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COMMITTEE ON PETITIONS

(FIFTH LOK SABHA)

TENTH REPORT

[Presented on the 23rd March, 1973]

सत्यमेव जयते

LOK SABHA SECRETARIAT
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*Ceased to be a member of the Committee with effect from the 6th February, 1973, on his appointment as a Minister.

TENTH REPORT OF THE COMMITTEE ON PETITIONS

(FIFTH LOK SABHA)

INTRODUCTION

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

(i) Petition No. 1 regarding proposed installation of a computer at the Head Office of the Shipping Corporation of India, Bombay;

(ii) Petition No. 4 from Shri P. Ramamurti and others regarding recognition of Provisional Revolutionary Government of South Vietnam and stoppage of American bombing of North and South Vietnam;

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(vi) Representation from M|s Crystal Agencies, Bombay, re. advance of Rs. 750|- along with the tender fee for issue of a tender form by the All India Institute of Medical Sciences, New Delhi;

(vii) Representation from M|s Premier Vegetable Products Ltd., Industrial Area, Jhotwara, Jaipur, re. supply of tin plates from Tin Plates Producers; and

(viii) Representations regarding halts of Mail and Express trains at Pathankot before their ownard journey to Jammu.

2. The Committee considered the above matters at their sittings held on the 29th November and 20th December, 1972 and 29th January, 1973 and adopted the draft Report at their sitting held on the 7th March, 1973.

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

PETITION NO. 1 REGARDING PROPOSED INSTALLATION OF A COMPUTER AT THE HEAD OFFICE OF THE SHIPPING CORPORATION OF INDIA, BOMBAY

1.1. Petition No. 1 (*See* Appendix I) signed by Shri Alokemoy Mukherjee and two other employees of the Shipping Corporation of India Ltd., Calcutta, on the above subject, was presented to Lok Sabha by Shri Indrajit Gupta, M.P., on the 30th August, 1972.

A. Petitioners' grievances and prayer

1.2. In their petition, the petitioners had *inter alia* stated as follows:—

"(i) Whereas resorting to the use of such versatile and sophisticated labour saving device as electronic computer in manufacturing and servicing industries have already made grave in roads into the size of the labour force and threatened job security.

Whereas at a time when the country is plagued by appalling unemployment with ever-increasing backlog of unemployed at the end of each plan the economy can ill-afford to displace labour at such a colossal rate as has been the experience even in the most advanced countries of the West.

Whereas diversion of the nation's scant resources and extremely precious foreign exchange in the scheme of automation in offices would only lead to greater top-heavy centralisation and would be self-defeating.

(ii) Whereas the Shipping Corporation of India Ltd., having installed IBM 747 Data Processing Machines at Bombay in 1967 proposes to replace the same by IBM 1401 Electronic Computer before the recommendations of the Committee on Automation *viz.*, Dandekar Committee, are considered by the Government of India.

(iii) And accordingly your petitioners pray that immediate steps be taken (1) to stop import and use of electronic computer and automation equipment in the Shipping Corporation of India Ltd., in their offices at Bombay and Calcutta; (2) to cause issuance of policy directives to tne

Shipping Corporation of India Ltd., to abandon the idea of installing computer, and recruit more workers to cope up with the increased volume of work, the tonnage of the Shipping Corporation of India Ltd., having increased by 600 per cent in the last decade; and (3) to direct the Shipping Corporation of India Ltd., to discontinue hiring computer from Caltex (India) Ltd., Bombay.

B. **Factual comments of the Ministry**

1.3 The Ministry of Shipping and Transport (Transport Wing), to whom the petition was referred for furnishing factual comments, have sent the following detailed note received by them from the Shipping Corporation of India:—

"(i) *Grounds on which the petition is based*

The Petition seeks that the Shipping Corporation of India should be directed not to instal the computer at its Head Office in Bombay. The alleged reasons mentioned in the Petition are mainly the following:—

(a) that the installation of the computer by the Shipping Corporation would lead to displacement of retrenchment of the employees of the Corporation.

(b) that the installation of the computer would mean diversion of the nation's scant foreign exchange resources and would lead to top-heavy centralisation and would be self-defeating.

(c) that the *data* processing machines which were installed by the Shipping Corporation at Bombay in 1967, and which are proposed to be replaced by the computer, can perform the functions for which the computer is proposed to be installed.

2. The Shipping Corporation of India are of the opinion that the apprehensions stated in the petition are without foundation. The installation of the computer is essential and inescapable in the interests of the Shipping Corporation and its employees and, therefore, the Petition may be rejected.

(ii) *Reasons why the computer is required*

3. The Management of the Shipping Corporation reached this conclusion after careful consideration of the issues involved. Some important considerations were as follows:—

(a) that the Shipping Corporation had reached a stage due to a fast growth of its shipping tonnage and world wide shipping services where the *data* processing machines were no longer able to cope with the physical volume of work and it was essential to instal a comparatively modern computer of the requisite technical capability, namely IBM Computer 1401, however, the Corporation would not go in for more sophisticated and prolific third generation computer because the computer would be used for a well-defined purpose without adversely affecting the employment of the Corporation's employees.

(b) that if such a computer were not installed the efficiency of the Corporation and its international competitiveness would suffer greatly and its further growth and expansion would be retarded. This would have an adverse effect on the future capacity of the Corporation to contribute towards the earning and saving of foreign exchange and the growth of the country's international trade. The Corporation is engaged in an international business and its foreign competitors are equipped with the most modern management tools including the computer. Unlike other industries shipping does not have a protected domestic market.

(c) that it would be difficult to exercise effective cost control on the world-wide operating costs of the Corporation vessels unless a more modern management information reporting and appraisal system was introduced in the Corporation, and this, considering the nature of the Shipping Corporation's business and operations could not be done without a Computer.

(d) that the employment opportunities and prospects of all the employees of the Corporation would be promoted by the continued expansion of the Corporation and by further increasing the efficiency of its operations which the proposed computer would make possible; conversely, if the growth of the Corporation is adversely affected it will in turn adversely affect the prospects of the employees of the Corporation.

(e) that because of the installation of the computer, no employees would be retrenched displaced or suffer in any way in the matter of promotions, job satisfaction etc. On the other hand, the expansion of the Corporation would lead to an increase in employment opportunities in the administrative offices as well as on board the vessels. Further, the chances of advancement and promotion of all the employees would also improve.

(f) that though the computer is an imported one, the Corporation is not purchasing it but is hiring it on monthly rent payable in Indian rupees to IBM at Bombay. Even the indirect outage of foreign exchange involved in the renting of the imported equipment would be far out-weighed and compensated many times over by the gains (including net gain in the earning or saving of foreign exchange), which the Corporation would derive from its use.

4. The commercial and financial reasons, and the *data* on which the above mentioned conclusions are based are described in detail in the following paragraphs.

(iii) *Expansion of Shipping tonnage*

5. The Shipping Corporation of India operates today a fleet of 101 vessels of 18.89 lakh DWT including the fleet of Jayanti Shipping Co., and it is one of the largest shipping companies in the world. The Shipping Corporation's fleet has expanded very rapidly over the last decade. In 10 years ending 31st March, 1972, the Corporation's fleet expanded over 508 per cent while the tonnage owned by the rest of the Indian shipping companies increased by only 108 per cent. The next three years would witness even a more rapid expansion of the Shipping Corporation's fleet because 39 ships of 16.25 lakh DWT are already on order and all of these are scheduled to be delivered to the Corporation by 1975. The vessels on order constitute over 66 per cent of the total tonnage on order by all Indian Shipping Companies put together.

6. An idea of the magnitude of the investment to be made by the Shipping Corporation can be had from the fact that while the gross investment on fleet (without deduction of depreciation) as on 31-3-1972 was about Rs. 150 crores, the vessels on order involve a gross investment of Rs. 267 crores.

