

**TWENTIETH REPORT  
COMMITTEE ON PETITIONS**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF CIVIL AVIATION**

**(Presented to Lok Sabha on 9 December, 2016)**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**December, 2016/Agrahayana, 1938 (*Saka*)**

**CPB. NO. 1 Vol. XX**

**Price: Rs.....**

**(c) 2016 BY LOK SABHA SECRETARIAT**

**Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Sixteenth Edition) and printed by the Manager, Government of India Press, Minto Road, New Delhi - 110002**

## **CONTENTS**

	<b>PAGES</b>
<b>COMPOSITION OF THE COMMITTEE ON PETITIONS: .....</b>	<b>(iii)</b>
<b>INTRODUCTION.....</b>	<b>(v)</b>

## **REPORT**

Action Taken by the Government on the recommendations of the Committee on Petitions made in Seventh Report (16th Lok Sabha) on the representation received from S/Shri Javed Pandit and Harish regarding implementation of wage revision in the Centaur Lake View Hotel Srinagar/Hotel Corporation of India, Delhi.

## **ANNEXURE**

Minutes of the 30 <sup>th</sup> sitting of the Committee held on 29.11.2016.	11
--	----

**COMPOSITION OF THE COMMITTEE ON PETITIONS  
(2016-2017)**

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. Dr. K. Gopal
7. Shri Chhedi Paswan
8. Shri Kamlesh Paswan
9. Shri Arjun Charan Sethi
10. Shri Kodikunnil Suresh
11. Shri Dinesh Trivedi
12. Shri Rajan Vichare
13. Shri Dharmendra Yadav
14. Vacant
15. Vacant

**SECRETARIAT**

- |                               |   |                            |
|-------------------------------|---|----------------------------|
| 1. Shri Shiv Kumar            | - | Joint Secretary            |
| 2. Shri Raju Srivastava       | - | Additional Director        |
| 3. Shri Jyoti Prakash Krishna | - | Senior Executive Assistant |

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

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Twentieth Action Taken Report (Sixteenth Lok Sabha) of the Committee to the House on the Action Taken on the recommendations of the Committee on Petitions made in Seventh Report on the representation received from S/Shri Javed Pandit and Harish regarding implementation of wage revision in the Centaur Lake View Hotel Srinagar/Hotel Corporation of India, Delhi.

2. The Committee considered and adopted the draft Twentieth Action Taken Report at their sitting held on 29 November, 2016.
3. The observations/recommendations of the Committee on the above matters have been included in the Report.

**NEW DELHI;**

**29 November, 2016**

**08 Agrahayana, 1938 (Saka)**

**BHAGAT SINGH KOSHYARI**  
*Chairperson,*  
*Committee on Petitions*

## REPORT

### **ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS (SIXTEENTH LOK SABHA) MADE IN THEIR SEVENTH REPORT ON THE REPRESENTATION OF S/SHRI JAVED PANDIT AND HARISH REGARDING IMPLEMENTATION OF WAGE REVISION IN THE CENTAUR LAKE VIEW HOTEL SRINAGAR/HOTEL CORPORATION OF INDIA, DELHI.**

The Committee on Petitions (Sixteenth Lok Sabha) presented their Seventh Report to Lok Sabha on 11 August, 2015 on the representation received from S/Shri Javed Pandit and Harish regarding implementation of the wage revision in the Centaur Lake View Hotel Srinagar/Hotel Corporation of India (HCI), Delhi.

2. The Committee had made certain observations/recommendations in the matter and the Ministry of Civil Aviation were asked to implement the recommendations and furnish their action taken notes thereon for consideration of the Committee.

3. Action Taken Notes have been received from the Ministry of Civil Aviation in respect of all the recommendations contained in the Report. The recommendations made by the Committee and the replies furnished thereto by the Ministry of Civil Aviation are detailed in the succeeding paragraphs.

4. In paragraph 35 of the Report, the Committee had observed/recommended as follows:-

*“The Committee note that the Companies under reference are undergoing acute crisis of human resources at the mid-level positions of Supervisors, etc., thereby severely hampering the overall performance of Chefair. The Committee, therefore, strongly recommended that the Ministry should meticulously restructure the personnel strength of these Companies without further loss of precious time. If need be, a quick study may be undertaken by the Government to assess the actual operational level manpower required to transform the Company into a profitable venture.”*

5. In their action taken reply, the Ministry of Civil Aviation have stated:-

*“In view of the ban in recruitment, no recruitment for permanent employees can be made in HCI. However, based on the availability of suitable employees, internal promotions are being carried out to fill up the vacancies. Besides, outsourcing or hiring of casual employees is being resorted to so as to ensure smooth functioning of various units of HCI.*

