercised once was treated as final as per provisions in Section 12-A (4-A) of the Food Corporation Act, 1964.

The Ministry of Finance (Department of Expenditure) on this issue had also submitted:-

- (i) Any such move would cause repercussions with similar benefits having to be extended to pensioners who had earlier chosen to be governed by CPF/SRPF scheme and whose number exceeds one lakh, and
- (ii) The Government has already disbanded the GPF cum Pension scheme for all new entrants w.e.f. 01.01.2004 and substituted it by the New Pension Scheme- being a Contributory Pension Scheme based on the defined contributions, this Department agrees with the view of Administrative department that it may not be feasible to give another option to the retired employees of FCI to switch over to GPF cum pension scheme of the Government."

(Para 2.23)

The Committee had stressed upon the fact that the Petitioners (Food Transferee employees) were initially the Central Government servants whose services were transferred to the FCI

and prior to their transfer an assurance was also given by the Hon'ble Minister to those employees that their service conditions will in no way be less than, what they were in the Central Government Department at that point of time. Also to guarantee all the existing rights and other conditions of service as available to the Central Government servants, a new section 12A, was inserted in the Act by the Food Corporations' (Amendment) Act, 1968 (57 of 1968). The section 12A of the Act, was further amended by the promulgation of an Ordinance, the Food Corporations Act Ordinance, 1976 (No 16 of 1976) on 31.12.1976. The Ordinance was later passed as an Act (No. 12 of 1977) by Parliament. This was done to ensure that the Food Transferees were enabled to opt for the Central Government retirement benefits like pension and Death-cum-Retirement Gratuity as at that point of time these benefits were considered to be more favourable, due to liberalization of Pension Rules which were due on the recommendations of the 3rd Pay Commission.

(Para 2.24)

5. In paragraph 2.25 of the Report, the Committee had observed/recommended as follows :-

"The Committee do not agree with the reasons given by the Ministry for declining the request of the petitioners for giving one more option to Food Transferee employees to avail liberalized pension scheme based on recommendations of 4th Pay Commission. The Ministry's contention that it would open a flood gate for similar request from other organizations is not based on facts in view of the following position:-

- (i) The Case of Food transferee employees is totally unique and different from others as these employees were earlier Central Government employees.
- (ii) At the time of amendment in Food Corporation Act, 1964 and 1968, the Minister had assured the House that Service Conditions of Food Transferees will not be less favourable than to those of the Central Government employees.
- (iii) Food Corporation Act, 1964 was amended in 1976/77 to protect the interest of the Food Transferees and also to enable them to exercise the pension option.
- (iv) The liberalized pension scheme 1987 based on the 4th Pay Commission was extended to several Organisations formed through the Acts of Parliament and the same should have been extended to Food Transferees by amending the Food Corporation Act 1964, as was done in 1976/1977.

- (v) Administrative reasons assigned like calculations, return of CPF, etc cannot override the principles of justice and fair play."
(Para 2.25)

6. In their reply, the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) have stated as follows:

"Regarding the recommendation of the committee with regard to the Assurance given by the then Food Minister that the service conditions of the Food Transferees will not be less favourable than to those of Central Government employees it is stated that the same relates to the period when the Food Corporation of India was in formative stage. By amending the Food Corporation Act, 1964, the Food Transferees were allowed to exercise their option either to avail the benefits of the Central Government or that of the Food Corporation of India. This had taken care of the interest of the Food Transferees appropriately. This issue has again been examined in consultation with the Department of Public Enterprises and Department of Expenditure. The Government of India, in the Ministry of Consumer Affairs, Food & Public Distribution are of the considered view that allowing Food Transferees to switch over to CDA pattern from IDA pattern again would amount to giving double benefits to them whenever it suits them."

7. In paragraph 2.26 of the Report, the Committee had strongly recommended that the case of Food Transferees (erstwhile employees of the Central Government) should be treated as an exceptional case and action initiated to amend Section 12A-4A of the Food Corporation Act, 1964, as had been done in 1976/77 so as to enable Food Transferee employees to opt for liberalized pension scheme as introduced by the Government of India for the Central Government employees based on recommendations of IVth Pay Commission. The Committee had desired the Government to appreciate the fact that the statutory provisions guaranteeing a certain set of Service Conditions in an Act passed by Parliament cannot be ignored totally and the Executive Orders issued concerning the pay and pension could not be interpreted in a manner that violates the letter and spirit of an Act passed by Parliament.