(iv) *Indices indicating increase in volume of work*

7. Since the installation of the *data* processing machines was decided upon and the said machines were installed, the volume of work of the Shipping Corporation (without including the work of Jayanti Shipping Company) has increased substantially as would be apparent from the under-mentioned figures:

	1966-67	1971-72
No. of vessels owne .	42	78
No. of Round Voyages of liner vessels	114	206
Tons of cargo lifted by liner vessels .	17·17 lakh tons. (approx.)	30·00 lakh tons.
Operating Earnings. .	Rs. 29·28 crores	Rs. 74·00 crores (approx.)
No. of Shipping Services .	15	26
No. of Employees. .	. 4050	6800

(v) *Need for controlling expenditure and saving foreign Exchange.*

8. In recent years the profitability of shipping lines all over the world has been seriously affected due to steep rise in the price of vessels (these have more than doubled in the last 5 years) and sharp escalations in various operating costs as a result of inflationary tendencies and increases in the prices of goods and services. For a shipping company like the Shipping Corporation of India, cargo handling expenses, stores, fuel and ship-repairs account for over 60 per cent of the total operating expenditure. A substantial portion of this expenditure is incurred at foreign ports in foreign exchange and even a small saving in such costs and expenses leads to appreciable savings of foreign exchange. It is only in these areas that some form of operational control can be exercised. The rest of the expenses accounted by staff wages, marine dues, insurance, agency fees, commissions, etc. which are based on agreements with the employees, port tariffs, etc., do not lend themselves to control measures to any significance extent. *Data* relating to the expenditure incurred by the Shipping Corporation during the last three years on cargo handling expenses, stores and fuel and ship repairs etc. given below illustrate the

sharp increase in those expenses in the period 1968-69 to 1970-71.

	1968-69	1970-71	% increase in 1970-71 over 1968-69
	(Rs. in Crores)		
1. Cargo handling expenses .	7·47	12·37	65·60
2. Stores	1·54	2·48	61·04
3. Fuel	2·84	4·37	53·87
4. Ship Repairs . .	4·57	6·45	41·14
5. Dunnage & Claims .	0·51	0·75	47·06
TOTAL	16·93	26·42	56·05
Other expenses like wages marine dues, insurance etc.	11·94	17·41	45·81
Total Operating Expenses. . . .	28·87	43·83	51·82

(vi) *Need for modern management information, reporting and appraisal system.*

9. The operations of an international shipping undertaking like the Shipping Corporation are not located in any one area or country, but are spread all over the world. For effective management, it is necessary that all available *data* from various sources, and from scores of ports, should be collected and analysed quickly and then presented to the management for taking such steps or decisions as may be called for. To start with, this work was done manually in the Shipping Corporation to the extent it was feasible. But with the expansion of the Shipping Corporation, this was found to be inadequate and a few years back *Data* processing Machines were installed. However, as a result of further rapid expansion of the fleet, multiplication of world-wide shipping services and diversification of the Corporation's activities, the physical volume of work has increased so much that the *Data* Processing Machines are unable to cope with the work satisfactorily and some vital work is not being attempt^ at all.

(vii) *Specific example*

10. The complexities and the factors involved can be easily appreciated by analysing an illustrative example, *viz.*, the repairs and survey of ships. The annual expenditure on this item in 1970-71 was Rs. 6.45 crores and the expenditure is fast increasing every year. At present, the

following analysis is being made available to the management in this respect. The expenditure is classified portwise for all ships in the fleet which is further sub-divided into deck repairs and engine repairs. This information is entirely inadequate for the purpose of managerial control. At present this information is prepared on an annual basis and to a considerable extent is only of historical value. For effective control, the management requires monthly reports promptly on this subject which will provide the following information in various permutations and combinations.

1. Expenditure on each ship.
2. Correlation of expenditure with the age of the ship.
3. Correlation with the shipyard where the ship was built.
4. Whether the ship was acquired by SCI new or second hand.
5. Break-up of expenditure in engine and deck repairs.
6. Individual item of machinery involved and/or its location.
7. Whether the item was repaired or replaced.
8. Frequency of repair/replacement.
9. Ports at which repair done
10. Expenditure involved in each repair item.
11. Time taken in repairs.
12. Any detention suffered waiting for repairs/dry docking.
13. Correlation of previous history of repairs of the ship of item.
14. Name of employees supervising maintenance and repairs.
15. Cause of repairs.
16. Name of manufacturer of equipment.
17. Correlation of repair items required with the inventory carried on board vessels.
18. Trends in expenditure.
19. Effect of any changes introduced in maintenance/repairs policies.
20. Percentage expenditure on cost of repairs of individual repairs items to total expenditure on the ship as a whole.
21. Correlation of No. 20 above of the SCI fleet as a whole for similar type of ships.

22. Progress of special surveys separately for engine and deck.

23. Position of dry docking and its correlation with speed and fuel consumption.

24. Aggregation of above mentioned information into ships types, SCI fleet as a whole, etc. as the case may be.

11. In a modern information, reporting and appraisal system the time element is of the essence. If data and information do not become available to the management without delay, effective control cannot be exercised. Because of the very large number of commodities carried by the vessels, and hundreds of ports between which they are transported, analysis of commodity data and a commodity-flows is extremely essential but is not available at present. The same situation prevails in respect of claims made and paid at numerous ports, their nature and causes and the amounts and commodities involved. Similarly, no analysis is available in respect of trends in tanker and bulk carrier market. Due to these and similar inadequacies, effective management control is not possible and corrective action is either not taken or is possible only too late by which time conditions would have changed further. These are serious deficiencies. However, perhaps these could be accepted as inevitable if the competitors of the Shipping Corporation of India were also in a similar position. But this is not so. To all foreign shipping lines which compete with the Shipping Corporation all over the world the latest and most efficient management tools, including computers, are freely available.

(viii) *Special features of shipping industry in India*

12. The Shipping industry in India has several special features, specially for a company like the Shipping Corporation of India which is not only the biggest Indian Shipping Line but also among the largest shipping companies of the world, and which also has very diversified operations. Unlike shore based industries in India, shipping does not enjoy a protected domestic market. It has to compete on equal terms with foreign shipping lines in a fiercely competitive international market. Many a time competition is not even equal because western countries and Japan, which own the bulk of the world shipping, have certain inherent advantages on account of their economic strength and position in the world trade and commerce. The Shipping Corporation has also no control over its pricing policies. The freight rates are determined either by multinational liner conferences or by the international charter market. As already discussed, operational costs are constantly increasing due to world-wide

inflation, and the price of ships has also gone up sharply during the last few years. Experience also shows that in the liner trade the periodical increases in freight rates have failed to keep pace with rising costs and the tramp trade has suffered an unprecedented slump.

(ix) *Computers are available to the competitors*

13. Shipping Companies abroad have tried to face the situation by employing the latest management techniques and technology in which the computer has a crucial and pivotal role. It is evident that the Shipping Corporation can continue to be a viable unit and can withstand international competition successfully only if it is run on modern lines and has all the sophisticated tools at its disposal which are available to its competitors. No other international shipping organisation, having operations of the Shipping Corporation's size and complexity, is being run without employing computers. In fact, foreign companies much smaller in size have this advantage and facility.

(x) *Decision in favour of the installation of a computer*

14. Keeping in view the above special features of the shipping industry, the great paucity of management information appraisal and control data, and the excessive delay in getting and analysing information, and the pressing necessity of having a modern information reporting and appraisal system, *inter alia* for meeting stiff international competition, and the need to maximise the earning or saving foreign exchange, the management of the Shipping Corporation of India came to the conclusion that the installation of a computer at the Shipping Corporation's Head Office at Bombay was inescapable.

(xi) *Pattern of employment and effect of computer thereon*

15. Before deciding to instal the computer, the Shipping Corporation carefully studied its impact on the employees and their welfare. In international shipping companies having the size and type of shipping operations comparable to the Shipping Corporation of India, over 80 per cent of employees are engaged on board the vessels and less than 20 per cent are engaged in shore officers. The pattern of employment in the Shipping Corporation is at present as follows, in round figures:

Shore Employees	1,200
Employees on vessels	5,600

Out of the above-mentioned 1,200 shore employees, about 700 employees are engaged at Bombay, about 450 at Calcutta and about 50 at other places ashore. The computer is proposed to be installed at

Bombay and not at Calcutta. No work whatsoever of any nature presently being done at the Calcutta Branch is to be transferred to Bombay as a result of the installation of the computer. The employees at Bombay are thus the only employees who could conceivably be concerned with any possible adverse effect of the computer on employment. A careful assessment was made and the work proposed to be computerised was carefully selected as a result of which it emerged that the computer would have no adverse effect either by way of rendering any employees surplus or by depriving any employee of job satisfaction. On the other hand, as a result of the installation of the computer, the further growth and expansion of the Shipping Corporation would be assisted and its competitiveness in the international market would be increased. Therefore, the employment and promotional prospects of all the employees would be improved as a result of the installation of computer. In so far as the employment on vessels was concerned (and employment on vessels constitutes the bulk of the total employment in the Corporation), it was evident that modern management techniques like the computer would assist in the growth and the expansion of the shipping tonnage. With the addition of every vessel, the employment opportunities on board the vessels would directly increase.