*Further, Ministry has already requested PESB to initiate the selection process for filling up the post of MD, HCI on regular basis. However, as the selection of regular MD in HCI will take time, in the meanwhile, this Ministry with the approval of HMCA has extended the additional charge arrangement of the post of MD, HCI to Shri Pankaj Kumar, ED (Comm.), Air India.”*

6. In para 36 of the Report, the Committee had observed/recommended as follows:-

*“The Committee are constrained to note that the Government has not formulated any result-oriented, turnaround plan for these subsidiaries, perhaps, acknowledging that no action plan will now be effective for its revival in terms of the financial health of the Company as well as the welfare of its employees. The Committee are, however, optimistic that in case a two - pronged strategy is adopted by the Government, i.e., on the one hand, infusing the desired level of funds which may add to the productivity and competitiveness, and on the other, looking into the genuine welfare needs of the employees including a realistic hike in their wages, the revival of the Company can become a reality at the shortest possible time.”*

7. In their action taken reply, the Ministry of Civil Aviation have stated:-

*“In March, 2013 the Government had approved Rs.35.29 crore for carrying out renovation/ repair in HCI properties located at Srinagar and Delhi. The repair work has been assigned to the Airport Authority of India in 2013. Till date, an amount of Rs.22 crore has been allotted by the Ministry to HCI for renovation of its properties located at Delhi and Srinagar. The renovation work of Centaur Hotel, is already in progress, in a phased manner. It is expected that after completion of the renovation work, the Company will encash the spurt in tourism and generate additional revenue.*

*Further, HCI is making continuous efforts to improve its revenue and be profitable. Company will be able to offer wage hike once it qualifies the conditions laid down by the Department of Public Enterprises. The following measures are being pursued by the company to improve its revenue:-*

- *Handling more flights by the HCI Chefair Units at Delhi and Mumbai.*
- *Offering rooms in Hotel Centaur Delhi on long term basis.*

*Air India, despite its own financial constraints, has been infusing funds in HCI.”*

8. In para 37 of the Report, the Committee had observed/recommended as follows :-

*“The Committee appreciate the endeavour of the Company, wherein the Management of Air India has given 30 percent of its flight kitchen business to Chefair. However, the Committee feel that this arrangement alone is not going to mitigate their problems, keeping in view the magnitude of the financial crunch and the inherent desire of the Company as well as its employees to stand up to the ever increasing competitiveness in the tourism sector. The Committee, therefore, are of the considered view that the share of flight kitchen business to Chefair also needs to be increased so that the Company is able to gear up their infrastructure and at the same time funds again start flowing. The Committee also stress that the Management of Chefair should also work out modalities to diversify their business on the lines of Railway Catering by providing similar services to various other Government Organisations in metropolitan cities to augment their revenues. Further, in the long term, the Management should work out the possibility of convergence of their work spheres with the Smart City concept of the Government.”*

9. In their action taken reply, the Ministry of Civil Aviation have stated:-

*“Through its focused efforts, HCI has been able to increase business in its Chefair units. The revenues of these units have increased as compared to previous year are as follow:-*



	<i>Chefair Delhi</i>	<i>Chefair Mumbai</i>
<i>April - November, 2014</i>	<i>4.20 crore</i>	<i>6.76 crore</i>
<i>April - November, 2015</i>	<i>6.79 crore</i>	<i>8.28 crore</i>

10. In para 38 of the Report, the Committee had observed/recommended as follows:-

*“During the study visit to Srinagar, the Committee, apart from understanding the hardships being faced by the employees of the Centaur Hotel/Hotel Corporation of India, observed that the location of the Hotel is such if renovation work, in tune with the present favourable tourism-related conditions, is undertaken and proper amenities are put in place, there could be no reason for tourists to hesitate in coming to the Hotel and enjoy its grandeur. In case the Ministry of Civil Aviation is not able to shed its inertia in the much-needed effort towards the revival of Centaur Hotel/Hotel Corporation of India and have conceded that running of Hotels in the present times is not in their expertise, the Committee feel that the entire fleet of Hotels under their Administrative control could be handed over to the Ministry of Culture and Tourism, in view of the fact that they have professional experience and expertise of successfully running the Ashoka Group of Hotels in the Country. The Committee, therefore, recommend to the Ministry to explore the feasibility of handing over the Hotels to the Ministry of Culture and Tourism or running them in some form in collaboration with them for transforming them to profit making ventures, especially keeping in view the overall welfare of their employees.”*