8. In reply thereto the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) have stated as under :-

"The matter has again been examined in consultation with the Department of Public Enterprises and Department of Expenditure. Taking into consideration the comments of these departments, the Government reiterates its stand of not allowing another option to the Food Transferees."

9. The Committee subsequently received further representations from time to time from Shri N.P. Hate forwarded by Shri J.M. Haroon, Shri Vithalbhai H. Radadiya and Shri Kunvarjibhai Bavaliya, Members of Parliament wherein the petitioners raised the issue of non-implementation of the recommendations of the Committee. The petitioners particularly emphasized the assurance given by the Hon'ble Minister of Food & Agriculture in 1968 i.e. at the time of transfer of employees of Food Department to FCI that the Service Conditions of the employees of the erstwhile Food Department viz Food Transferees will in no way be less favourable than what they were in the Central Government and their service conditions were not going to be affected and they were not likely to lose on that score. The petitioners also sought to establish the fact that the Food Transferees have not been allowed any option after the introduction of liberalized pension scheme by the Government of India. The petitioners in their subsequent representations pointed out:-

- (i) The Government of India extended *first* option to CPF optee Central Government employees vide its Office Memorandum No. F-19(3)-EV/79 dated 25 May 1979 issued by the Ministry of Finance liberalizing the pension formula.
- (ii) On the basis of the above OM, the Ministry of Home Affairs, Department of Personnel & Administrative Reforms issued instructions inviting option from the Central Government employees who had retained Contributory Provident Fund (CPF) benefits.
- (iii) The above order was circulated by FCI Head Office *vide* circular No 11-1/79-EP dated 18.12.1979 inviting option from Central Government employees on deputation working in FCI, however the same was not extended to Food Transferees.

- (iv) FCI issued clarifications *vide* Head Office circular No 11-1/79-EP dated 29.01.1980 that the instructions issued by Government of India were not applicable on Food Transferees.
- (v) The Government of India, Department of Personnel & Training vide its O.M No. F-3(1) Pension Unit/85 dated 06.06.1985 extending another option to Central Government servants covered by CPF scheme to come over to pension scheme. This option was also allowed to employees on deputation and not to the Food Transferees.
- (vi) The Government of India, Department of Pension & Pensioners Welfare vide its O.M No. 4/1/87-P.I.C.I dated 01.05.1987 issued another circular based on the recommendations of IVth Pay Commission in which it was laid down that CPF beneficiaries who were in service on 1st January 1986 and who are still in service will be deemed to have come over to the Pension scheme. The employees of the category mentioned above will however have an option to continue under CPF scheme if they so desire. If no option is received by the head office by the above date the employees will be deemed to have come over to the Pension scheme.
- (vii) This option once exercised was final. It was extended to those who have since retired or expired. This option was also denied to the Food Transferees whereas employees under deputation were allowed to exercise their options.

In view of the above submissions, the petitioners claimed that the employees of other undertakings referred to by the Ministry of Finance have availed three options whereas Food Transferees were not allowed any option in the garb of statutory provision that – 'option once exercised was final'.

10. In reply to the issues raised by the petitioners, the Ministry reiterated its position and submitted:-

"the Food Corporation Act 1964 was amended in 1968 to guarantee *inter-alia* the existing rights and other conditions of services as available then to Central Government servants. The assurance given by the Hon'ble Minister at that time therefore was with respect to the comparable service conditions obtaining at that time for Government servants vis-à-vis the FCI and not for all time to come. The Food Transferees should not and can not expect to

sail in two boats for all times to come. They had to make a choice at that time as they have been given an option to choose between the benefits available under the Government rules and those of FCI Rules. For the betterment of the Food Transferees they were again allowed in 1976/77 to exercise their option. From the above it is very much clear that Government made all out efforts to ensure beneficial service conditions for the Food Transferees by allowing them to exercise option and that too not once but twice."