(xii) *Negotiations with the Shipping Corporation of India Staff Union, Bombay*

16. Having come to the conclusion that the installation of a computer at Bombay was inescapable, and that the employees would benefit by its use, the management of the Shipping Corporation first sounded the Bombay Union on an informal basis and thereafter formal negotiations were held. The Staff Union at Bombay had three basic apprehensions initially about the likely impact of the computer:

(i) that employees would be rendered surplus and would be displaced;

(ii) that the promotion prospects of the employees would be adversely affected; and

(iii) that employment potential in the Shipping Corporation would be minimised.

17. The management clarified to the Union that their apprehensions were incorrect and that only the following work would be taken up on the computer:

(a) Financial accounts and analysis

(b) Pay roll of shore staff

(c) Provident Fund of shore and floating staff

(d) Analysis of freight manifests

(e) Analysis of supply and consumption of stores and inventory of stores

(f) Analysis of repairs, special survey and dry docking and time and cost involved therein; inventory of spare parts

(g) Analysis of import and export trade of India, specially with a view to determine commodity flows between India and different countries, the ports of loading and discharging and the carriers involved

(h) Portage Bills

(i) Other data or analysis required for management functions by the Chairman *e.g.* those as regards claims, stevedoring expenses, turn-round of vessels at ports, bunker supply and costs.

(j) In addition to the items listed above, the preparation of manifests and bills of lading by the computer will be discussed between the Management and the Bombay Union after six months.

18. The management also gave an assurance to the Bombay Staff Union that no employee would be retrenched and promotion opportunities would not be adversely affected. In fact, it was made clear to them that promotion prospects are intimately linked with the continued growth, progress and prosperity of the Shipping Corporation. After negotiations a precise promotion policy was also agreed upon with the Bombay Union.

19. It was also explained to the Bombay Union that future employment potential of the Shipping Corporation is also directly and intimately linked with its continued growth and prosperity which cannot be assured unless a computer is installed.

(xiii) Agreement dated 29th August, 1972 with Staff Union Bombay about computers

20. After receiving the above-mentioned clarifications from the management of the Corporation, the Bombay Union agreed to the installation of the IBM 1401 computer at Bombay and signed an agreement to that effect on 29th August, 1972. This Agreement contains the following note-worthy recital:—

"Whereas the proposal of the Management to instal a computer in the Corporation has been considered from all its aspects by the Union and whereas there is general apprehension in the trade union movement about automation in our country because of its impact on present and potential employment opportunities, avenues of promotion etc., but after giving careful consideration to the grounds put forward by the management in substantiating the need for installing Computer (IBM 1401) in order to meet the challenge of international competition on shipping industry which calls for up-to-date data for decision making and also to improve and streamline the process involved therein, the Union refrains from opposing the installation of the Computer (IBM 1401) as such in the larger interest of the Corporation and its position in the country's economy."

21. The above mentioned Agreement contains the following important stipulations:

(a) The management reiterates that no employee of the Shipping Corporation would be retrenched or made to retire/resign prematurely except as a consequence of disciplinary action under the Conduct Rules.

(b) As the Shipping Corporation has substantial expansion plans, further employment opportunities will become available in future and additional staff will be recruited to cope with increase in work which will arise as a result of the expansion of the activities and the fleet of the Corporation.

(c) Consequent upon the installation of the computer, some new job opportunities would also emerge and the staff required for manning the computer will be selected and trained from among the existing employees, subject to the employees qualifying in the required aptitude test.

(d) The present earning of the Staff including subordinate staff will be fully protected on installation of the computer.

(e) All vacancies arising out of resignation, death, dismissal, removal, transfers etc. shall be filled promptly.

(f) A guaranteed number of promotions would be given each year in the various categories of employees as stated in the Agreement.

(g) All shore staff employees shall be paid a special allowance of Rs. 40|- per month.

(xiv) Negotiations with the Shipping Corporation's Employees Union, Calcutta

22. Like the Union at Bombay, the Employees' Union at Calcutta also sought clarifications about their apprehensions with regard to the installation of the computer. Hence, even though no item of work which is being handled at Calcutta at present is proposed to be transferred at Bombay and though the employees at Calcutta are not directly involved in the proposal to instal the computer at Bombay, the position was fully explained to the Calcutta Union from time to time on the same lines as to the Bombay Union. Prior to the signing of the Agreement on 29th August, 1972, the Bombay Union had become so convinced that the intstallation of the computer at Bombay was inescapable and was in the interest of the Corporation and all its employees, that the Bombay Union sent a delegation of its representatives to Calcutta on its own volition to convince the Calcutta Union of the advantages of and the pressing need for the installation of the computer at Bombay. The discussions with the Calcutta Union were spread over a period of time and all aspects of the matter were fully explained and clarified to the employees as well as to the President of the Calcutta Union, Shri Indrajit Gupta, M.P., in several personal discussions and through correspondence. The representatives of the Calcutta Union also visited Bombay more than once and were explained all the aspects relating to the installation and the proposed scope of computer and its work. After the Agreement was signed with the Bombay Union on 29th August, 1972, all the safeguards and assurances incorporated in it from the point of view of the employees were conveyed to the Calcutta Union and have been fully understood by them. These assurances and safeguards have also been intimated to the President of the Calcutta Union, Shri Indrajit Gupta, M.P. Even though Calcutta employees and their Union are not affected by the installation of a computer at the Shipping Corporation, Head Office at Bombay the management of the Shipping Corporation will continue its efforts to allay any genuine misgivings of the Calcutta Union.

(xv) Conclusions

23. The Shipping Corporation of India respectfully submits as follows:—

(a) Petition presented to Lok Sabha on 30th August, 1972.

While the total number of employees in the Corporation including those employees on the vessels, is over 6800, the Petition has been presented to Lok Sabha only on behalf of about 450 employees at the Calcutta Branch, who form a small proportion of the total number of employees and who are not even directly concerned with the installation of the computer at Bombay. The employees at Bombay have agreed to the installation of the computer voluntarily and have been constantly urging their colleagues of the Calcutta Branch not to oppose its installation in the interest of the Corporation as well as of its employees. Further, it would be evident from the detailed explanations and data stated above in this note that the grounds and apprehensions stated in the Petition are not justified. It may be emphasized in particular that—

(i) The installation of the computer at Bombay would not lead to any retrenchment or displacement of any employee. On the contrary, its installation would increase employment and promotional opportunities.

(ii) The installation of the computer would not mean any diversion of foreign exchange resources as apprehended in the Petition; on the contrary, it would lead to the earning and conserving of foreign exchange by making possible better cost control pertaining to expenditure of crores of rupees which has to be incurred every year in foreign exchange abroad by the Shipping Corporation on account of its international operations.

(iii) The data processing machines which were installed by the Shipping Corporation at Bombay in 1967 can no longer cope with the volume of work nor do they have the capacity of preparing and analysing the required management data adequately or promptly. Hence, their immediate replacement by the proposed computer is essential. Installation of the computer will not be self-defeating as alleged in the Petition, but is essential for the continued viability expansion and progress of the Shipping Corporation.

(b) *International competition and modern management control mechanism.*

The management of the Shipping Corporation and the vast majority of its employees are convinced that the installation of a computer at Bombay is inescapable for a shipping company of its size with such a vast magnitude of world-wide operations. No chances can be taken with the continued growth and progress of the Shipping Corporation. Operating in a free international market without the protection available to shore based industries, the Shipping Corporation must be strong and efficient enough to withstand stiff international competition from foreign shipping lines to whom all latest techniques and technology, including computers, are freely available. The Shipping Corporation must immediately devise and operate a modern management control mechanism based on up-to-date information reporting and appraisal systems. It must exercise effective control on the sharply escalating costs of operation. The gross investment on fleet which was Rs. 150 crores on 31st March, 1972, is estimated to increase by nearly 400 per cent by the end of the Fifth Five Year Plan. The stakes are tremendous and in order not to jeopardise the interest of the Shipping Corporation and its employees, and the public funds and the public confidence involved, it is essential that the Shipping Corporation ought to be equipped with the latest techniques and tools of management control in which the computor has a pivotal role.

(c) *Comments of the Committee on Public Undertakings.*

The Committee on Public Undertakings (Fifth Lok Sabha) in its 20th report have also stressed the imperative need for the Shipping Corporation of reducing its operating costs, of improving its profitability, and of taking necessary steps in this direction. These steps can be undertaken only if the management of the Shipping Corporation can adopt timely and prompt control measures based on an up-to-date information, reporting and appraisal system, which the computer would make possible."

