

COMMITTEE ON PETITIONS

P (SEVENTH LOK SABHA)

SECOND REPORT



[Presented to Lok Sabha on the 11th March, 1981]

LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE COMMITTEE ON PETITIONS
(1980-81)

CHAIRMAN

*1. Shri R. L. Bhatia

MEMBERS

2. Shrimati Vidya Chennupati
3. Shri A. C. Das
4. Shri Bindeshwari Dubey
- **5. Shri Udaysingrao Gaikwad
6. Shri D. M. Putte Gowda
- @7. Shri Seth Hembram
8. Shri Ghulam Rasool Kochack
- %9. Shri K. Malianna
10. Shri Muzaffar Hussain
11. Shri N. Kudanthai Ramalingam
12. Shri Navin Ravani
13. Shri N. Soundararajan
14. Shri Suraj Bhan
15. Shri Raghunath Singh Verma

SECRETARIAT

Shri Gian Chand—*Additional Secretary.*

Shri R. D. Sharma—*Senior Legislative Committee Officer.*

*Appointed w.e.f. 9th October, 1980 vice Shri Jaideep Singh resigned.

**Nominated w.e.f. 25th October, 1980 vice Shri Nagina Rai resigned.

@Nominated w.e.f. 4th November, 1980 vice Shri Tariq Anwar resigned.

%Nominated w.e.f. 9th October, 1980 vice Shri Mallikarjun ceased to be a member of the Committee on his appointment as a Deputy Minister.

SECOND REPORT OF THE COMMITTEE ON PETITIONS (SEVENTH LOK SABHA)

I

INTRODUCTION

1.1. I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Second Report of the Committee to the House on the following matters:—

- (i) Petition No. 9 regarding generation of more employment, price-rise, educational reforms, inclusion of 'right to work' in Fundamental Rights, lowering of voting age and unemployment relief.
- (ii) Representation regarding waiving of rental charges for the period telephones have been dead.
- (iii) Representation regarding violation of terms of lease deed by Indian Oil Corporation in respect of premises situated at G.F. 61, Jor Bagh, New Delhi.
- (iv) Representation regarding alleged unauthorised drawing through pumps Rajasthan share of water from the main canal of Sirhind Feeder in Punjab.
- (v) Representation regarding amendment of the Companies Act, 1956 to compensate depositors with fine realised from defaulting companies.
- (vi) Action taken by Government on the recommendations of the Committee on Petitions contained in their Twenty-third Report (Fifth Lok Sabha) on the representation regarding alleged harassment to tobacco traders and irregularities by Excise Officials of Kanpur Collectorate etc.
- (vii) Action taken by Government on the recommendations of the Committee on Petitions contained in their Thirtieth Report (Fifth Lok Sabha) on the representation regarding service grievances of Income-tax Officers, Class II.

1.2. The Committee considered the above matters at their sittings held on the 15th December, 1980 and 9th January, 1981.

1.3. The Committee considered their draft Report at their sitting held on the 5th March, 1981 and adopted it.

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

NEW DELHI;
Dated the 5th March, 1981.

R. L. BHATIA,
Chairman,
Committee on Petitions.

II

PETITION NO. 9 REGARDING GENERATION OF MORE EMPLOYMENT, PRICE-RISE, EDUCATIONAL REFORMS, INCLUSION OF 'RIGHT TO WORK' IN FUNDAMENTAL RIGHTS, LOWERING OF VOTING AGE AND UNEMPLOYMENT RELIEF

2.1. Shri K. A. Rajan, M.P., presented to Lok Sabha on the 28th November, 1980, a petition (*See Appendix I*) signed by Shri Bant Singh Brar and others regarding generation of more employment, price-rise, educational reforms, inclusion of 'right to work' in Fundamental Rights, lowering of voting age and unemployment relief.

2.2. The Committee considered the petition at their sitting held on the 15th December, 1980.

2.3. The Committee directed that the petition be circulated* in extenso to the members of Lok Sabha under rule 307(1) of the Rules of Procedure and Conduct of Business in Lok Sabha.

*The petition was circulated in extenso to all Members of Lok Sabha on the 18th December, 1980.

III

REPRESENTATION REGARDING WAIVING OF RENTAL CHARGES FOR THE PERIOD TELEPHONES HAVE BEEN DEAD

3.1. Sarvashri Kishor Lal and V. P. Chaudhary, President and General Secretary, respectively of Delhi Pradesh Janata Party, New Delhi, submitted a representation dated the 22nd July, 1980 duly countersigned by Dr. Subramaniam Swamy, M.P., regarding waiving of rental charges for the period telephones had remained dead.

A. Petitioners' Grievances and Prayer

3.2. In their representation, the petitioners stated as follows:—

“It is a matter of grave concern and of general public interest that with the onset of monsoon, more than 1/3rd telephones of the Metropolis have been lying dead for days at a stretch. This grievous lapse on the part of the Telephone Department is unprecedented in the history of Capital. It has put to great inconvenience not only the subscribers whose telephones are dead but also thousands of other persons who are unable to contact those subscribers.

It is learnt from newspapers that Shri C. M. Stephen, Hon'ble Minister for Communications, has recently stated in Parliament that the telephones go out of order because of the digging at several places by the staff of the Municipal Corporation. This statement, we say with respect, is wholly misleading and is merely an alibi for what is squarely a serious failure of the Telephone Department.

The numerous subscribers in Delhi have protested against the complete break down of telephones service but the situation has not improved.

The Government has a monopoly of providing telephones services but for that matter the Government cannot have the right not to pay any damages to the subscribers

when it breaches the contract it enters into with them. It is a solemn obligation of the Government to ensure that the subscribers enjoy the telephones facility without interruption and if some fault occurs the same is remedied without delay. It is a callous disregard of the interest of the subscribers if the telephones remain dead for days at a stretch. In such a situation, such subscribers would even be justified in asking for damages from the Government.

The least that is expected from the Government is that, the the subscribers should not be burdened with rental charges for the period their telephones have been dead."

3.3. The petitioners accordingly prayed that:—

- “(a) the Government should be prevailed upon to ensure that the subscribers are not burdened for the rental charges for the period their telephones have been dead; and
- (b) the Government should take requisite steps immediately to revive the dead telephones and see that such a lapse does not occur again.”

B. Comments of the Ministry of Communications (Indian Posts and Telegraphs Department)

3.4. The representation was referred to the Ministry of Communications for furnishing their factual comments thereon for consideration by the Committee. In their parawise factual comments dated the 6th August, 1980, the Indian Posts and Telegraphs Department (Directorate General of Posts and Telegraphs) have stated as follows:—

”Regarding para 1 of the petition:

It has been indicated in the petition that more than 1/3rd of the telephones in Delhi have been lying dead for days at a stretch. In Delhi we have got a total of 255431 telephones. With the advent of monsoons which came to Delhi during the last week of June, 1980, there were a number of cable breakdowns in the system. An accurate assessment of the faulty lines as a result of these breakdowns was made by 2nd July, 1980, which was 15,550 which works out to only 6.1 per cent of the total telephones. This failure rate is not unprecedented and

similar failures occurred during the 1978 monsoon. Immediately, after the occurrence of cable faults due to monsoon, the fault rectification work has been taken up on round the clock basis and the monsoon faults as on 28-7-80 was only 2812. As on 1-8-80, the monsoon faults are 1929. The total faults due to all causes is 5500. Hence, the statement that 1/3rd of the total telephones in Delhi have been lying dead for days at a stretch is vastly exaggerated.

Every effort is made to attend to the cable fault as quickly as possible. But the fact that the faults have to be attended in the pouring rain in difficult circumstances makes the fault localisation and rectification a time consuming work. Sometimes there is delay in obtaining permission from the local authorities. In many cases some cables develop fault in many places. In this case faults can be attended one by one only. All the faults in the same cable cannot be attended simultaneously.