11. The Ministry vide its O.M dated 03 Feb 2012 further informed as follows :-

"On persistent demand by the National Federation of Retired Employees and pensioners of FCI through various VIP reference the matter was re examined and after getting conversance of ASFA the case was again referred to the Department of Expenditure (DOE) on 25.06.2007 for their reconsideration. The decision taken by the Dept. of Expenditure on the issue is as under :-

"The Department of Expenditure does not agree to the proposal of allowing one more option to opt for liberlised pension scheme to the Food Transferees for the reason that it will cause repercussion with similar benefits having to be extended to pensioners who had earlier chosen to be governed by CPF/SRPF scheme. Further, the GPF-cum-pension scheme has since been discontinued with effect from 1-1-2004, Government has introduced the New Pension Scheme (NPS) which is a contributory pension scheme based on defined contribution."

In view of the above, the matter was treated as closed and no further action was as such called for in this regard.

12. Later on in respect to the clarifications sought by the Committee on Petitions on extending option in 1986 to other employees of the Port Trust, LIC, RBI and nationalized Banks etc. and denying the same to the Food Transferees, the Ministry of Consumer Affairs, Food and Public Distribution, Department of Food Distribution vide its O.M. dated 3 February 2012, however, clarified as follows :-

"The Ministry of Finance has stated that as per Fourth Pay Commission's recommendations all CPF beneficiaries in service on 1.1.1986 were deemed to have come over to the Pension Scheme on that date unless they specifically opt out to continue under the CPF scheme. However, this option was not extended to the Food Transferees in FCI for the reason that when the Section 12A was inserted in FCI Act, in 1968 the sub-Section (4) provided that

every transferred employee shall, within six months from the date of transfer exercise his option to be governed by the pay and allowances applicable to the Government post that he had earlier held and the leave, provident fund, retirement and other terminal benefits admissible to Government employees or the pay and allowances applicable to the post under the FCI and the leave, provident fund and other terminal benefits admissible to FCI employee. Subsequently, sub-section (4A) was introduced with effect from 31.12.1976 which provided another option to the transferred employees to exercise the option earlier provided in sub-section (4). It also stipulated that in each such case such option once exercised shall be final. Accordingly, the Food Transferees were not extended the option made by the 4th Pay Commission."

13. The Ministry of Consumer Affairs, Food and Public Distribution, Department of Food Distribution further clarified the position with regard to allowing only one option to Food Transferees i.e. in 1977 as follows :-

"This was according to the extent to which Central Government instructions were adopted by the respective organizations. In case of Food Corporation of India, Section 12 A(4A) of the Food Corporations Act, 1964 restricted giving further option to Food Transferees. Our role is limited to the chances given for opting either for pension or CPF to Food Transferees of FCI only. Furnishing details on other Organizations in this matter is out of purview of this Department."

14. The petitioners had argued that the Ministry of Finance plea for denial of another option to Food Transferees on the ground that the GPF fund has been discontinued, was irrelevant because the provision came in effect after 2004 while the Food Transferees were the appointees of 1965 and 1969. The Ministry while countering the argument of the petitioners have later on submitted as follows :-

"As a matter of policy, after the implementation of New Pension Scheme (NPS) w.e.f. 1.1.2004, Ministry of Finance has moved away from the 'Defined Benefit based Pension Scheme'. Accordingly, the proposals for introduction of pension scheme for the employees of autonomous bodies under different Ministries/departments who were recruited before 1.1.2004 and were governed by CPF are not agreed to for the reason that the cost of introduction of pension scheme is much higher than the CPF scheme. Further, the New Pension Scheme has also been extended to employees of autonomous bodies. If the present proposal to allow the FCI transferees to give one more option to opt for liberalized pension scheme is accepted, it may lead to demands for extending similar benefits to other pensioners also who had earlier chosen to be governed by CPF

scheme. Therefore, Ministry of Finance is not agreeable to allow another option to the Food Transferees to opt for liberalized pension scheme."

Observations/Recommendations

15. A representation was submitted to the Committee by the petitioners who were employees of Directorate of Food under the Ministry of Food and Agriculture. They were subsequently transferred to Food Corporation of India. The transfer of this complement of staff was proposed to be regulated by the issue of an Executive order safeguarding their Service Conditions etc. The employees of the Food Department (Food Transferees) agitated demanding that their proposed transfer to the FCI should be regulated by statutory provision to be made in the Food Corporation Act, 1964 which should *inter-alia* guarantee all the existing rights and other Service Conditions as available to the Central Government servants. To meet their demand, a new Section 12A was inserted in the Act by the Food Corporation (Amendment) Act 1968 (57 of 1968). The amendment in the Food Corporation Act, 1964 was discussed in Lok Sabha on 9th and 10th December, 1968 and during discussion, the Hon'ble Minister of State for Food gave the following assurances :-