1.4. The Ministry of Shipping and Transport (Transport Wing) have also stated that they have examined the points raised in the petition, in consultation with the Shipping Corporation of India, and have come to the following conclusions:—

1. The installation of a computer will not make any grave inroads into the size of the labour force and threaten job security in any manner.
2. The installation of a computer will also not displace labour in any important manner.
3. No diversion of foreign exchange to any significant extent would be made on account of this measure.
4. No decision regarding the recommendations of the Committee on Automation has yet been made by the Government of India. The Shipping Corporation has followed

the present procedure prescribed *viz.*, of consulting and obtaining consent of the Union of the Office in which the installation of a computer had been proposed by it.

5. It is not true that the recruitment in the clerical and subordinate staff in the Bombay and Calcutta Offices of the Shipping Corporation has been practically nil since 1968. In fact, between April, 1968 and March, 1972, 201 clerical and subordinate staff were recruited at Bombay and Calcutta.

6. The Shipping Corporation has utilised the full capacity of Data Processing Machines and found that the capacity of these machines is not adequate for the work required by the Corporation.

7. The Corporation has not turned down any offer of full co-operation by the employees to process the analysis and data required by the management but has found that such assistance or co-operation would not be adequate without the installation of the computer.

1.5. In these circumstances the Government, it has been stated, do not find any justification for (i) stopping the installation of a computer by the Shipping Corporation of India in their office in Bombay (ii) issuing any policy directive to the Shipping Corporation regarding installation of a computer and for recruitment of more workers to cope with this work; and directing the Shipping Corporation to discontinue hiring the computer of Caltex (India) Ltd.

C. Recommendations/Observations of the Committee

1.6. The Committee have noted the position stated by the Shipping Corporation of India and the Ministry of Shipping and Transport. The Committee also note that the Employees' Union of the Shipping Corporation of India, Bombay, has agreed to the installation of the new IBM 1401 Computer at the Head Office of the Corporation at Bombay. Although the employees of the Shipping Corporation of India at Calcutta are not affected by the installation of the computer at the Head Office at Bombay, the management of the Shipping Corporation of India have assured that they will continue their efforts to allay any genuine misgivings of the Employees' Union at Calcutta. In the circumstances, the Committee feel that no further action in the matter is called for on their part.

II

PETITION NO. 4 FROM SHRI P. RAMAMURTI AND OTHERS REGARDING RECOGNITION OF PROVISIONAL REVOLUTIONARY GOVERNMENT OF SOUTH VIETNAM AND STOPPAGE OF AMERICAN BOMBING OF NORTH AND SOUTH VIETNAM.

2.1. Petition No. 4 on the above subject (*See* AppendixII) was presented to Lok Sabha by Shri A. K. Gopalan, M.P., on the 20th December, 1972.

2.2. The Committee considered the petition at their sitting held on the 20th December, 1972.

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

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*The petition was circulated to all the Members of Lok Sabha *in extenso* on the 20th December, 1972.

III

REPRESENTATION REGARDING PAYMENT OF INCREASE IN PRICE OF FIAT CAR WITH RETROSPECTIVE EFFECT CONSEQUENT ON UPWARD REVISION OF PRICES OF FIAT CARS BY THE CAR PRICES INQUIRY COMMISSION

3.1. Shri Shankar Dayal Singh, M.P., had submitted a representation on the 24th July, 1972, on the above subject, (*See* Appendix III). Shri Shankar Dayal Singh had represented that Government should have made the revised prices of cars effective only after the report of the Car Prices Inquiry Commission and those who had purchased the cars earlier, when the matter was pending before the Supreme Court, should not be required to pay the enhanced price.

3.2. The Ministry of Heavy Industry, to whom the representation was referred for furnishing their comments*, have stated *inter alia* as follows:—

> "...It was decided to control the prices of passenger cars on a statutory basis. Accordingly, after taking into account the recommendations of the Tariff Commission and other relevant considerations, the *ex*-factory retail selling prices of the three makes of cars were notified by Government under Section 18(G) of the Industries (Development and Regulation) Act, 1951, on 21st September, 1969.
>
> The three car manufacturers challenged the validity of the Government notification dated 21st September, 1969 by filling writ petitions in the Supreme Court. The Court, after hearing the petitions, recommended to Government on the 6th May, 1970 that a Commission be appointed for the purpose of recommending the fair selling prices of all the three makes of passenger cars manufactured in the country. In pursuance of their recommendation of the the Car Prices Inquiry Commission.... the Commission submitted its report on the 29th March, 1971. The report of the Commission was examined by Government and affidavits on behalf of Government were filed in the Supreme Court. The Supreme Court resumed hearing of the pending Writ Petitions on the 16th April, 1971 and directed that with immediate effect and as an interim measure the manufacturers be permitted to sell their cars

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*Relevant extracts from the note furnished by the Ministry of Heavy Industry are appended to the Report (*See* Appendix IV) at prices recommended by the Commission pending final disposal of the case and subject to such adjustments as may be found necessary in the light of Court judgement later.

The Court delivered the final judgement on 24th November, 1971. According to the judgement of the Supreme Court, Government were required to promulgate a fresh order, refixing the prices of the three cars while fixing these prices, Government were required to take the costs as in July, 1970 as the base and to take into account all increases and decreases in cost since July, 1970 upto the date of the judgement of the Supreme Court. The revised prices of the three makes of cars have been notified on the 24th January, 1972.

In their judgement, the Court has permitted M/s. Premier Automobiles to refix the price for the period September, 1969 to the end of June, 1970 in accordance with the principles laid down in the Commission's report as modified by the Supreme Court. For the period from 1st July, 1970 to 15th April, 1971, the Supreme Court permitted M/s. Premier Automobiles to charge a price not exceeding the one fixed in the Court's interim order dated 16th April, 1971. Government have not notified the prices so fixed by M/s. Premier Automobiles Ltd., as this was not required under the provisions of the judgement. The dealers of M/s. Premier Automobiles have issued notices to some of the customers to pay the difference between the price fixed on the 16th April, 1971 and the one fixed in the Government order of September, 1969.

Some of the customers who received notices from the dealers for paying the difference in price sought the guidance from this Ministry whether they are legally bound to pay the difference in price now being claimed by the dealers. The matter was examined and this Ministry sought the advice of the Law Ministry about the legal obligation of the customers in this regard and the lines on which the communications received from the customers should be replied to by this Ministry. This Ministry decided on 21st April, 1972 not to enter into any correspondence on this subject.

3.3. The Deputy Minister in the Ministry of Heavy Industry (Prof. Siddheshwar Prasad) in answer to Unstarred Question No. 5207, stated in the Lok Sabha on the 20th December, 1972, that the Central

Government had purchased four Fiat cars from the Premier Automobiles Limited during the period September, 1969 to November, 1971, but "the demand for an excess amount of Rs. 300 per car made by the manufacturers has not been accepted by Government". In reply to another Unstarred Question No. 421, whether some of the customers, who had received notices from the dealers of M/s. Premier Automobiles for paying the difference between the previous price and the enhanced price, had sought guidance from the Ministry of Heavy Industry, the Deputy Minister in the Ministry of Heavy Industry, stated in Lok Sabha on the 22nd February, 1973, that it was so but added that no advice has been tendered by the Government".

3.4. The Committee have perused the factual comments furnished by the Ministry of Heavy Industry and the replies to Unstarred Questions Nos. 5207 and 421 given in Lok Sabha on the 20th December, 1972 and 22nd February, 1973, respectively, by the Deputy Minister in the Ministry of Heavy Industry. The Committee would have liked that the reply to Unstarred Question No. 5207, dated the 20th December, 1972 in Lok Sabha in which it was stated that the demand for an excess amount of Rs. 300 per car made by the manufacturers in respect of the four Fiat cars purchased by Government had not been accepted by Government, had received wider publicity for the benefit of general public. The Committee, however, feel that no further action in the matter is needed on their part.

IV

REPRESENTATION FROM PRESIDENT AND SECRETARY, MAZDOOR SAMYUKTA SANGARSH COMMITTEE, GANESH FLOUR MILLS CO. LTD., SUBZI MANDI, DELHI, RE. TAKING OVER BY GOVERNMENT OF THE CLOSED VANASPATI FACTORY OF M/S. GANESH FLOUR MILLS CO. LTD., SUBZI MANDI, DELHI

4.1. The President and the Secretary, Mazdoor Samyukta Sangharsh Committee, Ganesh Flour Mills Co. Ltd., Subzi Mandi, Delhi, submitted a representation for taking over by Government of the closed vanaspati factory of M|s. Ganesh Flour Mills Co. Ltd., Delhi.