11. In their action taken reply, the Ministry of Civil Aviation have stated:-

*“In March, 2013 the Government had approved Rs.35.29 crore for carrying out renovation/ repair in HCI properties located at Srinagar and Delhi. The repair work has been assigned to Airport Authority of India in 2013. Out of Rs. 35.29 crore, an amount of Rs. 24.20 crore has been allocated for Delhi properties and remaining amount of Rs.11.09 crore has been allocated to Srinagar properties of HCI. So far, Rs.22 crore has been released by the Ministry to HCI.*

*The renovation work of Centaur Hotel, Srinagar, is already in progress in a phased manner. The work of roof top water proofing, renovation of public toilets, kitchen equipment, LCD televisions, replacement of guest elevator, replacement of 500 KV DG sets, providing split air conditioners and providing of electronic locks for guest rooms has been completed.*

*Further, regarding the feasibility of handing over the Hotels to the Ministry of Culture and Tourism or running them in some form of collaboration, HCI has sought the views of ITDC in this regard."*

12. In para 39 of the Report, the Committee had observed/recommended as follows:-

*"While taking cognizance of the fact that the matter of wage revision is under adjudication at the Central Government Industrial Tribunal-cum-Labour Court, Chandigarh, and notwithstanding the outcome of the said adjudication, the Committee, in the meantime, recommend to the Government/Air India that they should work out a pragmatic proposition so as to make the salaries/wages of the employees of the Hotel Corporation of India in tune with the market trends in this sector."*

13. In their action taken reply, the Ministry of Civil Aviation have stated:-

*"Hotel Corporation of India (HCI) is continuously making losses for the last many years including the preceding 3 years. They are also not in a position to generate own resources for meeting the funds required for implementation of the wage revision for Unionised category of employees. As per the DPE OM No.2(7)/2006-DPE(WC)-GL-XIV dated 9 November, 2006, the following points are relevant:-*

- (i) The revision should also be subject to the condition that there shall be no increase in labour cost per physical unit of output.*
- (ii) CPSEs which incurred net loss during any of the three financial years preceding the proposed wage negotiation, but not referred to BIRFR/BRPSE may also be allowed to enter into wage negotiation, provided they give an estimate to their administrative Ministry as to how*

*resources would be generated by them to meet the extra expenditure arising out of implementation of wage revision.*

- (iii) *It has to be ensured that such negotiated wages would not come in conflict with the pay revision of officers and non-Unionised supervisors of the respective CPSEs.*

*The company is not able to meet the above conditions. Hence, the wage revision has not taken place for the last several years.*

*Further, the Centaur Hotel Employees Union has already approached the Conciliation Officer, Regional Labour Commissioner Jammu for the same issues. After hearing both the Union and the Management's side the Conciliation Officer submitted failure report dated 28/31.3.2014 to the Ministry of Labour & Employment, Government of India taking into account the DPE's O.M. dated 9.11.2006 and 1.5.2008. Thereafter, the Ministry of Labour & Employment vide Order dated 9.6.2014 referred the subject matter for adjudication to Central Government Industrial Tribunal-cum-Labour Court No. 2 at Chandigarh. The matter is still sub-judice.*

*In view of the above, the Management of Hotel Corporation of India has informed that they are not in a position to consider any wage revision for Unionized category of employees of any of the units of the Company, at this juncture.*

*However, HCI is taking various measures to improve its revenue and shall be able to work out a pragmatic proposition on wages once it is able to turn profitable. In addition to renting of rooms, banqueting and other facilities, HCI is also exploring the options of letting out rooms for office purposes to make Centaur Hotel financially viable."*

## Observations/Recommendations

### Assessment of actual operational level manpower

14. The Committee had recommended that the Ministry of Civil Aviation should meticulously restructure the personnel strength of Centaur Lake View Hotel, Srinagar/Hotel Corporation of India (HCI), Delhi without further loss of time. The Ministry, in their action taken reply, have stated that in view of the ban on recruitment, no recruitment for permanent employees can be made in HCI. However, based on the availability of suitable employees, internal promotions are being carried out to fill up the vacancies. Besides, with a view to ensuring the smooth functioning of various units of HCI, outsourcing or hiring of casual employees is being resorted to. The Committee appreciate the action taken by the Ministry on their recommendation on this aspect. The Committee had also recommended that a quick study may be undertaken by the Government to assess the actual operational level manpower required to transform the Company into a profitable venture. However, the Committee find that the Ministry had conveniently skipped this aspect in the action taken reply. The Committee are constrained to express their strong displeasure over the fact that the Ministry have not taken their recommendation with the seriousness it warranted because in the considered opinion of the Committee, without assessing the actual operational manpower, and only resorting to internal promotions and/or appointment of persons on contractual basis would only prove to be a short term measure which in the long term, may lead to serious imbalances in the due and proper human resource management. Now that the intention of the Government appears to revive the Centaur Lake View Hotel, Srinagar/ Hotel Corporation of India (HCI), Delhi, the Committee expect that their recommendation for undertaking a quick

study for assessing the actual operational level manpower would be taken up with all seriousness in a time bound and also in a result-oriented manner. The Committee would like to be apprised of the action taken in this regard within three months after presentation of this Report to the House.