- (i) That the service conditions of the workers transferred to FCI will in no way be less favourable than, what they were in the Central Government Department.**

- (iii) Their service conditions are not going to be affected and they were not likely to lose on this score. Even in regard to permanency and other benefits, naturally those will be available to them because it is only on paper that the transfer would take place.**

The Section 12A of the Food Corporation Act was further amendment by promulgation of an Ordinance on 31.12.1976 and the Ordinance was later passed as an Act (No 12 of 1977) by Parliament. This was done to ensure that the transferred employees (popularly known as Food Transferees) were enabled to opt for the Central Government retirement benefits like pension and Death-cum-Retirement Gratuity (DCRG) as at that point of time these benefits were considered to be more favourable, due to liberalization of Pension Rules by the 3rd Pay Commission. Further, the IVth Central Pay Commission had recommended that CPF beneficiaries

who were in service as on 01.01.1986 should be deemed to have switched over to pension scheme on that date unless they specifically opt to continue under the CPF Scheme. After acceptance of these recommendations, the Department of Pension had issued an O.M. dated 1.5.1987 requesting the employees to exercise option to switch over by 30th September, 1987. Administrative employees of Department of Space/ISRO were covered by the provisions of this O.M. However, this opportunity was denied to the petitioners viz Food Transferees.

The petitioners, therefore, contended that they were repeatedly deprived of exercising option of the Liberalized Pension Scheme. Moreover, the option was only extended once and not twice as had been claimed by the Ministry of Consumer Affairs, Food and Public Distribution.

16. In this connection, the Committee were given to understand by the Ministry that the reasons for declining the request of the petitioners to allow them to opt one more time for the liberalized pension scheme is on the ground that, after the transfer of these employees to FCI, they ceased to be the Central Government employees vide Sec 12A(3) of the Food Corporation Act 1964 and became employees of the FCI. Also the option exercised by them once was treated as final as per provisions in Sec 12A-4A of the Food Corporation Act 1964.

17. The matter was examined by the Committee in detail. The Committee, however, disagreed with the reasons advanced by the Ministry for declining the request of the petitioners for giving one more option to Food Transferee employees to avail liberalized pension scheme based on the recommendations of the 4th Pay Commission. The Committee had, therefore, observed in their 8th Report (14th Lok Sabha) that the contention of the Ministry that it would open a flood gate for similar request from other Organizations is not based on facts in view of the following factual position:-

- (i) The Case of Food transferee employees is totally unique and different from others as these employees were earlier Central Government employees.**
- (ii) At the time of amendment in Food Corporation Act, 1964 and 1968, the Minister had assured the House that service conditions of the Food Transferees will not be less favourable than to those of Central Government employees.**
- (iii) Food Corporation Act, 1964 was amended in 1976/77 to protect Food Transferees interests and to enable them to exercise pension option.**
- (iv) The liberalized pension scheme 1987 based on 4th Pay commission was extended to several organisation formed through Acts of Parliament and the same should have been extended to Food Transferees by amending the Food Corporation Act 1964, as was done in 1976/1977.**
- (v) Administrative reasons assigned like calculations, return of CPF, etc cannot override the principles of justice and fair play.**

18. Considering the above aspects, the Committee had specifically recommended to treat the case of Food Transferees as an exceptional one and initiate action to amend Sec 12A-4A of the Food Corporation Act, 1964 as was done in 1976/77 so as to enable the Food Transferees to opt for liberalized pension scheme as introduced by the Government of India for the Central Government employees based on the recommendations of IVth Pay Commission.

19. The Committee note from the Action Taken Replies now furnished by the Ministry of Consumer Affairs, Food and Public Distribution:-

- (i) The assurance given by the Hon'ble Minister at that time was with respect to the comparable service conditions obtaining at that time for Government servants vis-à-vis FCI and not for all time to come.**

- (ii) The Department of Expenditure have not agreed to the proposal of allowing one more option to the Food Transferees to opt for liberalized pension scheme on the plea that it will cause repercussion with similar benefits having to be extended to pensioners who had earlier chosen to be governed by CPF/SRPF scheme.**

- (iii) The GPF-cum-pension scheme has since been discontinued w.e.f. 1.1.2004 and Government has introduced new pension scheme.**