Regarding para 2 of the petition:

Perhaps the petitioner makes a reference to the statement read out by Minister (C) in the Parliament on 16-7-1980 in response to a Call Attention Motion. It is true that in the statement it is mentioned that the cables even though protected by lead sheath, steel tapes, layer of warning bricks etc. get damaged by various services. This statement was not meant to shift the blame to some other agency. It only meant that underground cables are vulnerable, to the damages caused inadvertently by other agencies engaged in road-digging operations. Practically all the monsoon faults are caused due to such damages caused during the dry season which only show up as faults during the monsoon when water enters through the damaged cable sheath.

Regarding para 3 of the petition:

It is not correct to say that the telephone services in Delhi have completely broken down. The situation is improving day by day. As on date only 1929 of the total telephones are affected by monsoon faults and the total due to all causes is 5500.

Regarding para 4 of the petition:

It has been stated in the petition that the Department shows callous disregard for the interests of the subscribers. It may be mentioned that the fault rectification work of the cables faults is done on the round the clock basis. In spite of the best efforts because of the difficult working conditions due to pouring rain etc., the fault rectification work is slightly delayed.

Regarding para 5 of the petition:

It is mentioned in the petition that the subscribers should not be charged the rental for the period their telephones have remained dead. In reply it is submitted that the faults are beyond the control of the Department which has to spend a huge sum in repair of these faults as well as losing call revenue while the phones are out of order. Maximum efforts are made by the Department to repair the pending faults as quickly as possible. To lessen the inconvenience to the subscribers and reduce the revenue losses to the Department the grant of rebates do not appear to be the proper course of action."

C. Observations of the Committee

3.5. The Committee considered the representation at their sitting held on the 15th December, 1980. The Committee noted that the subject of 'Telephones' had been taken up for examination by the Estimates Committee (1980-81) of Lok Sabha.

The Committee decided that as the whole matter was under consideration of the Estimates Committee, the representation along with the factual comments of the Ministry of Communications thereon might be referred* to that Committee for their consideration.

*The representation along with factual comments was referred to the Estimates Committee on the 23rd December, 1980.

IV

REPRESENTATION REGARDING VIOLATION OF TERMS OF LEASE-DEED BY INDIAN OIL CORPORATION IN RESPECT OF PREMISES SITUATED AT G.F. 61, JORBAGH, NEW DELHI

4.1. Shri D. R. Aggrawal, New Delhi, submitted a representation dated the 5th March, 1980, regarding violation of terms of lease-deed by the Indian Oil Corporation in respect of premises situated at G.F. 61, Jorbagh, New Delhi.

A. Petitioner's Grievances

4.2. In his representation, the petitioner stated as follows:—

“That Shri M. M. Lal of the I.O.C. approached the petitioner in the month of May, 1969 to give on lease his premises situated at G.F. 61, Jorbagh, New Delhi.

That Shri M. M. Lal offered to get the lease executed by the Indian Oil Corporation so that the regular payment of house rent from the Corporation be assured.

That the petitioner thinking that the Corporation being a Public Undertaking would abide by the terms of the lease-deed and that there would be no trouble gave the aforesaid premises for the residential use of Shri M. M. Lal.

That when at the expiry of the lease period, the Corporation was requested to vacate the premises, it simply said that it needed the premises for the use of its Officers and was, therefore, not in a position to vacate it.

That in spite of all possible efforts, the Corporation has not yet vacated the premises and is forcing the petitioner to enter upon uncalled for and unjust litigation against the Corporation which had huge sums of money to waste on such litigation for the protection of an individual officer.

That as the petitioner, like many others, gave the premises, built by putting all the earning of the life and from the loan, has been greatly disillusioned to see that this Public Undertaking is using its immeasurable resources against individuals.

That it is unbecoming on the part of a Government of India Undertaking to go back from the promise made in a legal document and enter into unnecessary litigation with which it should, strictly speaking, be no party because the Corporation's liability *vis-a-vis* Shri M. M. Lal is to give the house subsidy and not the house itself.

That even the Government of India does not spend money on such litigation when its own employees are asked to vacate the rented premises. In the past even other Corporations like the BHEL were not wasting public funds on such litigation and they asked their officers to vacate the premises in terms of the lease deed so that the good name of Government of India Undertaking is not besmeared.

That the petitioner seeks the intervention of the Honourable Members of this august Committee to prevail upon the Corporation to vacate the petitioner's residential premises on which he has put in his life's entire savings."

B. Comments of Ministry of Petroleum, Chemical and Fertilizers (Department of Petroleum)

4.3. The representation was referred to the Ministry of Petroleum, Chemicals and Fertilizers (Department of Petroleum) for furnishing their factual comments thereon for consideration by the Committee. The Ministry was also requested to state (i) number of lease-deeds signed by Indian Oil Corporation on behalf of its employees; (ii) the number of cases where houses were not vacated as per terms of lease-deed; and (iii) the number of cases against violation of terms of lease-deeds pending in the Courts, for the information of the Committee.

In their factual note dated the 31st May, 1980, the Ministry of Petroleum, Chemicals and Fertilizers (Department of Petroleum) have stated as follows:—

"The matter has been examined in consultation with the Indian Oil Corporation (Marketing Division). The position in respect of the above premises is as follows:

The premises in question were taken on a monthly rental of Rs. 750/- on lease basis for a period of 2 years effective from 25-6-1969. Indian Oil Corporation continue to occupy the said flat even beyond the period of lease after giving necessary declaration of their intention of continuing the lease. The Corporation have taken a stand on their legal rights as tenant as they need the accommodation for occupation of one of their officers. Indian Oil Corporation are finding it difficult to obtain alternative accommodation at reasonable rents for their officers, as IOC have an obligation to provide leased accommodation to all their officers in the middle management cadre and above.

It has been reported that the owner had approached the Corporation for getting the rent of the said flat increased on the plea that the taxes have increased considerably over these years. IOC have intimated that they would consider the re-imbursement of any increase in taxes over 3 years provided the owner produces documentary proof in this regard. It would appear that the petitioner perhaps seeks an increase in rental.

The requisite information as required in para 3 of the Lok Sabha Secretariat's U.O. letter under reference, is given as under:—

	HO	Western Region	Eastern Region	North- ern Region	South- ern Region	Total
(1) No. of lease deed signed by IOC on behalf of its employees	68	50	68	72	45	303
(2) No. of cases where houses have not been vacated as per terms of lease deed.	No flat has been vacated after expiry of terms of lease.			41	5	46
(3) No. of cases against violation of terms of lease deeds pending in the Court.	14 including one case for recovery of full rent against standard rent paid to the owner."	9 including 3 cases on standard rent & 4 cases for eviction.	6	5	1	35

C. Observation of the Committee

4.4. The Committee note the factual comments furnished by the Ministry of Petroleum, Chemicals and Fertilizers (Department of Petroleum) on the points raised in the representation. The Committee feel that in view of the position explained by the Ministry, no further intervention by the Committee is called for in the matter. However, the Committee desire that the Ministry may consider the request of the petitioner for increase in rent on account of increased taxes.

**REPRESENTATION REGARDING ALLEGED UNAUTHORISED
DRAWING THROUGH PUMPS RAJASTHAN SHARE OF
WATER FROM THE MAIN CANAL OF SIRHIND
FEEDER IN PUNJAB**

A. Petitioner's Grievances

5.1. Shri Bir Bal, M.P., addressed a letter dated the 18th March, 1980, to the Speaker, Lok Sabha, stating "Sirhind Feeder provides water for both Punjab and Rajasthan. The Punjab Government is providing water to its cultivators by unauthorisedly drawing water through pumps from the main canal within the limits of Punjab while the place from where the water is being drawn out does not possess the share of water for Punjab because the whole share of water for Punjab finishes before these pumps at Mehna Headworks.

