

**COMMITTEE ON PETITIONS**

**(SIXTEENTH LOK SABHA)**

**SECOND REPORT**

**MINISTRY OF COMMERCE AND INDUSTRY**

**(Presented to Lok Sabha on .....)**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 2015/Magha 1936 (Saka)**

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- i) Minutes of the 3<sup>rd</sup> sitting of the Committee held on 10.10.2014
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**COMPOSITION OF THE COMMITTEE ON PETITIONS  
(2014-2015)**

Shri Bhagat Singh Koshyari - *Chairperson*

**MEMBERS**

2. Shri Suresh C. Angadi
3. Shri Om Birla
4. Shri Jitendra Chaudhury
5. Shri Ram Tahal Choudhary
6. Shri Rajen Gohain
7. Dr. K. Gopal
8. Shri Chhedi Paswan
9. Shri Kamlesh Paswan
10. Smt. Krishna Raj
11. Shri Arjun Charan Sethi
12. Shri Kodikunnil Suresh
13. Shri Dinesh Trivedi
14. Shri Rajan Vichare
15. Shri Dharmendra Yadav

**SECRETARIAT**

- |                               |   |                            |
|-------------------------------|---|----------------------------|
| 1. Smt. Sudesh Luthra         | - | <i>Joint Secretary</i>     |
| 2. Shri Shiv Kumar            | - | <i>Director</i>            |
| 3. Md. Aftab Alam             | - | <i>Deputy Secretary</i>    |
| 4. Shri Jyoti Prakash Krishna | - | <i>Executive Assistant</i> |

(iii)

**SECOND REPORT OF THE COMMITTEE ON PETITIONS****(SIXTEENTH LOK SABHA)****INTRODUCTION**

I, the Chairperson, Committee on Petitions, having been authorized by the Committee to present the Report on their behalf, present this Second Report (Sixteenth Lok Sabha) of the Committee to the House on the Action Taken by the Government on the recommendations of the Committee on Petitions made in their Seventh Report (15th Lok Sabha) on the representation received from Smt. Rita Kunur regarding non-implementation of the decision of Appointments Committee of Cabinet (ACC).

2. The Committee considered and adopted the draft Second Report at their sitting held on 06 February, 2015.
3. The observations / recommendations of the Committee on the above matters have been included in the Report.

**NEW DELHI;****BHAGAT SINGH KOSHYARI****Chairperson,  
Committee on Petitions****06 February, 2015  
17 Magha, 1936 (Saka)**

**ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS MADE IN SEVENTH REPORT (15<sup>TH</sup> LOK SABHA) OF THE COMMITTEE ON THE REPRESENTATION RECEIVED FROM MS. RITA KUNUR REGARDING NON-IMPLEMENTATION OF THE DECISION OF THE APPOINTMENTS COMMITTEE OF CABINET (ACC).**

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The Committee on Petitions in their Seventh Report (15<sup>th</sup> Lok Sabha) presented to the Lok Sabha on 18<sup>th</sup> August, 2010 had dealt with a representation received from Ms. Rita Kunur on non-implementation of the decision of Appointments Committee of Cabinet (ACC).

2. The Committee on Petitions had deliberated upon the issue and made certain observations/ recommendations in their Report on the subject. The Ministry of Commerce & Industry were requested to take action on the recommendations and furnish the Action Taken Replies thereon for the consideration of the Committee.

3. The Ministry of Commerce & Industry had furnished the updated Action Taken Replies in respect of the observations/recommendations of the Committee on Petitions contained in the Seventh Report.

4. The Action Taken Replies received from the Ministry on the observations/ recommendations made by the Committee have been dealt with in the succeeding paragraphs.

5. As regards the details of the case examined by the Committee, the Committee had in paras 2.46 and 2.48 of the Report noted as follows :-

“In her representation, the Petitioner namely Ms. Rita Kunur has stated that she started her career as a Management Trainee in 1972 and became Director (Marketing) in the State Trading Corporation (STC) in 1995. In 1997, she was empanelled by the Public Enterprises Selection Board (PESB) for the post of CMD, State Trading Corporation (STC) Limited as No. 2 candidate. After completion of five years of service as Director (Marketing), she was not granted extension of her tenure beyond June, 2001 by the Appointments Committee of Cabinet (ACC) on the basis of wrong facts and advice tendered by the officials concerned as alleged by her. She lost her regular job in June 2001 at the age of 52 years. Thereafter, she represented

to the Hon'ble Prime Minister as Chairman of ACC in the matter and after review of her case, ACC decided on 17 March, 2005 as understood by her, that she may be considered for a suitable post under Government of India or in Public Sector Enterprises or in Government Commissions/committees. But the aforesaid decision of the ACC has not been implemented. As a result thereof, she has been deprived of job for eight years and the opportunity for a bright service prospects in addition to heavy loss of remuneration over the years for no fault on her part. The Petitioner has, therefore, requested the Committee to look into the matter.”