- (iv) The option of liberalized pension as recommended by the IVth Pay Commission was not extended to the Food Transferees in FCI for the reason that when the Sec-12A was inserted in Food Corporation Act, in 1968 the sub-section (4) provided that every transferred employee shall within six months from the date of transfer exercise his option to be governed by pay and allowances applicable to the post admissible to Government employee or to the post under FCI. Subsequently, sub-section (4A) was introduced w.e.f. 31.12.1976 which provided another option to transferred employees to exercise the option earlier provided in sub-section (4). It also stipulated that in such case option once exercised shall be final.**

- (v) In case of FCI, Sec. 12A(4A) of the Food Corporation Act, 1964 restricted giving further option to Food Transferees.**

20. While taking into consideration the above submission of the Ministry, the Committee are constrained to note that the necessary steps have not been initiated to resolve the issue of Food Transferees with a positive frame of mind as yet and the recommendation of the Committee in the matter has not been given the due weightage and consideration that it deserved. The Committee, therefore, take strong exception to the inaction on the part of the Ministry and are inclined to conclude that the case of Food Transferees should have been treated as an exceptional one in view of the following :-

- (i) The Food Transferees were earlier Central Government employees and at the time of amendment of Food Corporation Act, 1964, the then**

Hon'ble Minister of State for Food had assured that 'the service conditions of the transferred workers will in no way be less favourable than what they were in Central Government. They were not likely to lose on this score. Even in regard to permanency and other benefits, naturally those will be available to them because it is only on paper that the transfer would take place.'

- (ii) The liberalized pension scheme 1987 based on 4th Pay Commission was extended to several organizations formed through Acts of Parliament but the same was not extended to Food Transferees under the garb of Sec. 4A of Food Corporation Act, 1964 which on one side enabled the Food Transferees to opt for Central Government retirement benefits due to liberalization of pension rules by the 3rd Pay Commission but on the other hand debarred them from future options on the ground that Sec. 4A also stipulates that – 'option once exercised was final'. Whereas, such condition was not made applicable to other organizations and the liberalized pension scheme 1987 based on 4th Pay Commission was extended to other several organizations formed through Acts of Parliament. Moreover, the Committee understand that there are precedents of amending Acts for safeguarding the larger interest of general masses.**

- (iii) The contention of the Ministry that if the demand of the petitioners is accepted it may lead to demands for extending similar benefits to other pensioners also who had chosen CPF scheme is not tenable because many organizations have availed subsequent three options of liberalized Pension Scheme offered vide Ministry of Finance Memo. No. F.19(3)-EV/79 dated 25 May 1979, DOPT O.M. No. F-3(1) Pension Unit/85 dated 6.6.1985 and Department of Pension and Pensioners Welfare O.M. No. 4/1/87-P.I.C.I. dated 1.5.1987.**

21. The Committee deprecate the attitude of the Ministry to shield itself under the Provision under Sec. 4A of the Food Corporation Act, 1964 that, 'option once exercised was final' against the genuine demands of the petitioner. The Committee are of the firm view that monetary benefit provided to the Food Transferees at the time of retirement was not sufficient to ensure a secured retired life- in the times when the value of money has seen substantial depreciation and the burden of high

inflation has increased manifold. The Committee, therefore, feel that the Government should have taken a pragmatic view and considered the request of the petitioners who are now very few in number for allowing them to have the benefit of Liberalized Pension Scheme as recommended by the 4th Pay Commission.

22. The Committee, therefore, strongly reiterate its earlier recommendation that the case of Food Transferees should be treated as an exceptional one and action should be initiated to amend the Food Corporation Act, 1964 as was done in 1976/77 to protect the interests of Food Transferees to enable them to opt for liberalized pension scheme as introduced by the Government of India for the Central Government employees based on recommendations of 4th Pay Commission. The Committee desire the Government to also appreciate the fact that the Statutory Provisions guaranteeing a certain set of Service Conditions in an Act passed by Parliament cannot be ignored totally and the Executive Orders issued concerning pay and pension cannot be interpreted in a manner that negates the letter and spirit of an Act passed by Parliament and also dilutes the assurances given by the Minister on the floor of the House. The Committee would like to be apprised of the concrete action taken by the Ministry in the matter within a period of three months.

NEW DELHI;

03 August, 2012

12 Shravana, 1934 (Saka)

Anant Gangaram Geete,

Chairman,

Committee on Petitions.