The cultivators of Ganganagar district are on the verge of ruin. There is already dearth of water and a little which was available is taken away through pumps from the main canal by the Punjab Government in an unauthorised manner.

Necessary action may please be taken in this regard."

B. Comments of the Ministry of Irrigation

5.2. The representation was referred to the Ministry of Irrigation for furnishing their factual comments thereon for consideration by the Committee. The Ministry of Irrigation furnished the following note dated the 1st July, 1980, stating the position as intimated by the State Government of Punjab:

"It has been reported by Punjab Government that lift pumps were installed on the Sirhind Feeder in 1975 and that supplies are being used through these lift pumps for irrigation in Punjab territory out of Punjab's share and not from the share of Rajasthan. The Punjab Government has further reported that supplies delivered to Rajasthan from this canal exceeded the share of Rajasthan by 37420 cusec days during the period from 21-9-79 to

31-3-80. In making this contention, Punjab Government has relied on the Water Account being maintained by the Bhakra Beas Management Board (See Appendix II) as included in the Agenda Notes for the meeting of the BBMB Technical Committee held on 28-4-1980. It appears that no objections were raised on this position by the Rajasthan authorities in the deliberations of the BBMB Technical Committee on 28-4-1980.

The share of the beneficiary States in the waters of Ravi, Beas and Sutlej rivers are allocated from time to time by the Bhakra Beas Management Board on which all the States (including Rajasthan) are represented. The State Governments can use the forum of this Board for resolving any difference that may arise in respect of their shares and distribution of supplies from these rivers."

C. Observation of the Committee

5.3. The Committee note from the factual comments furnished by the Ministry of Irrigation that the shares of the beneficiary States in the waters of Ravi, Beas and Sutlej rivers are allocated from time to time by the Bhakra Beas Management Board on which all the States including Rajasthan are represented and that State Governments can use the forum of this Board for resolving any differences that may arise in respect of their shares and distribution of supplies from these rivers. The Committee also note that the Punjab Government have reported that supplies delivered to Rajasthan from this canal exceed the share of Rajasthan by 37420 cusec days during the period from 21st September, 1979 to 31st March, 1980 and no objection appears to have been raised on this position by the Rajasthan authorities in the meeting of the Bhakra Beas Management Board Technical Committee held on 28th April, 1980. The Committee feel that since there exists a forum for resolving such differences, no further action is called for in the matter on their part.

VI

REPRESENTATION REGARDING AMENDMENT OF THE COMPANIES ACT, 1956 TO COMPENSATE DEPOSITORS WITH FINE REALISED FROM DEFAULTING COMPANIES

6.1. Shri E. R. Nayanar, Kalliasseri, District Cannanore, submitted a representation dated the 3rd April, 1980 regarding amendment of the Companies Act, 1956 to compensate depositors with fine realised from defaulting companies as damages.

A. Petitioner's Grievances

6.2. In his representation, the petitioner stated as follows:—

“I am compelled to bring to your notice the plight of those poor people who had invested a few rupees in fixed deposit in some limited Companies and were made to suffer due to the refusal of those Companies to return the deposit money even, let alone the interest of these. There are diseased and old men and women who had deposited amounts such as 1000, 2000, 3000 to 5000 because of the lure of the slightly better rate of interest these dupes promised. These depositors are often men of meagre means of livelihood with incomes less than Rs. 750/- a month. Even though there is provision in the Companies Act to punish the defaulting Companies, I am told that the fine the Court realises from them will not be given to the depositor as damages. This is a very sad state of affairs. Obviously the intention of the legislature is not to make money from the default of the erring Companies. It must be to compensate the loser. However, I request you, Sir, to recommend legislation, making it obligatory on the part of the Government to realise the fine from the defaulting Companies and pay it to the depositor.

I request you to recommend legislation or make other arrangement to come to the help of these poor depositors whose monthly income does not exceed Rs. 750/-:—

- (1) Amending the existing rules of the Company Act in such a way as to give the depositor the fine realised from the defaulter as damages.
- (2) In cases of Liquidations, those depositors whose monthly income does not exceed Rs. 750/-, be treated like men having secured deposits with the Company so that they be given their full deposit amount with interest at Contract rate when amounts are distributed by the Liquidator.

Myself and my wife, Mrs. P. O. Karthenayan Amman, P.O. Kalliasseri-670562, had deposited the amounts Rs. 2500/- and Rs. 3000/- (Deposit receipts No. R.C.H. 274 and R.C.H. 1049) with Ritz Continental Hotels, 12, Jawaharlal Nehru Road, Calcutta-13. The Company did not pay the deposit amount even after the term of deposit. It is now under liquidation. I had filed a complaint with the Registrar of Companies, West Bengal, who had started prosecution proceedings against the Company but I am told, it was stayed by the Calcutta High Court. We are having an income (monthly) of an amount below Rs. 500/- per mensem each. We pray that instruction may be given to the authorities concerned to save poor men like us. It may be mentioned I am a physically disabled man, having heart and nerve diseases."

**B. Comments of the Ministry of Law, Justice and Company Affairs
(Department of Company Affairs)**

6.3. The representation was referred to the Ministry of Law, Justice and Company Affairs (Department of Company Affairs) for furnishing their factual comments thereon for consideration by the Committee. In their factual comments dated the 3rd June, 1980 the Ministry of Law, Justice and Company Affairs (Department of Company Affairs) stated as follows:—

"Shri Nayanar has made the following two suggestions on which comments have been called for for the consideration of the Committee on Petitions, Lok Sabha:—

- (i) The existing rules of the Companies Act should be amended in such a way as to give the depositor the fine realised from the defaulter as damages.
- (ii) In cases of liquidations, those depositors whose monthly income does not exceed Rs. 750/- be treated like men

having secured deposits with the company so that they be given their full deposit amount with interest at contract rate when amounts are distributed by the liquidator.

As regards (i) above, it may be stated that section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 framed thereunder, prescribe the limits up to which, the manner in which and the conditions subject to which deposits may be invited or accepted by a non-banking non-financial company from the public. This section also provides the penalties for the violations of its provisions and the rules framed thereunder. According to the provisions of section 58A(5) *ibid*, out of the fine, if realised, an amount equal to the amount in relation to which the repayment of deposit has not been made, is to be paid in the following circumstances to the person(s) to whom the repayment of deposits was to be made:—

- (i) Any deposit received by a company prior to 1st Feb., 1975 i.e., before Section 58A of the Companies Act became into force, in contravention Reserve Bank of India directions and which became repayable in full on or before 1st April, 1975 under section 58A(3)(c) but which was not so repaid.
- (ii) Any deposit accepted by a company after commencement of section 58A in contravention of the Companies (Acceptance of Deposit) Rules, 1975, which became repayable within 30 days from the date of acceptance of such deposit or within such further time not exceeding 30 days as the Central Government might have allowed, but which was not so repaid. The above mentioned concession is applicable to all categories of depositors irrespective of their monthly income.

Sub-Section 5 of Section 58A primarily seeks to penalise a company for its failure to repay deposit as referred to above in the prescribed time and provides for repayment of deposit to the depositor out of the fine, if any, realised from the company. The matter of damages, if any, claimed by a depositor from the company, however, stands on a different footing and depends upon the contractual obligations subsisting between the said two parties, and

the depositor, if he so wishes, is free to pursue his claim for damages under the Indian Contract Act and/or any other relevant law in an appropriate Court. In the circumstances, amendment of the Companies Act and/or the Companies (Acceptance of Deposits) Rules, 1975 is not necessary.