A. *Petitioners' Grievances and Prayer*

4.2. In their representation (*See* Appendix V), the petitioners stated *inter alia* as follows:—

> "The Management of the Ganesh Floor Mills Co. Ltd., Delhi, have by a stroke of pen resorted to illegal, sudden, unprovoked and arbitrary closure of the Vegetable Ghee factory of the Ganesh Flour Mills Co. Ltd., Delhi w.e.f. first day of September, 1971. Shock and horror stricken, therefore, we have several times knocked at the door of appropriate Governmental authorities for take-over of the above-said unit of the Company by the Government and to restart it in the vital interest of nation and workmen. We have tried our best to convince the highest authorities in the land for requisite take-over but so far the concerned authorities have taken a lenient view of it. Consequently, for most of us a state of more or less starvation stares in the face of unemployment. We are again submitting facts leading to present state of affairs for your consideration.
>
> The Management of the said Company announced closure of their Vegetable Ghee factory at Delhi w.e.f. 1st September, 1971 and terminated the services of about four hundred workers and other employees connected with the said factory, on the plea of 'circumstances beyond the control of the Management'.

The plea of 'circumstances beyond their control' has been taken with the malicious intention of depriving the workers and employees of due compensation provided under the law. This termination of service of the employees is nothing but outright wholesale retrenchment maliciously garbed as closure due to circumstances beyond control.

The effect of this ill-intentioned and ill-advised closure is to deprive the nation of the Vanaspati Product, which is an essential commodity vital for nation, and to render jobless 400 workers employees, executives and technical staff with their 3000 dependent family members besides dealers and distributors of its manufactured goods.

Over the past decade and more the Management have been relentlessly pursuing immature expansionist and other blunderous policies which have proved disastrous. The new heavily losing units were spoon fed year after year consuming away not only the current earnings of older ones but even the large reserves of the Company built over several years, thereby turning the one-time flourishing units also into losing ones.

The situation inevitably resulted in prolonged and frequent closures of the factories, more particularly of the parent Delhi Vanaspati factory of the Company due to the utter depletion of its working finances and consequent inability of the Company to buy raw-materials economically.

By early, 1968, the situation was reached when the only fate of the Delhi Vanaspati factory which loomed large on the horizon was that of a permanent closure. In this predicament the Company's Board of Directors decided to bring in a financier.

The Financier who appeared in the beginning to come as a saviour, soon started extracting extortionate terms at critical moments and the Board of Directors proved too obliging or naive in accepting them.

In this situation, the position was soon reached when the Company was unable to deposit even the Provident Fund Accumulations of Employees, the arrears of which new amount to over six lacs of rupees.

Several Petitions for winding up of the Company by the creditors of the Company are pending before the High Court of Delhi besides a petition of the Company Law Board against the Company on grounds of mismanagement and misfeasance.

It is in the interest of our country that all factories producing essential commodities must not be allowed to be closed. It is also an important factor that this company is the second biggest Vanaspati Manufacturing Industry in India and its closure is bound to harm the country as a whole. The statistics of the Production capacity of Vanaspati Ghee in this Company is capable to feed twenty-five lakhs (2.5 million) people per day with fats."

4.3. The Petitioners had prayed that Government might be directed to take over the closed vanaspati factory of M|s. Ganesh Flour Mills Co. Ltd., Delhi in national interest and save hundreds of workers and staff from unemployment and starvation.

B. **Factual Comments of the Ministry of Agriculture (Department of Food) (Directorate of Sugar and Vanaspati)**

4.4 The Ministry of Agriculture (Department of Food) (Directorate of Sugar and Vanaspati), in their factual comments on the representation, stated as follows:—

"M|s. Ganesh Flour Mills Co. Ltd., Delhi, a public limited company incorporated on 13th November, 1891, with an authorised capital of Rs. 2 crores, and an issue|subscribed capital of Rs. 1 crore, owns the following factories:—

(1) Vanaspati factories at Delhi and Kanpur.

(2) Electric Fans and Breakfast Foods factories at New Delhi.

(3) Solvent Extraction plant at Bombay.

(4) Vanaspati factory and Flour Mill at Lyallpur (West Pakistan).

Despite its name, the firm does not operate any flour mill at present. It did own flour mills both at Delhi and Lyallpur, but the mill at Delhi was gutted by fire in April, 1956, and has been defunct since then; the mill at Lyallpur is no more in its hands.

The only recent development in regard to these factories is the stoppage of production in the vanaspati factory at Delhi in March, 1971. This factory had a labour complement of about 300 persons including a supervisory strength of 50.

The Vanaspati factory at Kanpur is continuing to function as hitherto; this also applies to the Breakfast Foods factory at New Delhi and the Solvent Extraction Plant at Bombay.

As regards the Electric Fans factory, this has been lying closed for over two years now.

The Flour Mill at Lyallpur along with the vanaspati factory there are stated to have been seized by the Pakistan Government as enemy property in 1965, and continue to remain in its possession.

Both the vanaspati factories, at Delhi and Kanpur were initially of 50 tonnes|day capacity. The Kanpur factory was granted an expension licence to 75 tonnes|day in 1960; the Delhi factory also expanded to 75 tonnes|day during the de-licensed period, and has just been granted a c.o.b. licence for the enhanced capacity. Both the factories were functioning almost to full capacity up to 1969. There was an appreciable fall in production in both cases in 1970; the production in 1971, even at the Kanpur factory, is still lower-vide details given below:—

(Tonnes)

Year	Delhi	Kanpur
Installed capacity	15,000 year	22,500 year
Production :		
1960	14,236·4	14,580·5
1961	14,593·6	16,023·8
1962	14,084·2	18,612·3
1963	12,814·3	18,788·3
1964	13,260·3	19,649·3
1965	14,819·6	27,562·6
1966	11,779·1	22,268·5
1967	12,945·5	19,838·0
1968	12,656·3	24,208·9
1969	14,794·9	21,092·1
1970	8,617·5	16,689·0
1971	1,446·3*	12,866·3

*Closed since March, 1971.

The profit|loss position of the company during the past five years as shown in its Balance Sheets for these years is indicated below:—

Year (April—March)	Profit Loss (+) (—)		Dividend on Ordy. Equity Shares
1964-65	(+) Rs.	8,39,030	5%
1965-66	(—) Rs.	5,67,573	3·2%
1966-67 .	(+) Rs.	9,64,597	Nil.
1967-68 .	(—) Rs.	120,21,147	Nil.
1968-69	(—) Rs.	4,58,670	Nil.
1969-70	(+) Rs.	5,70,393	Nil.

It will be observed that, barring an occasional bad year (like 1965-66), the company was functioning fairly satisfactorily until 1966-67. But in 1967-68, it suffered a very heavy loss of as much as Rs. 1.20 crores and has been in financial difficulties since then.

The affairs of the Company were recently investigated by the Company Law Board. This investigation disclosed that with a view to meeting the situation arising from the heavy losses sustained during 1967-68, the Company entered into certain onerous agreements with the Morarkas of Bombay which provided not only for the mortgaging of the entire assets of the Company in their favour but also payment of 12 per cent interest and 3|4 per cent commission on all its sales and purchases. The net effect of these arrangements had been that a sum of Rs. 40 lakhs advanced by the Morarkas has now mounted to cover Rs. 1.35 crores. According to the details furnished by the Company for the year 1969-70, the cost of the above arrangement alone comes to about Rs. 87 per tonne of vanaspati produced during that year, as will be seen from the following details:—

	Rs.	Rs.
(a) *Commission paid to* :		
(i) W. H. Brady & Co. Ltd. .	9,40,023	
(ii) Shakti Trading Co. Ltd.	7,21,832	
(iii) Armstrong Smith Ltd.	6,28,796	22,90,651
	22,90,651	
(b) *Interest allowed to* :		
(i) Belapur Co. Ltd.	4,97,422	
(ii) W. H. Brady & Co. Ltd. .	1,81,58	
(iii) Armstrong Smith Ltd. . . .	7,270	
(iv) Vanaspati produced during the year=34,761 tonnes.		
	6,86,570	6,86,570

The burden of this additional cost may be expected to increase further in subsequent year as production is stepped up in the with the enhanced capacity of the two factories. The onerous nature of the agreements is clear from the fact that the present amount of Rs. 87 per tonne already exceeds the total return on capital (Rs. 84 per tonne) allowed by the Government in the price structure of vanaspati.