(Para 2.46)

“In the meantime, the Petitioner represented that she may either be appointed in Government of India or in Public Sector. She also represented to the then Cabinet Secretary vide her letter dated 21 June 2004. The Department of Public Enterprises (DPE) and the PESB were requested vide DoPT's communication dated 19 August 2004 to offer their comments on the representations submitted by the Petitioner. The DPE vide its communication dated 9 September 2004 clarified that as she had a lien for the post of CGM, STC, she could have been appointed against that post of CGM, STC. The PESB in its communication dated 3 September 2004 informed that the Petitioner was not eligible for any board level post in any PSUs as she was not in the service. The Department of Commerce vide their letter dated 6 October 2004 informed that as per DPE's instructions dated 13 January 1999, officers in PSUs can retain lien for a period not exceeding 5 years. Since the Petitioner's five-year tenure expired on 2 November 2000 and she continued to hold the post up to 2 June 2001, she was not entitled to hold lien beyond five years. Therefore, at the time of demitting office, she did not have a lien on the post of CGM, STC. In October 2004, the DPE, following directions of the Cabinet Secretary, directed that her representation for appointment to an equivalent post either in the Government or in the Public Sector may be considered through PESB. After consideration of her representations, the ACC also directed the PESB to consider the candidature of the Petitioner as an internal candidate for suitable vacancies, as well as by the Government for appointment in Government Commissions/Committees. These directions of the ACC were conveyed to the PESB, DPE and Department of Commerce for compliance by DoPT on 27 May 2005. Since there was inordinate delay in implementation of the aforesaid directions of ACC, the PESB as well as the Department of Commerce were requested on 25 May 2006 to furnish a status report in the matter. In reply to the above directions, it was informed in June 2006 that the Petitioner was called by the PESB for interview for Board level position, i.e. Director (Marketing), STC and Director (Personnel), MMTTC and she was asked to appear before the Board on 05 August 2005 and 6 March 2006 respectively. But she did not appear for interviews on either occasion. She also met the Cabinet Secretary personally and represented that having been a Board level functionary in the past she should have appropriately been called for interview for the post for CMD. The ACC, after consideration, decided that the Department of Commerce may place the Petitioner as a full time Member on one of the committees set up by the Ministry, where her association could be

considered useful, taking into account her experience and background. These directions of the ACC were conveyed to the Department of Commerce on 27 July 2006.

With regard to ACC recommendation pertaining to her clearance for appointment on Govt. Commission/Govt. Committee, Establishment Officer, DoPT had been informed by Department of Commerce on 21.8.2006 that there is no permanent Committee under the administrative control of the Department of Commerce where Ms. Kunur could be accommodated. It was also communicated to the DoPT that as and when such a Committee is established, the Department shall see if it is possible to induct her as a full time member, keeping in view her experience and terms of reference of the Committee.

It was further communicated that the Department of Commerce had no objection if Ms. Kunur applied for any post in response to advertisements issued by Department of Commerce (or any organisation under its administrative control) where her candidature could be considered on merit. In the meanwhile, the Department of Personnel & Training could nominate her as a full time member in any Government Commission/Committee under the aegis of other Ministries/Department.”

(Para 2.48)

6. In their Action Taken Reply, however, on this issue, the Ministry of Commerce & Industry have submitted:-

“Ms. Kunur was not given extension of tenure due to withholding of vigilance clearance by CVC on the basis of an investigation report sent by DOC. CVC also recommended to entrust the case to CBI and also advised this Department to initiate major penalty disciplinary proceedings against her. The matter was reported to the DOPT which directed DOC to relieve her from STC immediately. Accordingly, she was relieved from STC on 22.6.2001. Subsequently on the advice of CVC vide U.O. No. 000/CMC/046 dated 19.6.2002, this Department issued order exonerating Ms. Rita Kunur of all the charges on 5.3.2003.