It may not be possible to provide any legal protection to a particular class of depositors, namely, persons whose monthly income does not exceed Rs. 750/- as any such special treatment given to them may be looked upon as discriminatory. It may be mentioned in this connection that it is obligatory on the part of the non-banking non-financial companies to indicate in the advertisements inviting deposits that these deposits are unsecured and rank *pari passu* with other unsecured liabilities. Besides, the deposits with the company primarily establish the relationship of creditor and debtor. As the creditor, the depositor has the right to file a suit against the defaulting company for recovery of his dues. The depositor has also the right to file a petition for winding-up of the company under section 433 of the Companies Act, 1956.

Prosecution launched against M/s. Ritz Continentals Hotels Limited by the Registrar of Companies, Calcutta has been stayed by the Calcutta High Court. It is understood that a creditor had also filed a petition for winding up of the company and the company was ordered by the Calcutta High Court to be wound up. The company is stated to have subsequently preferred an appeal against the operation of the order for its winding-up."

C. Observation of the Committee

6.4. The Committee note the factual comments furnished by the Ministry of Law, Justice and Company Affairs (Department of Company Affairs) on the points raised in the representation stating inter alia that the Sub-Section 5 of Section 58A primarily seeks to penalise a company for its failure to repay deposit in the prescribed time and provides for repayment of deposit to the depositor out of the fine, if any, realised from the company. The matter of damages, if any, claimed by a depositor from the company, however, stands on a different footing and depends upon the contractual obligations subsisting between the said two parties, and the depositor, if he so wishes, is free to pursue his claim for damages under the Indian Con-

tract Act and/or any other relevant law in an appropriate court. In the circumstances, amendment of the Companies Act and/or the Companies (Acceptance of Deposits) Rules, 1975, is not necessary.

The Committee also note that the case in question is pending in the Calcutta High Court. In view of the comments furnished by the Ministry and the fact that the matter is sub judice, the Committee feel that no action is called for in the matter on their part.

VII

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE OF PETITIONS CONTAINED IN THEIR TWENTY-THIRD REPORT (FIFTH LOK SABHA) ON THE REPRESENTATION REGARDING ALLEGED HARASSMENT TO TOBACCO TRADERS AND IRREGULARITIES BY EXCISE OFFICIALS OF KANPUR COLLECTORATE ETC.

7.1. In their Twenty-third Report (Fifth Lok Sabha), the Committee considered a representation regarding alleged harassment to tobacco traders and irregularities by Excise Officials of Kanpur Collectorate etc. and the factual comments of the Ministry of Finance (Department of Revenue and Banking) thereon and made certain recommendations.

7.2. The Ministry of Finance (Department of Revenue) were requested to implement the recommendations of the Committee. The recommendations of the Committee and the action taken replies dated the 18th December, 1975 and 25th July and 10th August, 1977, furnished by Government on the recommendations of the Committee on Petitions contained in paras 2.8 and 2.9 of their Twenty-third Report (Fifth Lok Sabha) are given below seriatim:

Recommendation in para 2.8 of the Twenty-third Report

"The Committee note with concern the various allegations of malpractices made against the Excise officials of Kaimganj MOR I Range which, in the light of the comments furnished by the Ministry, do appear to have some substance. The Committee are constrained to observe that the malpractices, in which the complicity of local Excise officials, is alleged, remained undetected till complaints in that regard were made by the petitioner and other local traders, and only when a representation was made to this Committee and complaints were vigorously pursued with the concerned authorities, the matter was investigated and disciplinary action against the suspected officials was initiated. The Committee deplore the lack of supervision by the Central Board of Excise and Customs and the concerned Collectorate. The Committee

recommend that Government should take immediate steps to appoint a team consisting of high officials to enquire into all the allegations of malpractices and suggest remedial measures, as in the opinion of the Committee, such a team alone would inspire confidence amongst the public in general, and the tobacco traders in particular, and also elicit the desired cooperation from them in ascertaining the truth about the nature of the malpractices as also the extent of the complicity of officials. The Committee hope that in the event of any particular officials, being found guilty of the alleged malpractices, suitable action will be taken against them under the relevant law and rules expeditiously and the Committee informed of the action taken in the matter.

Reply dated 18-12-1975 of the Government

The observations of the Committee touch on the following aspects:—

- (i) The allegations of the malpractice against Excise officials of Kaimganj MOR I Range appear to have substance;
 - (ii) The malpractices were detected and action against suspected officials was initiated only after a representation was made to the Committee;
 - (iii) The Committee deplores the lack of supervision by the Central Board of Excise and Customs and the Collectorate;
 - (iv) Government should appoint a team of high officials to enquire into the allegations and suggest remedial measures, as only this would inspire confidence among the public and tobacco traders and establish the nature of malpractices and complicity of officials; and
 - (v) In the event of officials being found guilty suitable action should be taken against them and the Committee informed.
- (2) Government have carefully noted the observations of the Committee. As regards observations (i) and (v) referred to above, it is a fact that there have been malpractices by the tobacco trade with the collusion of some

Central Excise officials. Suitable action has already been initiated against traders as well as officials. As many as 7 officials (One Superintendent, five Inspectors and one Sepoy) were suspended by the Collector of Central Excise, Kanpur on various dates between 1st November, 1973 and 6th March, 1974. Action is also being taken against the members of the trade suspected to be involved in the malpractices. In view of further reports of large scale evasion of duty on tobacco by the use of bogus transports permits, a vigorous investigation is now being carried out extending over several Central Excise Collectorates (including Kanpur Collectorate), co-ordinated by the Director of Inspection, Customs and Central Excise, New Delhi, and under the general supervision of the Central Board of Excise and Customs. The C.B.I. are also being brought into the picture, so that if sufficient evidence is found, prosecution can be launched against the persons concerned, whether they are traders or officials.

As regards observations (ii) above, it would not be correct to say that malpractices were detected and action initiated against suspected officials only after a representation was made to the Committee. It is true that detection of offences is a continuous process, as new methods of evasion are tried out from time to time and are also detected from time to time. It is also true that the interest taken by the Hon'ble Committee gave an added impetus to the efforts already being made in this direction by the Collectorate. However, even before the representation was made to the Committee, cases had been detected and action had been taken against erring officials. Four such cases ranging from about 1962 to 1972 have also been shown in the Appendix III. It will be seen that in these cases action was taken by the Collectorate both against the traders and against the concerned officials.

As regards observation (iii), it would be difficult to say that there was lack of supervision by the Central Board of Excise or the Collector, in the light of the particulars given above regarding the action already taken. As already explained, the Kanpur Collectorate, under the direction of the Collector, has been detecting such cases from time to time and taking appropriate action. The Board, as the general supervisory authority, does not

come into the picture in so far as the day to day operations are concerned. However, it keeps in touch with any major developments to see that appropriate action is taken as in the case of the recently discovered fraud referred to above.

As regards observation (iv) viz., that Government should appoint a team of high officials to enquire and suggest remedial measures, this observation has been made on the ground that only such a team would inspire confidence amongst the public in general and the tobacco traders in particular and also elicit the desired cooperation from them. In the present case lack of confidence in the Collectorate is most marked on the part of Shri Chandra Prakash Agrawal, who had represented to the Committee. However, it may be observed that although he had emphatically alleged that malpractices were taking place, when he was contacted by Senior Officials of the Collectorate, he was not ready to co-operate with them in unearthing the 'Real Culprits'. In other respects also his attitude has been found to be somewhat ambiguous. Thus, although representing that in the public interest the evil practice of tobacco smuggling should be stopped immediately, where action was taken to check warehouses and detect malpractices, this was characterised by him as 'Blackmail'. Again, while complaining of widespread malpractices, Shri Chandra Prakash Agrawal has also pressed for the extension to tobacco of the Self-Removal-Procedure, which could only give scope for further malpractices. In view of this ambiguous attitude on the part of Shri Agrawal, he may not be taken as representative of the public and the law-abiding traders in general. In fact, in a number of instances where *prima facie* offences were discovered and seizuers or detentions were effected, Shri Agrawal himself or his close relative were concerned. Investigations into the frauds are being carried out under the supervision of the Collector of Central Excise, Kanpur, who is a very Senior Officer. The Central Bureau of Investigation are also being brought into the picture wherever this is called for. If as a result of enquiry by these organisations, directed by their high officials any Central Excise Officials, traders are found guilty of malpractices, appropriate action will assuredly be taken against them."