#### Infusion of funds for repair/renovation of HCI properties

15. The Committee find that the Ministry of Civil Aviation have reiterated their earlier stated position regarding infusion of Rs. 35.29 crore for repair/renovation of Hotel Corporation of India properties located at Delhi and Srinagar. The Committee would like to draw the attention of the Government to the inordinate delay not only in sanctioning of funds but also in releasing and utilising the same in a staggered manner, thereby defeating the very purpose of such funds' infusion. The Committee are of the considered opinion that to transform the Centaur Lake View Hotel, Srinagar/ Hotel Corporation of India (HCI), Delhi into a profit-making, self-sustaining entity, there is an urgent need to meticulously calibrate the existing mechanism of review, monitoring and control of all activities connected with the renovation/repair of HCI properties in order to ensure that the desired result is achieved in a time-bound manner. A fresh impetus is, therefore, required to be given to various renovation projects initiated by the Ministry way back in the year 2013 through accurate activity mapping and timely completion. The Committee, therefore, urge the Ministry of Civil Aviation to be extra careful while implementing the recommendations of the Committee so that the purpose of examination of instant Petition by them does not get disoriented.

The Committee also note that HCI is making efforts to improve its revenue, primarily by way of handling more flights by the HCI Chefair Units at Delhi and Mumbai and offering rooms in Hotel Centaur on long term basis. The Committee

would like to be apprised of the progress made and exact position as obtaining in this regard.

#### Flight kitchen business to Chefair

16. The Committee are happy to note that the outcome of the decision of Air India to give 30 percent of its flight kitchen business to Chefair - Delhi and Mumbai has transformed into successive revenue earning - as against Rs. 10.96 crore [*Rs. 4.20 crore in Chefair, Delhi and Rs. 6.76 crore in Chefair, Mumbai*] during April-November, 2014, the earning rose to Rs. 15.07 crore [*6.79 crore in Chefair, Delhi and Rs. 8.28 crore in Chefair, Mumbai*] during April-November, 2015. The Committee, while acknowledging the initiatives of the Ministry with appreciation, re-emphasise the significance of working out modalities to diversify their business on the lines of Railway Catering by exploring to provide similar services to various other Government Organisations in the metropolitan cities to augment their revenues. The Committee would also like to be apprised of the specific action taken in this direction.

#### Wage revision for Unionised category of employees

17. A scrutiny of the Ministry's reply shows that the Department of Public Enterprises *vide* their Office Memorandum dated 9 November, 2006 had laid down various conditions for revision of pay for Unionised category of employees, *viz.*, revision in pay should be subject to the condition that there shall be no increase in the labour cost per physical unit of output, the Central Public Sector Enterprises (CPSEs) which incurred net loss during any of the three financial years preceding the proposed wage negotiation need to provide an estimate to their administrative Ministry as to how resources would be generated by them to meet the extra

expenditure arising out of implementation of wage revision, and all such negotiated wages would not come in conflict with pay revision of officers and non-Unionised Supervisors. The Ministry in their action taken reply, have co-related the non-implementation of wage revision with non-fulfilling of the DPE's conditions *ibid*. Although the Ministry have stated that HCI is taking various measures to improve its revenue and shall be able to work out a pragmatic proposition on wages once it is able to turn profitable, yet they have been unable to come out with any effective prescription or a foreseeable timeline for wage revision for Unionised category of employees of Centaur Lake View Hotel, Srinagar/ Hotel Corporation of India (HCI), Delhi. The Committee, therefore, expect that the Ministry would come out with a workable scheme to reasonably increase the wages of Unionised category of employees. The Committee further desire that the Ministry should be proactive in exploring the options of letting out rooms of Centaur Hotel for office purposes to different Organisations/ Departments, etc., to make it financially viable and self-sustainable.

NEW DELHI;  
29 November, 2016  
8 Agrahayana, 1938 (Saka)

BHAGAT SINGH KOSHYARI  
Chairperson,  
Committee on Petitions