With regard to ACC recommendation pertaining to her clearance for appointment on Govt. Commission/Govt. Committee, a reply in the past has been sent to Establishment Officer, DOPT on 21.8.2006 stating that there is no permanent Committee under the administrative control of the Department of Commerce where Ms. Kunur could be accommodated. It was also communicated to the DOPT that as and when such a Committee is established, the Department, shall see if it is possible to induct her as a full time member keeping in view her experience and terms of reference of the Committee.

It was further communicated that the Department of Commerce had no objection if Ms. Kunur applied for any post in response to advertisements

issued by the Department of Commerce (or any organization under its administrative control) where her candidature could be considered on merit. In the meanwhile, the Department of Personnel & Training could nominate her as a full time member in any Government Commission/ Committee under the aegis of other Ministries/Departments.”

7. In para 2.50 of the Report, the Committee had noted as follows :-

“Subsequently, it was suggested that the Petitioner, being 59 years of age and too late for Board level position, be appointed as a part-time non-official Director on the Board of STC subject to the DPE clearing her name for the purpose. However, her name was not considered for appointment as part time non-official Director on the Board of STC.”

(Para 2.50)

8. In response to the abovesaid point, in their Action Taken Reply, the Ministry of Commerce & Industry have submitted :-

“The case of Ms. Rita Kunur has been examined from time to time. After her exoneration by the CVC, Ms. Kunur was given ample opportunities and was short-listed for the post of Director(Pers.) in MMTC and Director (Marketing) in STC. She was asked to appear before the Board on 05.08.2005 and 06.03.2006 respectively. However, she chose not to attend the interviews on either occasion and consequently could not be considered for selection with regard to ACC recommendation pertaining to her clearance for appointment on a Government Commission/Committee, reply had been sent to Establishment Officer (DoPT) by the Department of Commerce clarifying that there is no permanent Committee under the administrative control of the Department of Commerce where she could be placed as a full time member. It was also communicated to DOPT that as and when any Committee is established under the Department, it will be seen if it is possible to induct her as a full time member keeping in view her experience and terms of reference of such created Committee. It was further communicated that the Department of Commerce had no objection if Ms. Kunur applies for any post in response to advertisements issued by this Department or any organisation under its administrative control) where her candidature could be considered on merit. In the meanwhile, however, DOPT could nominate her as a full time member in any Government Commission/Committee under the aegis of other Ministries/Departments. The proposal of DOPT/ACC for considering her appointment as a part time non-official Director on the Board of STC was examined by the Department of Commerce and it was decided by the Competent Authority to consider fresh proposals of appointment of Independent Directors on the Board of STC and the name of Ms. Rita Kunur was, therefore, not considered for appointment as part time non official Director on the Board of STC. This was communicated by the Department of Commerce to the DOPT/ACC with regard to DOPT’S recommendation.”

9. In para 2.51 of the Report, the Committee had noted :-



“From the sequence of events as stipulated in the preceding paragraphs, the Committee are deeply distressed to note that the services of the Petitioner were terminated at the age of 52 years on the basis of baseless and malicious charges which were ultimately proved false by CBI in its investigation. The authorities concerned did not even wait for the outcome of CBI investigation before she was removed from service. Even the ACC have recognized the wrongful termination of the Petitioner from service as otherwise they would not have directed the authorities concerned to consider her for a suitable post/placement in the Government Commission/Committees or PSUs. The Committee are highly anguished to note that even after her exoneration from all the false charges, the Petitioner is still waiting for the relief/compensation for grave injustice meted out to her almost 9 years ago. The very fact that she had to approach the Committee for redressal of her grievances on the issue, amply proves the manner in which her case is being handled by the authorities concerned. Their response in the matter reflects their gross apathy and reluctance to give her any concession and compensation for the losses she has suffered over the years for no fault on her part. The way different Ministries/Departments of the Government of India have behaved and dealt with her case clearly speaks of their indifferent and insensitive approach towards her genuine grievance. The Committee, therefore, deprecate and deplore the insensitive and inhuman approach of all the concerned Government Departments on the issue and expect that such cases of injustice should always be dealt with all compassion and human approach.”

(Para 2.51)

10. In their Action Taken Reply, the Ministry of Commerce & Industry have stated :-

“Department of Commerce has scrupulously abided by instructions/orders issued to it from time to time in regard to Ms. Kunur. It allowed her to continue as Director (Marketing) beyond 2.11.2000 until CVC withheld her vigilance clearance. Subsequently, on ACC’s orders the officer was relieved from her position in STC. With regard to ACC recommendation pertaining to her clearance for appointment on a Government Commission/Committee, reply had been sent to Establishment Officer (DOPT) by the Department of Commerce clarifying that there is a permanent Committee under the administrative control of the Department of Commerce where she could be placed as full time member. It was further communicated to DOPT that as and when any Committee is established under the Department, it will be seen if it is possible to induct her as a full time member keeping in view her experience and terms of reference of such created Committee.