In their subsequent communication dated the 10th August, 1977, the Ministry have stated as follows:—

“It has been ascertained from the Collector that one of the concerned officials, a Superintendent of Central Excise, was prematurely retired in December, 1975. Departmental proceedings are in progress against 4 Inspectors of Central Excise. Sepoy has been reinstated because the case against him was not proved. Adjudication proceedings are also reported to have been initiated in the Kanpur Collectorate in a number of cases for offences of the nature referred to by the Committee.”

Recommendation in para 2.9 of the Twenty-third Report

“The Committee note that the Tobacco Excise Tariff Committee have submitted their report to the Government only recently. The Committee recommend that in the light of the recommendations made by the Tobacco Excise Tariff Committee, Government should immediately take necessary steps with a view to plug various loopholes in the existing system of excise control on tobacco and also consider the desirability of making suitable modifications in the existing pattern of the control on tobacco in view of the experience gained about its functioning during past several years.”

Reply dated 25-7-1977 of the Government

“Decisions on all the recommendations of Tobacco Excise Tariff Committee have already been taken. Some of the recommendations and decisions taken thereon are as under:—

- (i) *Period of warehousing of tobacco without payment of duty:*

The Committee recommended that the normal period allowed for storage of tobacco in a warehouse should be reduced from three years to two years with a provision for further extension by one year by the Collector and beyond this by the Central Board of Excise and Customs.

Government accepted this recommendation with the modification that Collector can permit extension by one year in the case of air-cured tobacco and more than one year in the case of flue cured tobacco.

- (ii) *Movement of non-duty paid tobacco from one warehouse to another:*

The Committee recommend that such inter-warehouse movement might be restricted to two after the initial warehousing.

Government accepted this recommendation in principle and implemented it. However, in view of the hardships caused to tobacco trade as well as restrictions on the period of warehousing of tobacco, the restriction on inter-warehouses movement was removed.

- (iii) *Use of T.P. 3 transport certificates for transport of tobacco from curers' premises to warehouses:*

The Committee recommended reduction of validity period of such certificates, to the sunset of the day of issue in case of transport by mechanised vehicles and until sunset of the following day in other cases.

This recommendation was found acceptable but in the light of experience it was considered necessary to allow up to 12 hours if the distance covered is 250 Kms or less in case of Virginia or Indian air-cured string tobacco, and 24 hours if the distance to be covered is more than 250 Kms.

- (iv) *Use of sale notes for transport of duty paid tobacco:*

The Committee had recommended tightening up in this regard, in respect of the period of validity as well as the quantity to be transported and also certain additional particulars being shown in the sale note.

The recommendations have also been accepted by the Government. In order to give effect to the decisions, Government have amended rules 31, 32, 34 and 145 of the Central Excise Rules, 1944 through Notification No. 291/76 dated 21-12-1976.

- (v) *Notifications 79/77, 80/77, 81/77 & 82/77 C.E. dated 4 May 1977 give effect to other decisions of the Government:*

Implementation of some of the decisions of Tobacco Excise Tariff Committee would require additional staff. In view of the present climate of utmost economy, it is being considered whether some further simplifications of procedure

in regard to excise control on tobacco can be effected so as to eliminate or substantially reduce the need for extra-staff."

Observations of the Committee

7.3. The Committee note the action taken by Government on the recommendations of the Committee contained in their Twenty-third Report (Fifth Lok Sabha) on the matter.

7.4. The Committee heard Shri C. P. Agrawal in person on the 3rd October, 1977, and considered his complaint dated the 10th October, 1977 containing allegations of harassment to him and his close relatives by the Excise Officials of Kanpur Collectorate, his intimidation for representing the matter to Lok Sabha, contempt of the Committee by the then Collector of Central Excise, Kanpur and the then Superintendent, Central Excise, Kaimganj by making derogatory statements against the Committee and getting him involved in false cases during Emergency. In view of the outcome of an enquiry conducted by the Director of Inspection of the Ministry of Finance into the various complaints of Shri C. P. Agrawal and the fact that the cases were sub judice, the Committee decided that no further action on their part was called for and closed the matter.

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VIII

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE ON PETITIONS CONTAINED IN THEIR THIRTIETH REPORT (FIFTH LOK SABHA) ON THE REPRESENTATION REGARDING SERVICE GRIEVANCES OF INCOME-TAX OFFICERS, CLASS-II

8.1. In their Thirtieth Report (Fifth Lok Sabha) presented to Lok Sabha on the 12th May, 1976, the Committee on Petitions considered a representation regarding service grievances of Income-tax Officers, Class-II and made the following observations/recommendations:—

“2.51. The Committee note the opinions expressed by the Central Pay Commissions and other high level Government Committees regarding the question of abolition of the cadre of Income-tax Officers, Class II. The Committee also note that the Supreme Court in its judgement dated the 16th April, 1974, had observed that ‘Government runs the service and it is presumed that it knows what is best in public interest. Government knows the calibre of candidates available and it is for the Government to determine how a particular service is to be manned/whether by direct recruits or by promotees or by both and, if by both, what should be the ratio between the two sources having regard to age factor, experience and other exigencies of service.’

2.52. The Committee are of the view that the question concerning the existence of various grades in the different Services is primarily an organisational and management problem and is, therefore, one for the Government to deal with. The Government are the best judge of the requirements of their own administrative machinery in the matter of recruitment and composition etc. of a particular Service. It is upto the Government to consider whether in the Income-tax Department and in other allied Services there should be a uniform Cadre of Officers. This is a matter which has to be considered in entirety by the Government keeping in view the exigency of the Services as a whole.

2.53. The Committee have noted that ever since the two Classes of Income-tax Officers were created in 1944, the question of abolition of one cadre or amalgamation of the two Classes of Income-tax Officers was examined from time to time by various Committees/Commissions but the Ministry of Finance consistently disfavoured the amalgamation of Class I and Class II cadres. The Ministry, however, considered that "Charges of Income-tax Officers have to be classified as Class I and Class II charges on the basis of the nature of work. This was not done."

The Committee fail to understand the reasons why the charges of Income-tax Officers Class I and Class II could not be classified all these years by the Ministry of Finance. That Ministry had let things drift in their own way so much so that a dispute has been going on for over a decade concerning demands of the two cadre of Income-tax Officers. The pivotal role of this Department as a tax collecting machinery can not be over-emphasised. It is therefore imperative that the unseemly infighting in the Income-tax Department should be put an end to and energies of the staff and Officers are canalised into more fruitful channels. The Committee take note of the assurance given by the Chairman of the Central Board of Direct Taxes during his evidence that he is personally making efforts to bring the representatives of Income-tax Officers, Class I and Class II together with a view to find an agreed solution to their problems and to redress all their genuine grievances in this regard. Committee hope that this process will be expedited and the problem solved once and for all.

2.54. The Committee are aware that a large number of Income-tax Officers, Class II have held important charges and distinguished themselves in the matter of tax-collection and assessment. The merit of such Officers should be recognised. The Committee suggest that the Government may examine the feasibility of rewarding by promotions such Officers who have rendered meritorious services for a period of five years and more in important charges. In the opinion of the Committee this is necessary to keep up the morale and efficiency of the Officers.

2.55. The Committee further recommend that all unfilled vacancies in Class I should be filled up as a matter of

course as and when such vacancies occur without keeping them in abeyance.