In these circumstances, a petition was filed by the Department of Company Affairs in the Delhi High Court in June, 1971, seeking suitable reliefs under sections 397|398 read with section 401 of the Companies Act, 1956. In this petition, Government sought for the removal of the Morarkas, termination of the oppressive agreements and the appointment of an administrator to manage the affairs of the Company. The High Court, by its order dated 17th June, 1971 restrained the Company from disposing of any of its assets and also restrained the Morarkas from enforcing the rights of the debenture holders under the Trustee Deed dated 20th May, 1970. Later on 28th June, 1971 the Court further restrained the Company from making any payments to the Morarkas on account of commission on purchases and sales.

Immediately, after the filing of the above-mentioned petition, all the Directors excepting one (Shri G. D. Morarka) resigned. There is, therefore, no Board of Directors of the Company. However, the petition is being supported by the Company through its Secretary and opposed by the Morarkas.

During the course of hearing, one of the points raised by the Morarkas was that the Company is utterly insolvent and should be wound up. To consider this aspect, the Court passed an Order on 10th September, 1971 to the effect that the Secretary of the Company should prepare a Feasibility Report, copies of which should be served on all parties. The Feasibility Report submitted to the Court by the Secretary of the Company has tried to show that the Company can run profitably and is in a position to pay off all its creditors and meet other liabilities. It has proposed sale of certain uneconomic units of the Company and also the continued running of the Kanpur vanaspati unit and, funds permitting, the running of the Delhi vanaspati unit as well. In the absence of the funds, the Feasibility Report has suggested that the Delhi vanaspati unit be leased out; the lease money anticipated in the Feasibility Report has been estimated at Rs. 6 lakhs a year.

On the 7th January, 1972, the Court ordered the removal of the present Board of Directors and also accepted the Feasibility Report as the basis for future action. The Court has since constituted a fresh Board of Directors, comprised as under:—

(i) Shri Jinder Lal, Retd. Judge, Punjab High Court (Chairman).

(ii) Shri C. M. Narayanan, Addl. Director, Deptt. of Company Affairs, Government of India.

(iii) Shri Virender Prakash, Commissioner of Civil Supplies, Delhi Administration.

The question as to the advisability or otherwise of the management of the Delhi vanaspati factory being taken over by the Government was examined in this Ministry in response to representations to this effect received from the Mazdoor Samyukta Sangarsh Committee of the Company which had also been endorsed by the Delhi Administration, and some Members of Parliament. It has not been considered advisable to do so, partly because the vanaspati industry is heavily surplus in capacity (in the North Zone, by over three times the demand for the product) leading to a large measure of unutilised capacity, and partly because it was risky for Government to venture into an industry whose raw material was of a highly speculative nature. So far as the workers are concerned, a number of new vanaspati factories which had sprung up in and around Delhi in the recent past, or were likely to start in the near future, should offer scope for their re-employment.

However, in response to the continuous agitation of the workmen for Governmental action to expedite re-starting of the Factory, an inter-Ministerial meeting was convened by the Minister of Agriculture in his room on 7th January, 1972, for discussing the alternatives open to Government for achieving the end in view. The meeting was attended by representatives of the Ministries of Industrial Development and Labour, Employment and Rehabilitation, the Department of Company Affairs and the Delhi Administration. It was decided to see how far the orders passed by the Delhi High Court would help in the expeditious re-starting of the factory. But in the event of undue delay in this regard, the question of the management of the factory being taken over by Government under Section 18-AA of Industries (Development & Regulation) Act, 1951, (as amended on 20-12-1971) would be examined."

C. Evidence of the representatives of the Ministry of Agriculture (Department of Food) (Directorate of Sugar and Vanaspati) and other concerned Ministries and members of the new Board of Directors of the Company constituted by Delhi High Court.

4.5. The Committee, at their sitting held on the 4th July, 1972, examined the representatives of the Ministry of Agriculture (Department of Food) and other concerned Ministries and members of the new Board of Directors of the Company constituted by the Delhi High Court, on the points arising out of the representation for taking over by Government of the closed vanaspati factory of M|s. Ganesh Flour Mills Co. Ltd., Subzi Mandi, Delhi.

4.6. The Committee discussed with them questions regarding the production of Vanaspati in the country, the reasons for the closure of the Vanaspati factory, difficulties in restarting of the closed factory of M|s. Ganesh Flour Mills, steps being taken by the new Board of Directors to restart the factory, alternative employment to the workers, various orders passed by the Delhi High Court on the Writ Petition filed by the Company Law Board, the Feasibility Report submitted to the Court by the Secretary of the Company, and the action taken by the Government to take over the Company.

4.7. During the course of oral evidence before the Committee, the representative of the Ministry of Agriculture (Deptt. of Food) stated that the question of the management of the factory being taken over by Government under Section 18AA of the Industries (Development and Regulation) Act, 1951, was under examination by the Government and that their decision in the matter was expected soon.

4.8. Subsequently, in their communication, dated the 10th November, 1972, the Ministry of Agriculture (Department of Food) (Directorate of Sugar and Vanaspati) have informed the Committee as follows:—

> "It has since been decided to take over the management of all the manufacturing units of M/s. Ganesh Flour Mills Co. Ltd., Delhi (including the vanaspati factory at Delhi, under the Industries (Development & Regulation) Act, 1951, and to appoint the Industrial Reconstruction Corporation of India as the Authorised Controller thereof. An order to this effect was accordingly issued on 3-11-1972 under Section 18AA of the said Act and a copy of the same is enclosed (See Appendix VI). The new management is now taking steps to restart production in the different units at an early date."

D. Observations of the Committee

4.9. The Committee note that the Central Government have decided to take over the management of all the manufacturing units of M/s. Ganesh Flour Mills Co. Ltd., Delhi (including the closed vanaspati factory at Delhi) under the Industries (Development and Regulation) Act, 1951 and have appointed the Industrial Reconstruction Corporation of India Ltd., Calcutta as the Authorised Controller. The Committee feel that since the Government have taken over the management of all the manufacturing units of M/s. Ganesh Flour Mills Co. Ltd., Delhi including the closed Vanaspati Factory at Delhi, the main demand of the petitioners has been met. The Committee hope that Government would take immediate necessary steps to restart the Vanaspati Factory at Delhi and that all its erstwhile workers would be absorbed in the Factory.

V

REPRESENTATION FROM SHRI SOM PRAKASH SHARMA, GENERAL SECRETARY, DELHI RAJKIYA|NAGAR NIGAM| AIDED SCHOOLS SHIKSHAK SAMITI, SHAKTI NAGAR, DELHI, RE. SERVICE GRIEVANCES OF RE-TRANSFERRED TEACHERS OF DELHI ADMINISTRATION.

5.1. Shri Som Prakash Sharma, General Secretary, Delhi Rajkiya/ Nagar Nigam/Aided Schools Shikshak Samiti, Shakti Nagar, Delhi, submitted a representation regarding service grievances of re-transferred teachers of Delhi Administration.

A. Petitioner's Grievances

5.2. In the representation, the petitioner stated *inter alia* as follows:—

"I most respectfully avail the privilege to submit an humble petition to get the following grievances redressed through your good offices having been totally frustrated and disappointed from seeking justice from all possible quarters within a considerable period of more than 12 years.

Every time the Ministry of Education, Government of India shifted its own responsibility. Being Delhi centrally administered area, the Delhi Administration always acted upon the advice, directions and Circulars from the Ministry of Education. The Government decision, laid down on the table of the Lok Sabha *vide* starred question No. 1126 dated 22-12-1959 played a decisive role to deprive these teachers, of the very basis of justice conferred upon them *vide* Articles 15 and 16 of the Indian Constitution and the agreement reached on 25-8-1959 between the striking teachers and the Directorate of Education of Delhi for resorption within three years.

Demands

(i) Re. absorption into Government Higher Secondary Schools.

(ii) Annual increments and their arrears be paid up.

(iii) Government estate quarters on the basis of the first appointment, in the Delhi Administration prior to 1-6-58.

(iv) Membership of the Government Housing Society.

(v) Acceptance of the period from 1-6-58 to 30-6-70 as Government service for all purposes.

(vi) Deputation allowance from 1-6-58 to 30-6-70.

(vii) Promotion of T.G.Ts. and P.G.Ts. and others according to the full Government Quota available.

(viii) Seniority from the date of appointment in Delhi Administration from the original appointment.