It was further communicated that the Department of Commerce had no objection if Ms. Kunur applied for any response to advertisements issued by Department of Commerce or any organisation under its administrative control where her candidature could be considered on merit. In the meanwhile, the Department of Personnel and Training could nominate her as a full time

member in any Government Commission/Committee under the aegis of other Ministries/ Departments.”

11. In para 2.52 of the Report, the Committee had also observed in the matter as follows :-

“The Committee are anguished to note that inspite of repeated recommendations/suggestions of the ACC, the authorities concerned could not find a suitable post either in the Government or in any Public Sector Undertaking for her placement befitting her status/position which she had enjoyed before her retirement as claimed by her and the matter was allowed to linger on till she crossed the age of superannuation in April 2009. This is clear from the fact that after her exoneration by CVC from all the malicious charges in March 2003, she was called for interviews for the position of Director(Personnel), MMTC and Director (Marketing) after more than two years in August 2005 and March 2006 respectively and that too after repeated representations by her. During the course of evidence, it also came to the notice of the Committee that there were two Corporations where her name was considered for the position of a part-time Member of one of the Boards, but authorities concerned did not approve her name for the same. Again, she was also not accommodated as one of the non-official Board Members of STC in spite of her long association with the Ministry. It is evident from the actions of the authorities concerned that they were determined to ensure that she is not rehabilitated on the position and status which she had been holding before her pre-mature termination of her services and that she does not get any justice what so ever for the losses she suffered. They continue to harp only on one point that she chose to ignore the opportunities which were made available to her for rehabilitation pursuant to exoneration. There was no guarantee that she would have been selected even if she had appeared for interviews for the positions offered to her. She might have been rejected for those positions in the interview for one reason or the other, which is supported by the subsequent events wherein she was not considered or found suitable for the job of part time Member or non-official Board Member. Therefore the comments of the Ministry of Commerce & Industry that it was a case of ‘self-inflicted loss’ as she chose to ignore the opportunities made available to her for rehabilitation pursuant to exoneration, is grossly inappropriate and the Committee have taken serious objection to this.”

(Para 2.52)

12. In their Action Taken Reply, the Ministry of Commerce & Industry have stated as follows :-

“Commerce Secretary has already agreed during the course of oral evidence that the choice of words is not the best and we should have used a better phrase than “self-inflicted” and has apologized for that use of language.”

13. Again on the issue, in para 2.53 of the Report, the Committee had observed as follows :-

“The Committee note from the submission of the Ministry of Commerce & Industry that before her appointment as Director (Marketing), the Petitioner was holding lien on the substantive post of CGM in STC. Her lien stood terminated after she completed five years of service as Director (Marketing) as per the guidelines of the DPE which do not allow holding of lien for more than five years. This is the position which seems contrary to the submission of the Cabinet Secretariat and the Ministry of Personnel, PG & Pensions in which they have stated that as per the clarification of DPE vide communication dated 9 September 2004, the Petitioner had lien for the post of CGM, STC and she could have been appointed against that post. Notwithstanding the contrary stand/views of the two Ministries/Departments of the Government of India on the issue, the Committee are of the opinion that lien of any employee on the old post should not be terminated automatically without the consent of the individual. In any case, the individual should have the option to go back to the old post before the expiry of the period of lien. In the instant case, there is nothing on record to show that the Petitioner was given any option to go back to her old post of CGM, STC before the expiry of her lien after completion of five years. The Committee, therefore, desire that the Government should review the existing guidelines which regulate the lien of any employee in the event of his/her appointment outside the cadre on contractual/deputation basis.”

(Para 2.53)

14. In their Action Taken Reply, the Ministry of Commerce & Industry have stated :-

“DPE vide their O.M. No.16(10)/2010GM dated 27.11.2012 have informed that the existing guidelines regarding retention of lien in the case of Board level employees of CPSEs have been laid down with the approval of Cabinet and, therefore, any amendment in the existing guidelines regarding retention of lien would require the approval of Cabinet. The matter is under process in the DPE for bringing this matter before the Cabinet for a decision after necessary Inter-Ministerial consultations.”