2.56. One of the grievances of the petitioners is about the delay in confirmation. The Committee are of the view that confirmation of Officers, both in Class I and Class II cadres, should be made as a matter of course as and when permanent posts fall vacant without keeping them in abeyance. Further the number of permanent posts in each cadre should be so regulated that an Income-tax Officer is normally confirmed in his respective cadre within a prescribed minimum period.

2.57. The Committee note that according to the present rules, the ratio of promotees to direct recruits in the cadre of Income-tax Officers, Class I is 1 : 1. The Committee would like to stress the imperative need of properly implementing this rule so that there is no dissatisfaction on this score among the promotees and the direct recruits.

2.58. The Committee have noted the broad guidelines proposed to be laid down by the Government in the matter of job classification for Income-tax Officers Class I and Class II. They would, however, like to stress that the parameters of this job classification between the two cadres should be clear and well defined so that there is no scope for any discontent on this score in future. The Committee feel that any scheme of job classification should be able to satisfy the majority of the existing affected Officers and, therefore, it should be finalised in consultation with their respective associations."

[Paras 2.51 to 2.58, Pages 25-26, Thirtieth Report (Fifth Lok Sabha)].

8.2. The Committee on Petitions at their sitting held on the 15th February, 1979, examined the representatives of the Ministry of Finance (Department of Revenue) on the matter regarding non-implementation by Government of the above recommendations of the Committee.

8.3. In his evidence, the Finance Secretary *inter alia* stated that the problem of reconciling the interests of Class I and Class II Income-tax Officers of the Department had been constantly engaging the attention of the Government. They had been trying to evolve

a fair and just solution, to provide equitable opportunities for promotion for both classes of officers who were doing very vital and important work. The Chairman of the Central Board of Direct Taxes had been meeting the representatives of the associations. What was even more important was that the former Finance Minister, Mr. H. M. Patel, had also met the representatives of both the associations and given them a patient hearing. In fact in terms of the specific directive given by him and because of the keen interest taken by him, the Department had taken a number of steps in recent months to improve opportunities for promotion, career prospects, etc.

8.4. The Finance Secretary further stated that the Director of Organisation and Methods Service (a wing of the Income Tax Department) which had been devoting its attention constantly to improve the organisational arrangements and procedure in the Department, had undertaken the classification of jobs. He assured the Committee that they would complete the work within about three months. However, he added that if it was not possible for them to complete the work, they would explain the difficulties to the Committee.

8.5. In their action taken reply, dated the 25th May, 1979 the Ministry of Finance (Department of Revenue) have stated as follows:—

“Para 2.51 & 2.52: These observations of the Committee have been noted for information.

Para 2.53: After the new government took over at the centre in March, 1977 efforts were made at the highest level to bring together the two groups of officers in the Income-tax Department representing direct recruits and promotees to Class I so that an agreed solution acceptable to both the groups could be found to the various problems affecting the service conditions of the officers. Finance Minister himself convened a number of joint meetings to ascertain the areas of agreements between them so that maximum number of officers could be satisfied by the steps which the Government could take in the matter. The meetings were arranged on a number of occasions with the Finance Secretary and the Chairman, C.B.D.T. also to work out details. However, unfortunately, these efforts could not ultimately succeed. The Government had therefore, no option but to act within the frame-work of the rules and the law as interpreted by the Supreme Court in their judge-

ments on questions of seniority, promotions and other relative matters. Within the frame-work of the rules, the Government have taken various steps to redress the genuine grievances of the officers. Some of the measures undertaken in this regard are enumerated below:—

- (1) 80 additional posts of Commissioners of Income-tax have been created by upgrading an equal number of posts of Assistant Commissioners during the year 1978. (50 per cent in the scale of pay Rs. 2250—2500 and 50 per cent in the scale of Rs. 2500—2750). Including available vacancies 116 Assistant Commissioners of Income-tax were promoted as Commissioners of Income-tax in July, 1978. This has helped in removing stagnation at the level of Assistant Commissioners.
- (2) 99 posts of Selection Grade Assistant Commissioners (scale of Rs. 2000—2250) have been created. Steps are under way to fill these posts.
- (3) 87 additional posts of Assistant Commissioners of Income-tax have been created by upgrading an equal number of posts of Income-tax Officers Group 'A' (Senior scale). All these posts have been filled by making promotions of Income-tax Officers Group 'A'. The increased strength of Assistant Commissioners cadre has thus improved the promotion prospects of Income-tax Officers Group 'A'.
- (4) During the last 2 years or so 250 additional posts of Income-tax Officers Group 'A' have been created thus improving the chances of promotion of Income-tax Officers Group 'B'.
- (5) Although appointments to the grade of Income-tax Officer Group 'A' are made 50 per cent by direct recruits and 50 per cent by promotion from the grade of ITO Group 'B', it has been decided that pending regular appointments, all vacancies in the grade of I.T.O.s Group 'A' should be filled by *ad-hoc* promotions of Income-tax Officers Group 'B'. In pursuance of this decision, 250 I.T.O's Group 'B' were promoted to the grade of I.T.O. Group 'A' (Junior scale) in December, 1978. This has accelerated the promotion of ITO Group 'B'. Except seniority the *ad hoc* promotees get all the benefits of Group 'A' scale.
- (6) Regular appointments to the grade of Income-tax Officer Group 'A' are made in the proportion of 1 : 1 by direct

recruitment and promotions from Group 'B'. It has been decided to increase the annual intake of direct recruits from 80 to 120 from 1978 onwards so that an equal number is taken by promotion from Group 'B', thus accelerating the regular promotion.

- (7) 150 leave reserve posts of ITO's Group 'B' have been recently created to provide for additional man power.

The question of keeping up the morale of the officers in the Income-tax Department by bringing about improvements in their conditions of service has been the uppermost concern of this Ministry. Whenever it is considered necessary, corrective measures are taken to remove bottlenecks if any, in the matter of promotion prospects of officers. With this end in view, posts are upgraded or additional posts in the higher grades are created so that all officers can reasonably hope for advancement in their careers. This policy will continue to guide the future actions of the Government also.

In regard to the observations of the Committee that the unseemly infighting in the Income-tax Department should be put an end to so that the energies of staff and officers are canalised into more fruitful channels, it is submitted that after the seniority rules of 1973 were upheld by the Supreme Court, the dispute over seniority matters has virtually come to an end. These rules of 1973 had the effect of raising the quota of promotion from the grade of I.T.O. Group 'B' to the grade of ITO, Group 'A' from 33½ per cent to 50 per cent. This has greatly benefited the Income-tax Officers, Group 'B' by accelerating the pace of their promotions to Group 'A'. In addition, the decision to fill also vacancies in Group 'A' by *ad hoc* promotions of ITOs Group 'B', to Group 'A' pending regular appointment has also substantially benefited the Group 'B' Officers for it has resulted in advancing their promotions to Group 'A' by 2 to 3 years. It is considered that the measures mentioned above have had a salutary effect on the morale of the Service especially of those promoted from Group 'B'.

Para 2.54: According to rules, Income-tax Officers Group 'B' with not less than 5 years service in the grade are eligible to be considered for promotion to the grade of Income-tax Officers Group 'A'. The basis of promotion is seniority-cum-merit. Income-tax Officers, Group 'B' who fall in the zone of consideration comprising 5 times the number of vacancies to be filled each year, are considered for regular promotion by a D.P.C. presided over by a Member of the U.P.S.C. In the scheme of promotions by selection, officers who have rendered meritorious service and who are on the zone of consi-

deration have good chances of accelerated promotion to Group 'A' out of turn. The recommendations of the Committee in this para are, therefore, already being implemented in a broad measure in accordance with existing instructions.

A meeting of the D.P.C. was held on the 21st May, 1979 to the 23rd May, 1979 to select 80 I.T.O. Group 'B' for regular promotion to the grade of I.T.O. Group 'A'. It is proposed to hold another meeting soon to select 120 more I.T.O.'s Group 'B' for promotion.