(ix) Grievances of all kinds of re-transferred teachers should be removed forthwith.

(x) Daily allowance and conveyance allowance for two nights and three days for working in the 1967 election as polling officers by the order of the Municipal Commissioner of Delhi.

Again, I humbly dare to approach your honour to enquire into the validity of the Government decision conveyed in the Lok Sabha through starred question No. 1126 dated 22-12-59 which has already been challanged *vide* memorandum No. 40/JAV/Delhi/70 dated 13-2-70 and accord justice as requested above through constitutional means."

B. Comments of Ministry of Education and Social Welfare (Department of Education)

5.3. The Ministry of Education and Social Welfare (Deptt. of Education) with whom the matter was taken up, have furnished a statement (See Appendix VII) containing the comments of Delhi Administration on the various demands made in the representation.

C. Observation of the Committee

5.4. The Committee, while taking note of the position stated by the Ministry of Education and Social Welfare (Deptt. of Education) feel that [the matter does not require any further intervention on their part. However, the Committee hope that the specific cases of grievances pointed out by the petitioner relating to the demands contained in their representation, which might have been left out, would be examined and considered sympathetically, by the authorities concerned.]

VI

REPRESENTATION FROM M/S. CRYSTAL AGENCIES, BOMBAY, RE. ADVANCE OF RS. 750|- ALONG WITH THE TENDER FEE FOR ISSUE OF A TENDER FORM BY THE ALL INDIA INSTITUTE OF MEDICAL SCIENCES, NEW DELHI.

6.1. M/s. Crystal Agencies, Bombay submitted a representation regarding the advance of Rs. 750/- along with the Tender fee for issue of a tender form by the All India Institute of Medical Sciences, New Delhi.

A. Petitioner's Grievance

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

"The All India Institute of Medical Sciences, New Delhi, is issuing Tenders for the purchase of Chemicals, Electrical goods etc. Usual practice of trade is to issue a Tender against specific fee of the Tender *i.e.* Rs. 5/- or Rs. 10/-. After receipt of the Tender those who are interested in quoting against the requirements of the Institutions and along with the same (Tender) some sort of security money deposit should be accompanied which is necessary to prove the bonafides of the Tenderers.

In case of the All India Institute of Medical Science, New Delhi, they were agreeing to issue the Tenders to those firms who remits Rs. 750|- in advance along with the Tender fee Rs. 5|- or Rs. 10|- and state that no Tender Form will be issued without payment of Rs. 750|-. The above practice is not in line with the other Government or autonomous Institutions who are issuing Tenders against the Tender fee only. This practice also urges the fair competition as only few existing suppliers will only take benefit.

May we, therefore, request you to please look into the matter and pass necessary instructions to the Institution to abide by the common trade practice which is in the interest of public."

B. Comments of the Ministry of Health and Family Planning (Department of Health)

6.3. The representation was referred to the Ministry of Health and Family Planning (Department of Health) for furnishing their factual comments. In their factual comments, the Ministry of Health and Family Planning (Department of Health) have stated as follows:

> "The All India Institute of Medical Sciences, New Delhi has decided with effect from 25th July, 1972 *vide* their O.M. No. XX-28/71-72/St. that the tenders shall be sold to the Contractors on receipt of tender fee in the form of Postal Order for the amount as may be fixed by the Director of the Institute from time to time in respect of each tender, without insistence upon the furnishing of the security deposit along with the tender fee. The security deposit shall however be furnished along with the quotations on date of receipt of tenders, failing which the tender shall not be considered."

C. **Observation of the Committee**

6.4. The Committee note with satisfaction that the All India Institute of Medical Sciences, New Delhi, has discontinued the practice of insisting on payment of tender security deposit of Rs. 750/- along with the fee for purchase of a tender form.

VII

REPRESENTATION FROM M|S PREMIER VEGETABLE PRODUCTS LTD., INDUSTRIAL AREA, JHOTWARA, JAIPUR, RE. SUPPLY OF TIN PLATES FROM TIN PLATE PRODUCERS.

7.1. M|s Premier Vegetable Product Lt., Industrial Area Jhotwara, Jaipur submitted a representation (*See* Appendix VIII) re. difficulties in getting supply of tin plates from Tin Plate Producers.

A. Petitioners' Grievances

7.2. In the representation, the petitioner submitted *inter alia* as follows:—

"We are vanaspati manufacturers, having installed a 100 tonnes per day capacity plant at Jaipur. We were feeling a great difficulty in getting tin containers for filling our products, at reasonable prices. To solve this we established our own tin manufacturing plant as a subsidiary unit.

** ** ** **

As the tin plate suppliers intimated us their unability to book our orders in absence of a C.O.B. licence, it became most urgent for us to get the licence at the earliest.

** ** ** **

Immediately on receipt of the C.O.B. licence from the Ministry of Industrial Development, we placed our indent on 5th June, 1972 for supply of 600 Tonnes of Tin Plates during June, 1972 to December, 1972 with M/s. Hindustan Steel Ltd., Calcutta and M/s. Tin Plate Co. of India Ltd. You will be surprised to know that one of these tin plate producers have been cared to acknowledge our orders. The concerned officials of these companies are playing monkey tricks with us and are unnecessarily delaying the supply.

Sir, we have invested a huge amount in establishing the Tin Plant Unit, but the same is lying standstill for want of Raw Material (Tin Plates) and about 40 labours are sitting idle. It is needless to mention that we are put to heavy losses in manufacturing tin containers with tin plates purchased in open market.

Please note that our Plant was established on 24th February, 1971 and the licence was delayed till 29th April, 1972. Even after passage of about one and half years, we are unable to get the tin plate for reasons best known to the suppliers.

We shall be grateful if you kindly write to the Steel Controller Calcutta, Hindustan Steel and Tin Plate Company of India Ltd. and find out the reasons why this industry is being starved."

B. Factual comments of the Ministry of Steel and Mines (Deptt. of Steel)

7.3. The representation was referred to the Ministry of Steel and Mines (Department of Steel) for furnishing their factual comments on the representation for consideration by the Committee. In their factual comments, the Ministry of Steel and Mines (Department of Steel) stated as follows:—

"A copy each of the replies given to three questions answered recently in Parliament by this Ministry is enclosed (*See* Appendices IX to XI).

The distribution of tin plates to the consumer fabricators of tin containers, as also to other fabricators, is mainly done prorata to the assessed capacity. The Tinplate Producers Consultative Committee hold meetings from time to time to formulate procedure for distribution of tin plates to minimise the difficulties of tin plate consumers. Imports of tinplates specially of the open top sanitary can quality are also arranged keeping in view the total demands and availability of tinplates every year. There is usually no shortfall in supply of General purpose Tinplates. There is however some reluctance on the part of the fabricators to lift tinplates manufactured out of imported H.R. Coils on consideration of costs. The major producers of tinplates in the country are, HSL, Rourkela, Tinplate Co. of India Ltd., K. R. Steel Union and M|s Khemchand Rajkumar.

So far as the two units, who have been given C.O.B. licences are concerned, it may be mentioned that these licences were issued on condition that no import of raw materials would be allowed nor could any guarantee be given in regard to allocation from sources controlled by the Government of India. However, it is understood from the Iron and Steel Controller that as per guidelines decided by the Tinplate Producers' Consultative Committee, the names of the units whose capacity has been certified by D.G.T.D., Director of Sugar and Vanaspati or Development Commissioner, SSI, are considered for allotment of Tinplates, based on their capacity. The two units which have obtained C.O.B. licences from the Ministry of Industrial Development viz., M|s. Premier Vegetable Products Ltd., Jaipur and M|s. Bhavnagar Vegetable Products Limited, Bhavnagar (Gujarat) are having capacities of 1,000 tonnes and 1,200 tonnes per annum respectively."

7.4. In their subsequent communication, dated the 22nd December, 1972, the Ministry of Steel and Mines (Deptt. of Steel) stated that "the request of the party has been considered and it has been decided to allot Tinplates to them."

C. **Observation of the Committee**

7.5. The Committee note that the Ministry of Steel and Mines (Deptt. of Steel) have considered the request of the petitioners and tinplates have been allotted to them.

VIII

REPRESENTATIONS REGARDING HALTS OF MAIL AND EXPRESS TRAINS AT PATHANKOT BEFORE THEIR ONWARD JOURNEY TO JAMMU.

8.1. A number of representations were received from various associations and organisations of Pathankot for continuing halt of all Mail and Express Trains at Pathankot before their onward journey to Jammu.