15. On this issue, the Secretariat of the Appointments Committee of Cabinet, Department of Personnel and Training (Office of the Establishment Officer) vide their OM dated 30 April, 2013 also made a submission as follows :-

“As regards formulation of guidelines, Department of Public Enterprises are in the process of finalizing a Note for the Cabinet and will seek comments from the Ministries/Departments concerned on the issues involved.

The above information was noted by the Appointments Committee of the Cabinet and the Department of Commerce was informed accordingly vide communication dated 20.02.2013.”

16. In para 2.54 of the Report, the Committee had also made a categorical observation:-

“The Committee have reasons to believe that the malicious charges were framed against the Petitioner deliberately with ulterior motives and vested interest to cause harassment and to adversely affect her career progression. The Petitioner continues to suffer mental agony besides a huge loss of remuneration which she would have otherwise earned but for her premature termination from service. The Committee, therefore, recommend that the entire matter may be investigated by an independent agency with a view to find out as to whether there was any deliberate attempt and mala fide intentions to cause distress and harassment to the Petitioner and to mar her career progression.”

(Para 2.54)

17. In their Action Taken Reply, the Ministry of Commerce & Industry have stated that Department of Commerce have scrupulously abided by instructions/order issued to it from time to time by DOPT/ACC/DPE in regard to the case of Ms. Rita Kunur.

18. In para 2.55 of the Report, the Committee had commented as follows:-

“It is abundantly clear from the examination of facts placed before the Committee that the Petitioner was implicated falsely and removed from service for no fault on her part. The Committee are, therefore, of the considered opinion that she should be given immediate justice and compensation for the loss she has suffered mentally and socially over the years. Since she has already crossed age of superannuation, it would be quite difficult to take her back on the Government job, therefore, one of the suggestions is to compensate the loss by treating her as if she was on duty on the date of her removal and by granting her all the benefits which would have been due to her in the normal course. The Committee, therefore, recommend that the Petitioner may be treated as on duty on the date of her removal from service and be granted all the benefits which would have otherwise accrued to her in the normal course but for her removal from service. The Committee also recommend that this policy should be followed in all such cases where the person is exonerated from all the charges levelled against him/her. If felt necessary, rules/guidelines should appropriately be formulated to regulate such cases. The matter may also be placed before the ACC for consideration and grant of special dispensation and compensation to the Petitioner without further delay.”

(Para 2.55)

19. In response to the abovesaid point, the Ministry of Commerce & Industry in their Action Taken Reply have stated:-

“In order to reach a decision in respect of compensation to be given to Ms. Rita Kunur (as recommended vide para 2.55 of the Report above) and other recommendations of the Committee, an Inter-Ministerial meeting was convened under the chairmanship of Special Secretary(PKC)/DOC on 17.3.2011 and it was decided that STC would examine and furnish a proposal for giving monetary compensation to Ms. Rita Kunur. It was also decided that the action regarding formulation of policy guidelines, would be taken by the DPE to regulate similar cases of individuals so that such instances do not recur in future.

DPE vide O.M. No.16(10)/2010-GM dated 9.5.2011 had informed that formulation of such policy as recommended by the Committee on Petitions would require considerable time in view of the complexities of issues involved and Inter-Ministerial consultations and consensus required in this regard and would take further necessary action in this regard.

The issue of monetary compensation to Ms. Rita Kunur was deliberated by STC in the 569<sup>th</sup> meeting of the Board of Directors. The Board of Directors decided that STC could at best consider one time compensation equivalent to pay and allowances that would have been payable to Ms. Rita Kunur, ex-Director, STC had she continued as Director for a period of one year i.e. up to 2.11.2001 (which comes to Rs. 2 lakhs). STC, thereafter, forwarded the proposal for one time compensation package of Rs.2 lakh to Ms. Rita Kunur, which was forwarded by the Department of Commerce to DOPT for obtaining approval of ACC vide D.O. No.14/13/97-FT(ST) (Part-IV) dated 29.6.2011. ACC vide their O.M. No.30(8)EO/2010(ACC) dated 24.8.2011 sought certain clarifications, which were clarified by Department of Commerce vide D.O. No.14/13/2011-FT(ST) dated 24.1.2012. ACC had taken note of clarification of the Department of Commerce that the Board of Directors of STC is competent to take decision in the matter of monetary compensation to Ms Rita Kunur. No separate approval of ACC is required for the same. The State Trading Corporation of India Ltd.(STC Ltd.) has sent a cheque No.062600 dated 2.4.2013 for Rs. 2.00 lakh drawn on State Bank of India, Chandralok Building, Janpath, New Delhi-110001 to Ms. Rita Kunur, ex-Director (Marketing) towards one time monetary compensation package equivalent to the pay and allowances for the balance period of her service as per extended one year contract, i.e. from 23.6.2001 to 2.11.2001.”