Para 2.55: As mentioned above all vacancies in the grade of I.T.O. Group 'A' have been filled by making promotions of I.T.O.'s Group 'B' on *ad hoc* basis and no vacancies are being kept in abeyance. This recommendation of the Committee has also therefore, been implemented.

Para 2.56: The procedure has been streamlined so far as confirmation of I.T.Os, Group 'B' is concerned. The D.P.C. for deciding fitness of Income-tax Officers, Group 'B' for confirmation is now constituted at the level of Commissioners of Income-tax. The Commissioner of Income-tax have been advised that the DPC meetings should be held regularly to fill the vacancies as and when they arise, so that there should be no delay in making confirmations. In regard to confirmations in the grade of Income-tax Officer Group 'A,' the question is linked with the confirmation of officers in the grade of Assistant Commissioners of Income-tax. A large number of Assistant Commissioners are holding liens on permanent posts of ITOs Group 'A' and until they are confirmed in the higher grade of Assistant Commissioners they do not release vacancies. The confirmations in the grade of Assistant Commissioners were held up because the seniority of almost all the officers in that grade was to be revised in pursuance of the directions of the Supreme Court in their judgement dated 16-8-72. The process of refixing seniority in Assistant Commissioners' grade has been started but has not yet been completed. As soon as the refixation of seniority is completed the question of confirmation in Assistant Commissioners' grade will be taken up and thereafter confirmation of ITOs Group 'A' will be considered. The recommendations on the Committee in this para have, therefore, been accepted for implementation.

Para 2.57: The recommendation of the Committee in para 2.57 has been accepted and the rule of seniority of 1973 providing for regulation of seniority of direct recruits and promotees in Group 'A' in the ratio of 1 : 1 is being strictly observed.

Para 2.58: The job classification of the posts of Income-tax Officers Group 'A' and Income-tax Officers Group 'B' is a vexed

problem. The matter is to be considered very carefully keeping in view the need for efficient and proper functioning of the Income-tax Department. The question has been examined in a report submitted by the Director, O&M Services (I.T.) New Delhi to this Ministry, a copy of which is enclosed for present information. Since the recommendations in the report involve restructuring of the Group 'A' and Group 'B' Services, the matter has to be considered in consultation with the various agencies/departments of the Government. Further action in the matter is being taken and appropriate decisions will be taken in due course. It is hoped that the scheme of job classification would be able to satisfy the majority of the existing affected officers as desired by the Committee. However, although it is not possible to finalise the scheme of job classification in consultation with the Association and Unions of the gazetted officers their views in the matter will be duly taken into consideration before any final decisions are taken by the Government."

Observation of the Committee

8.6. The Committee note the reply dated the 25th May, 1979 of the Ministry of Finance (Department of Revenue) intimating the action taken by the Government on the recommendations contained in their Thirtieth Report (5LS) on the representation regarding service grievances of Income-Tax Officers, Class II. In regard to job classification of the posts of Income-tax Officers, Group A and Income-tax Officers Group B, the Committee note from the reply of the Ministry that it is a vexed problem and the matter has to be considered keeping in view the efficient and proper functioning of the Income-tax Department. The Committee also note that the question has been examined in a report submitted by the Director, O&M Services (I.T.), New Delhi to the Ministry of Finance. Since the recommendations in this report involve restructuring of the Group A and Group B Services, the matter has to be considered in consultation with the various agencies/departments of the Government. The Committee also note that further action in the matter is being taken and appropriate decisions will be taken in due course. The views of the Association and Unions of the Gazetted Officers in the matter

will be duly taken into consideration by the Government before any final decisions are taken by them.

The Committee desire that early action may be taken by the Government to finalise the job classification between the two cadres and the Committee may be informed of the final decision in due course.

NEW DELHI;
Dated the 5th March, 1981.

R. L. BHATIA,
Chairman,
Committee on Petitions.

APPENDIX I

(See para 2.1 of the Report)

[Petition No. 9 regarding generation of more employment, price-rise, educational reforms, inclusion of 'right to work' in Fundamental Rights, lowering of voting age and unemployment relief.]

LOK SABHA

PETITION NO. 9

(Presented to Lok Sabha on 28-11-1980)

[Considered by the Committee on petitions, Lok Sabha at their sitting held on the 15th December, 1980, and circulated* in pursuance of the Committee's direction under rule 307(1) of the Rules of procedure and Conduct of Business in Lok Sabha.]

To

LOK SABHA
NEW DELHI.

The humble petition of the All India Youth Federation (AIYF) and the All India Students' Federation (AISF).

SHEWETH

The Government of India has miserably failed to find any solution to the problem of unemployment which is growing day after day, despite the Five Year Plans and crash programmes. We believe that the basic economic policies pursued by successive governments at the Centre since Independence have been responsible for this unabated growth of unemployment to which the youth of this country falls helpless victims and it also casts gloom on their future.

It is unfortunate that the Government which has moral responsibility to provide employment to its citizens, even do not care to take a sympathetic attitude towards the victims of unemployment and refuse to provide even unemployment relief, though several State Governments in this regard had taken a better stand. It is the same attitude which prevented the Government from taking steps

*The petition was circulated in *extenso* to the members of Lok Sabha on the 18th December, 1980.

for amending the Constitution to include the 'right to work' as a fundamental right.

Despite the recommendation of the Joint Committee of Parliament and the open support extended to it by all the political parties in India, the Government of India failed to take steps to amend the Constitution to provide the youth the right to vote at eighteen. It may be recalled that large number of countries have accepted this right, and in India several State Governments have given this right in regard to elections to local bodies in their respective States.

We feel that it is high time to take more radical steps to democratise and reform our education system so that it would become more related to life and be an instrument for effective social transformation, as time demands. Our education should be such that it should be accessible to all our people.

The steadily increasing rate of inflation and price rise coupled with unemployment and poverty makes life unbearable in our country. In this context, we feel that it is high time to have a second look at the policies which were followed by the Government with a view to thoroughly overhaul those.

And accordingly your petitioners pray that:

1. (a) More employment can be generated:

- By rapid industrialisation and speedy implementation of radical land reforms and by distributing surplus and other arable land to the rural-poor and landless peasants.
- By taking up a massive rural housing scheme for the rural-poor and scheme for slum clearance in cities.
- By promoting agro-industries, cottage and small scale industries and by undertaking large schemes for public works, land reclamation, afforestation, rural electrification, rural road construction etc.
- By ensuring easy credit facilities to and other requirements of small peasants for intensive cultivation.
- By taking steps to introduce compulsory primary education and by stepping up the efforts to eradicate illiteracy.
- By providing adequate funds on easy terms to all co-operatives, especially by encouraging co-operatives set up by engineers and other technically qualified personnel.

- By taking steps to maximise exploration of natural resources and by developing fisheries, forestry, etc.
 - By expanding social services, especially a rural health scheme to cover the entire country.
 - By immediately filling up all vacancies in all the Government and other public offices.
 - By taking up a vigorous scheme for integrated rural development throughout the country and a special health scheme for the students.
 - By introducing vocational bias in education.
- (b) Existing employment opportunities should be defended by declaring ban on closure, lockouts and retrenchment besides this, unilateral introduction of automation and other technological changes only for displacing workers should not be allowed. All casual, badli and temporary employees should be absorbed into permanent jobs and contract labour system should be abolished. All apprentices and trainees should be guaranteed permanent jobs.

Statutory ban on eviction of all tenants and share-croppers and legal protection for security of tenancy should be ensured.

Besides this, it is necessary to discipline the private sector and also compel this sector to provide reasonable quantum of employment to people.

- (c) Resources for the generation of more employment can be mobilised: By weakening the monopoly stranglehold on our economy and nationalising the big firms, industries, banks and plantations owned by Indian monopolists, foreign companies including multinational corporations and their subsidiaries.
- By imposing moratorium on repatriation of profits, royalties and dividends etc. by foreign firms as an immediate measure.
 - By breaking the parallel economy of black-money by taking all effective measures including demonetisation.
 - By collecting all tax arrears from the rich and provident fund dues from employers.

- By confiscating hoarded gold, money and all other forms of wealth and take effective measures to check all tax evasion and smuggling.
 - By completely taking over of export-import trade.
 - By fully utilising the installed capacity of all industries and by stopping the loot and sabotage of public sector by bureaucrats, contractors and monopolists.
 - By minimising foreign collaboration as far as possible.
 - By utilising the idle wealth lying with religious institutions for developmental work.
 - By introducing unemployment cess on the rich.
- (d) In helping the job seekers the Government should take more effective measures:
- By opening more employment exchanges and do away with the practice of charging application fee from the job seekers by public and private sector firms and Government agencies.
 - By providing accommodation facilities free of cost to job seekers in all cities while they go for interviews etc.
- (e) Age bar restriction should not be applied on a job seeker if he has registered his name in an Employment Exchange before he was overaged.
2. Statutory provision for unemployment relief which should cover all the unemployed people, should be made and implemented.
3. Amendment to the Constitution should be made for:
- (a) including the 'right to work' in the Constitution as a Fundamental Right; and
 - (b) for bringing down the voting age to 18.
4. Effective steps should be taken against price rise such as the nationalisation of textile, sugar, drugs and edible oils industries and for the distribution of all essential commodities of mass consumption through a nation wide pub-

lic distribution system, with appropriate arrangement for checking it up by a democratic set up.

5. Adequate steps should be taken for the democratisation and reform of education.
6. A minimum of ten per cent allotment should be provided for education in the Union budget.
7. The Government of India should withdraw the National Security Ordinance.

And your petitioners as in duty bound will ever pray.

Name of petitioners	Address	Signature or Thumb impression
1. Shri Bant Singh Brar	President, AIYF, 4/7, Asaf Ali Road, New Delhi-110002.	Sd/-
2. Shri Thoppil Gopalakrishnan	General Secretary AIYF, 4/7 Asaf Ali Road, New Delhi-110002.	Sd/-
3. Shri Atul Kumar Anjan	President, AISF, 4/7, Asaf Ali Road, New Delhi-110002.	Sd/-
4. Km. Amarjeet Kaur	General Secretary, AISF, 4/7, Asaf Ali Road, New Delhi-110002.	Sd/-

Countersigned by : K. A. Rajan, M.P. D. No. 466.

APPENDIX II

(See para 5.2 of the Report)

Extract from Agenda Note of the Technical Committee Meeting of the Bhakra Beas Management Board held on 28-4-1980.

Annexure-VII

Statement showing shares and deliveries at Rajasthan Contact points *via* Punjab for the period 21-9-1979 to 31-3-1980.

Month	Period	Share	Deliveries	Excess/ Shortage	Cumulative Excess/ Shortage
1	2	3	4	5	6
September	21—30	13800	15929	+2129	+2129
October	1—10	12076	13686	+1610	+3739
	11—15	5629	6871	+1242	+4981
	16—20	5778	7623	+1845	+6826
	21—31	13764	15581	+1817	+8643
November	1—10	12345	12605	+260	+8903
	11—20	12427	13244	+817	+9720
	21—30	12668	12748	+80	+9800
December	1—10	10627	12876	+2249	+12049
	11—15	4888	7749	+2861	+14910
	16—20	4542	7090	+2548	+17458
	21—31	11485	14728	+3243	+20701
January	1—10	9714	13571	+3857	+24558
	11—15	4461	7613	+3152	+27710
	16—20	4157	5345	+1188	+28898
	21—31	8787	8544	—243	+28655
February	1—10	7981	7826	—155	+28500
	11—20	8152	9182	+976	+29476
	21—29	7208	7962	+754	+30230

1	2	3	4	5	6
March	1—10	7811	9866	+2055	+32285
	11—20	8999	9248	+249	+32534
	21—31	8256	13142	+4886	+37420
	TOTAL	195555	232975		

Note :

- (i) Excess supplies to Rajasthan *via* Punjab upto 31-3-1980 37420
- (ii) Supplies of link channel from Rajasthan Feeder to Sirhind Feeder during 21-9-1979 to 31-3-1980 —19127
- (iii) Net Excess/shortage to Rajasthan *via* Punjab excluding link channel deliveries +18293
- (iv) All figures are in cusec days.

APPENDIX III

(See para 7.2 of the Report)

[Action taken by Kanpur Collectorate, on Tobacco Excise Frauds]

(i) In one of the earliest cases of T.P. 1 frauds detected soon after the creation of the Collectorate by the Divisional Preventive staff of Farrukhabad Division, M/s General Supply Corporation of Kaimganj, in which Shri C. P. Agarwal, the complainant had interest, were involved. They received a parent T.P.1 permit No. 432013 dated 15-1-61 for 44 mds. 25 seers of unmanufactured tobacco. By manipulation and over writing the figures of balances at the back of this permit, they got issued subsequent permits for 42 mds. 20 seers of extra tobacco which was obviously non-duty paid. Similarly M/s. Ram Krishna Harish Chandra of Kaimganj defrauded Government of duty of 44 mds. for which quantity additional subsequent T.P. 1s were got issued. The same *modus operandi* of over writing and manipulating balances at the back of parent T.P. 1s was discovered at the premises of several other firms of Kaimganj. Two clerks (Munims) of the 1st two named firms, namely Kailash Chand and Ram Bharose were ultimately prosecuted by S.P.E. and imprisonment was awarded to them by the lower court which was maintained by higher courts. As a result of deep probe into the matter, action was initiated against the staff concerned.

(ii) Yet another case of a different type of *modus operandi* relating to T.P. frauds, was detected in August, 1962 with the active co-operation of Delhi Collectorate. Higher rated tobacco was transported by M/s Wazir Chand Harish Chand of Kaimganj under the garb of 'Rawa'. The upper layers of packages had some Rawa but inside them mostly higher rated tobacco was transported. The transport permits showed that only 'Rawa' was contained in the packages. Detection of this fraud resulted in action against licensees of Kanpur and Delhi Collectorates as also in disciplinary proceedings against officers of Delhi and Kanpur Collectorate.

(iii) Yet another *modus operandi* connected with T.P. 1 namely bogus/fake parent permits, had come to light in 1972 where such a

permit had been issued by Shri Alim Uddin S/o Imam Uddin of Sheohara Range of Distt. Bijnor Moradabad division. Against this parent T.P. 1 No. 65261 dated 24-6-1972, R.O. Charra in this Collectorate issued a subsequent T.P. 1 to a dealer of Kaimganj MOR (heavy growing area) and the circuit had been completed by issue of a T.P. 1 back to a licensee in Dhampur of Sheohara Range. With this last subsequent T.P. 1 obviously non-duty paid tobacco moved. The S.P.E. has prosecuted Shri Alim Uddin of Sheohara and Department had suspended the concerned Officers and one of them was dismissed.

(iv) A further case may be reported in which 3 fake T.P. 1s were issued by Muranda, Ropar, Chandigarh Collectorate for a licensee of Sadabad Range in 1973. On the authority of those T.P. 1s subsequent T.P. 1s were issued and tobacco was disposed of. Before it could be found that the original 3 T.P. 1s from Chandigarh Collectorate were fake one more big consignment of 7500 kgs. was received in Sadabad Range and 2 consignments were also found to have been received on fake T.P. 1s. Similarly 4 more consignments of 25700 Kgs. were received in Tundla Range on fake T.P. 1s. All these cases have already been referred to the S.P.E. for further investigation and necessary action.