Lok Sabha Secretariat was kept apprised of the status in the matter vide this Department OMs dated 11.5.2011; 9.6.2011; 28.11.2012 and 13.12.2012.”

20. On 30th September, 2014 the Committee met to adopt the aforesaid Report. However, after going through the Action Taken Replies as furnished by the Ministry, the Committee decided to get clarification from the concerned Ministry/STC on few points and also to hear the views of the Petitioner on the compensation of Rs. 2 lakh offered to her before finalizing the Action Taken Report in the matter.

21. The Committee desired to know as to whether the Ministry of Commerce had taken up the matter with the Ministry of Personnel, Pensions and Public-Grievances, regarding nomination of Ms. Rita Kunur to a Government Committee/Commissions. The Ministry in their written reply submitted:-

ACC directed PESB and Government to consider her as an internal candidate for suitable vacancies, as well as by Govt., in Govt. Commissions/Committees. Establishment officer (DOPT) conveyed this decision of ACC vide letter dated 27.5.2005. DOP&T on 27.7.2006 indicated that ACC had directed that Ms Kunur be placed as full time Member on one of the Committees set up by the Ministry.

22. The Committee further desired to know the updated status of the proposal that the lien of an employee to an old post should not be allowed to be terminated automatically – without the consent of the individual concerned so as to guarantee him/her the security of post. In response, the Ministry have clarified that in a meeting of COS on 12.8.2013 a general view emerged that instead of having a new set of guidelines for regulating cases of this nature, the prescribed time lines for various processes involved in filling up and extending tenure of Board level posts may be strictly adhered to. It was, *inter alia*, decided that the relevant instructions/guidelines issued by DoPT, PESB, CVC and DPE on the subject may be reiterated for strict compliance by all concerned.

23. When the Committee enquired as to whether any action has been taken against the person(s) who leveled charges of irregularities against Ms Kunur, which were later turned out to be false and frivolous, the Ministry in the written reply submitted:-

In respect of the recommendation of the Committee with regard to reinvestigating the case as to the circumstances leading to leveling of charges against Ms. Kunur, it is pointed out that the whole issue started with allegation of export of sub standard coffee by STC. Two parties involved in the transaction represented for settlement of claims on account of poor

quality and the matter was placed before the Board of Directors in its meeting held on 4.10.2000. The Board decided that CVO of STC will investigate the matter. The report of the CVO/STC was sent to CVO of the Ministry on 16.12.2000 and also to CVC. The CVO/STC in her report mentioned lack of supervision and management failure on the part of Ms. Kunur, the then Director(Marketing).

It is seen from the records that the complaint regarding poor quality of coffee was made by private parties and the Board of Directors took cognizance of it. It is not possible to institute investigation against the Board of Directors, which was exercising its oversight role.

Similarly, the finding of CVO of STC regarding management failure on the part of Ms. Kunur has not been held to be false by CVC or CBI ; while CVC advised closure of the case since no Departmental action can be taken against Ms. Kunur who was no longer in service, CBI stated that there is no evidence of criminal involvement.

24. The Committee further desired to know as to why did the Ministry choose to pay paltry sum of Rs. 2 Lakh only as one time compensation to her. To this, the Ministry in their written reply submitted:-

The Ministry has strictly followed the recommendation of the Committee. The Committee had recommended that Ms. Kunur be granted all benefits which would have otherwise accrued to her in normal course but for her removal from service. As has been pointed out by the Ministry, the Public Enterprises Selection Board (PESB) on the basis of her Performance Report, had given one year extension in service to Ms. Kunur from 3.11.2000 to 2.11.2001, with the observation that the performance of Ms. Kunur be watched during this period. Since an investigation report showed management failure on part of Ms Kunur for export of coffee by STC, the CVC denied vigilance clearance to Ms. Kunur and the ACC recommended her removal from service. The termination of service of Ms. Kunur on 22.6.2001 tantamounted to denial of extension to her for the remaining period i.e. 22.6.2001 to 2.11.2001.

The payment of a sum of Rs 2 lakhs to Ms. Kunur was decided by the Board of Directors of STC strictly in accordance with the recommendation of the Committee. Had she not been served termination orders, she would have continued up to 2.11.2001, which was the one year extension period approved by PESB. It is highlighted that the complaint against Ms. Kunur led to pre-mature termination of her services by 4 months and 10 days of her one-year extended period. It is not possible for the Ministry to determine whether PESB would have approved continuation of Ms. Kunur beyond

2.11.2001 as Director or in any other capacity, keeping in view her performance record.

The view of the Ministry in the matter of compensation to Ms Kunur is to strictly follow the recommendations of the Committee since there are no guidelines/instructions for CPSUs in this regard. The Committee has not recommended compensating Ms. Kunur upto the date of her superannuation. If the Committee makes more specific recommendation, it would be considered by the Competent Authority.

25. Thereafter, the Committee took oral evidence of the representative of the Ministries of Commerce and Industries and personnel, Public Grievances and Pension on 10.10.2014 and 30.10.2014. The Committee also afforded an opportunity to the Petitioner on 10.10.2014 to hear her views in the matter.

26. The Petitioner *inter alia* submitted before the Committee that she had been deliberately victimized by the STC/Ministry of Commerce & Industry due to her objection to the financing of third party business by the STC which happened to be against the Memorandum of Association of the Corporation. She further alleged that she was not only harassed but was also framed in false cases which were never proved. The Petitioner also highlighted before the Committee that though she was paid Rs.2 lakh as the monetary compensation however, the same is not acceptable to her. She, thus, pleaded that an adequate financial compensation for the loss of pay that accrued to her along with the interest thereon would be justified.

27. On a specific query of the Committee with regard to the improper implementation of the payment of one time compensation to the Petitioner as contained in the original report of the Committee, the representative from the Ministry submitted *inter alia* that the Committee on Petitions had taken cognizance of the matter in the year 2010 and recommended that Ms Rita Kunur be given suitable compensation against the normal period of the remaining part of her service left. He further added that it may also be got approved from Appointments Committee of Cabinet. The Board of State Trading Corporation had accordingly worked out the compensation to approximately Rs two lakh, which was subsequently referred and got approved from Appointments Committee of Cabinet. However, when she was presented with the cheque, she refused to accept it.



28. The witness from the Ministry further submitted *interalia* that the word retirement was not included in the recommendation of the Committee. The recommendation, however, referred to the word "superannuation" , due to which there was a delay in furnishing reply from the Ministry, because we wanted to see whether the calculation is to be done till retirement and superannuation. He further submitted that it would be good if the Committee make recommendation to this effect.

### Observation/ Recommendations

29. The Committee in their Seventh Report (Fifteenth Lok Sabha) had considered the matter regarding relieving from service at the age of 52 years due to automatic termination of service from State Trading Corporation (STC) in the case of Ms. Rita Kunur, the petitioner on a representation submitted by her. To recapitulate the case in brief, Ms. Rita Kunur, the then CGM, STC was appointed Director (Marketing) for a period of five years, w.e.f. 3 November, 1995 with the approval of Appointment Cabinet Committee (ACC). Her appointment as Director (Marketing) was extended beyond 2 November, 2000, until further orders. Subsequently CVC withheld her vigilance clearance on the basis of investigation report forwarded by STC involving the petitioner for the losses caused due to export of poor quality of coffee. CVC recommended that the case be entrusted to CBI and advised the Department to initiate major penalty proceedings against her. Consequently, on a proposal received from the Department of Commerce, ACC did not approve extension of her tenure. As a result she was relieved on 22 June, 2001. Subsequently though CVC advised dropping of penalties; CBI investigation did not reveal anything to prove her criminal involvement and Department of Commerce vide its order dated 5 March, 2003, exonerated, the petitioner did not find relief/compensation inspite of her representing the case to the Hon . Prime Minister as Chairman ACC. Even when ACC recommended her case, the authorities could not find a suitable post either in the Government or in any Public Sector Undertaking for her placement befitting her status/position and the matter was allowed to linger and she being 59 years of age by then, it was considered too late for Board level position. Then it was suggested by DOPT/ACC to appoint her as part-time non-official Director on the Board of STC but that too did not materialise.

30. Considering the fact that the petitioner has already crossed the age of superannuation, and it would be difficult to take her back on Government job,

the Committee had recommended to compensate the loss by monetary compensation. It was specifically recommended that the petitioner be treated on duty on the date of removal of service and be granted all the benefits which would have otherwise accrued to her in the normal course but for her removal from service. Not only that the Committee while believing that the malicious charges were framed against the petitioner with ulterior motives and vested interests, had also recommended that the entire matter be got investigated into by an independent agency. The Committee note from the action taken notes that no such investigation was ever conducted. Not only that the Ministry had tried to justify untimely retirement of Ms. Rita Kunur from the service by stating that the finding of CVO of STC regarding management failure on the part of Ms. Kunur has not been held to be false by CVC or CBI. The Committee find that as stated by the Ministry during the course of examination of the representation as has come out in the Seventh Report, Ms. Rita Kunur was exonerated from the charges by the Department of Commerce subsequent to CVC advising dropping of penalties and CBI investigation not revealing anything to prove her criminal involvement.

31. The Committee note from the action taken note that the issue of payment of monetary compensation to Ms Kunur was deliberated by the STC in the 569th Meeting of the Board of Directors and it was decided to consider one time compensation equivalent to pay and allowances that would have accrued to Ms. Rita Kunur as ex- Director, STC, had she continued as Director for a period of one year i.e. upto 2 November, 2001, amounting to Rs. two lakhs, which the petitioner did not accept.

32. The Committee are constrained to note that even when Para No. 2.55 read with the Minutes of the sitting of the Committee held on 22 June, 2010 as appended with the Seventh Report, categorically stated about compensating the petitioner with full monetary benefits from the date of removal till the date of retirement/superannuation in the normal course, STC chose to interpret as pay and allowances that would have accrued to her as Director STC had she continued as Director for a period of one year i.e upto 2

November, 2001 which comes to merely Rs. two lakhs. The Committee deplore the way the Ministry has tried to justify the compensation of Rs. two lakhs stating to be in line with the recommendation of the Committee. During the course of examination of the action taken notes, the Ministry has stated that if the Committee makes more specific recommendation, it would be considered by the Competent Authority. The Committee consider that the petitioner should be given immediate justice and compensation for the loss she has suffered mentally and socially for such a long period. The Committee, therefore, while reiterating their earlier recommendation, strongly emphasize the Ministry to pay full pay and allowances of Director (Marketing STC) alongwith interest as applicable thereon - considering the Petitioner as on duty from the date of her termination (22.6.2001) till the date when she would have been superannuated/retired in the normal course i.e. on attaining the age of 60 years, within the stipulated time frame in line with the true spirit of the earlier recommendation made by the Committee in their Seventh Report.

33. The Committee while recommending for the full monetary compensation would also like to reiterate their earlier recommendation in this regard that the entire matter be got investigated into by an independent agency with a view to find out as to whether there was any deliberate attempt and mala-fide intentions to cause distress and harassment to the petitioner and to mar her career progression and the responsibility be fixed accordingly and strict action taken against the persons found guilty.

34. The Committee while considering the case of the petitioner had observed that the services of Ms. Rita Kunur , the petitioner stood terminated at the age of 52 years, even when she was holding the lien on the substantive post of CGM in STC as per the guidelines of DPE which do not allow holding of lien for more than 5 years. To obviate similar situations in future, the Committee was of the view that lien of an employee on the old post should not be terminated automatically without the consent of the individual and as such recommended for review of the existing guidelines. In the action-taken

notes, though the Ministry initially communicated that the matter was under process in DPE for bringing the matter before the Cabinet for a decision after inter-Ministerial consultations, the Committee during the course of examination of action taken notes, has subsequently been apprised by DOPT that, in a meeting of Committee of Secretaries (CoS) on 12 August 2013, a general view emerged that instead of having a new set of guidelines for regulating cases of this nature, the prescribed timelines for various procedures involved in filling up and extending tenure of Board level post may be strictly adhered to. It was, inter alia, decided that relevant instructions/guidelines issued by DOPT, PESB, CVC and DPE on the subject may be reiterated for strict compliance by all concerned. The Committee are not able to comprehend review in the stand taken by the Ministry in this regard. While reiterating their earlier recommendation that the lien of an employee on the old post should not be terminated without the consent of the individual, the Committee would like the Ministry to take urgent action as recommended by them and also initially agreed to in principle by the Ministry, so that such instances do not recur in future.

NEW DELHI;

**BHAGATSINGH KOSHYARI**  
Chairperson,  
Committee on Petitions

06 February, 2015  
17 Magha, 1936 (Saka)