A. Petitioners' Grievances

8.2. In their representations, the petitioners stated *inter alia* as follows:—

"It is respectfully submitted that according to the recent decision of the Railway authorities, the trains meant for Jammu would not touch Pathankot and would leave for Jammu after stopping at Chakki Bank Railway Station which is about three miles away from Pathankot City. This decision of the Railway Authorities is against the economical set up of this city. We may submit here, Sir, that economy of Pathankot depends upon three major points i.e. Timber, Transport and Tourists. It is apprehended that the Timber Market would shift to Jammu which would create unemployment besides the economical set back. Transport Companies which are at present functioning here would prefer to establish at Jammu in view of business point.

The Tourists who visit Pathankot for their onward journey are not totally meant for Kashmir Valley but most of them visit different Tourist Places in Himachal Pradesh. At present, the Transport Companies for this Pradesh are situated quite near to the Railway Station whereas the Chakki Bank Railway Station which is at a distance of more than three miles, would be very inconvenient and it would also adversely effect the economy of Himachal Pradesh.

The Trains if allowed to stop at Pathankot would take not more than 20 minutes in getting ready against for their onward journeys and as such this period of 20 minutes can be easily covered in transit.

It is, therefore, requested that your goodself may kindly advise the Railway Authorities for allowing all the Passenger, Express and Mail Trains to touch Pathankot before their onward journey."

B. Factual comments of the Ministry of Railways (Railway Board)

8.3. A copy of the representations was referred to the Ministry of Railways (Railway Board) for factual comments thereon for consideration by the Committee. In their factual comments, the Ministry of Railways (Railway Board) have stated as follows:—

"With the opening of Kathua-Jammu Tawi section to passenger traffic 3 pairs of Mail|Express trains *viz.*, 59|60 Srinagar Expresses, 51|52 Sealdah Pathankot Expresses and 33|34 Kashmir Mail have been extended to and from Jammu from 2-12-1972. While 59|60 Srinagar Expresses and 33|34 Kashmir Mails have been routed to and from Jammu *via* Pathankot, 51|52 Sealdah Expresses are running *via* Chakki Bank without touching Pathankot.

An analysis of the traffic made sometime back had revealed that the majority of the passengers travelling by the 3 pairs of Mail| Express trains to and from Pathankot are from Jammu side and still two pairs of Mail/Express trains have been extended to and from Jammu *via* Pathankot.

Operationally, if a train has to run to Jammu *via* Pathankot its direction gets reversed at Pathankot and if the same engine has to be used for working these trains to Jammu it will have to be given a longer halt for reversal of engine etc. Further, all the 3 pairs of Mail|Express trains running to and from Pathankot are running in close succession and if these are all routed *via* Pathankot it would result in operational difficulties by way of path etc. Even now, whenever any of these trains is running slightly late it causes a chain reaction on the running of other services.

Even 51|52 Sealdah Expresses which are not touching Pathankot have been scheduled to stop at Chakki Bank which is at a distance of 3.65 Kms. from Pathankot, for the convenience of Passengers of Punjab and Himachal Pradesh.

the Government of Himachal Pradesh have also been requested to operate bus services from Chakki Bank where some additional facilities by way of waiting fooms etc. are also provided for the facility of pasengers. The Government of Himachal Pradesh had assured that they would be operating a bus service as soon as train services start operating *via* Chakki Bank without touching Pathankot."

8.4. In response to a Starred Question No. 214, answered in Lok Sabha on the 28th November, 1972, the Minister of Railways (Shri T. A. Pai) stated as follows:—

"One pair of trains to and from Delhi *via.*, 33|34 Kashmir Mail will continue to touch Pathankot. Srinagar Express and Sealdah Express trains by passing Pathankot will be stopped at Chakki Bank situated at a distance of 3.65 Kms. from Pathankot, for the convenience of passengers of Punjab and Himachal Pradesh. The Government of Himachal Pradesh have also been requested to operate bus services from Chakki Bank."

8.5. In reply to an Unstarred Question No. 1225, answered in Lok Sabha on the 4th December, 1972, the Deputy Minister in the Ministry of Railway (Shri Mohd. Shafi Qureshi) stated as follows:

"Based on traffic and operational consideration, 59/60 Srinagar Expresses and 33|34 Kashmir Mails running from and to New Delhi/Delhi have been extended to and from Jammu *via* Pathankot, with effect from 2-12-1972 No. 51|52 Sealdah Pathankot Expresses, however, have been extended to and from Jammu *via* Chakki Bank without touching Pathankot."

8.6. In reply to an Unstarred Question No .1135, answered in Lok Sabha on the 27th February, 1973, the Deputy Minister in the Ministry of Railways (Shri Mohd. Shafi Qureshi) stated as follows:—

"Out of 3 Mail|Express trains going upto Jammu Tawi, 2 Mail|Express trains viz. 59|60 Srinagar Expresses and 33|34 Kashmir Mails, have been routed *via* Pathankot for the convenience of people of Himachal Pradesh and Northern Punjab. Even 51/52 Sealdah Expresses which are running to and from Jammu Tawi by-passing Pathankot, have been scheduled to stop at Chakki Bank which is at a distance of only 3.65 Kms. from Pathankot."

C. Observation of the Committee

87. The Committee note that since the receipt of these representations, the Government have decided that the Kashmir Mail and Srinagar Express, that is, two of the three trains, would, from the 2nd December, 1972 be routed to and from Jammu via **Pathankot. The Committee feel that this has substantially met the demand of the petitioners, and as such no further action is needed in the matter on the part of the Committee.**

ANANT PRASAD SHARMA,
Chairman,
Committee on Petitions.

NEW DELHI;
The 7th March, 1973.

APPENDIX I

(*See* para 1.1 of the Report)

PETITION No. 1

(Presented to Lok Sabha on 30th August, 1972)

To

LOK SABHA

NEW DELHI

The humble petition, of Shri Alokemoy Mukerjee, and other employees of the Shipping Corporation of India Ltd., Calcutta, alongwith their relatives and friends.

SHEWETH

Whereas resorting to the use of such versatile and sophisticated labour saving device as electronic computer in manufacturing and servicing industries have already made grave inroads into the size of the labour force and threatened job security.

Whereas at a time when the country is plagued by appalling unemployment with ever-increasing backlog of unemployed at the end of each plan the economy can ill-afford to displace labour at such a colossal rate as has been the experience even in the most advanced countries of the West.

Whereas diversion of the nation's scant resources and extremely precious foreign exchange in the scheme of automation in offices would only lead to greater top-heavy centralisation and would be self-defeating.

Whereas the Shipping Corporation of India Ltd., having installed IBM 747 Data Processing Machines at Bombay in 1967 proposes to replace the same by IBM 1401 Electronic Computer before the recommendations of the Committee on Automation *viz.*, Dandekar Committee, are considered by the Government of India.

Whereas recruitment in the clerical and subordinate staff cadres in the Shipping Corporation of India Ltd., in their Bombay and Calcutta offices has been practically nil since 1968.

Whereas the Shipping Corporation of India Ltd., have not utilised the full capacity of Data Processing Machines and resorted to hiring the computer of Caltex (India) Ltd., at Bombay.

Whereas the Shipping Corporation of India Ltd., have turned down the offer of full co-operation of the employees to process the analysis and data required by the management for international conferences and other management information services with the help of conventional office equipments and appliances, including the IBM 747 Data Processing Machines.

and accordingly your petitioners pray that immediate steps be taken. (1) to stop import and use of electronic computer and automation equipment in the Shipping Corporation of India Ltd., in their offices at Bombay and Calcutta; (2) to cause issuance of policy directives to the Shipping Corporation of India Ltd., to abandon the idea of installing computer, and recruit more workers to cope up with the increased volume of work, the tonnage of the Shipping Corporation of India Ltd., having increased by 600 per cent in the last decade; and (3) to direct the Shipping Corporation of India Ltd., to discontinue hiring computer from Caltex (India) Ltd., Bombay.

and your petitioners as in duty bound will ever pray.

Sl.	Name of petitioner(s)	Address	Signature or thumb impression.
1	Alokemoy Mukherjee	C/o The Shipping Corporation of India Ltd. 11, R. N. Mukherjee Road, Nilhat House, Calcutta-1.	Sd -
2.	Amarendra N. Basu		Sd -
3.	Gorachand Sen		Sd -

Countersigned by: Shri Indrajit Gupta, M.P.

APPENDIX II

(*See* para 2.1 of the Report)

PETITION No. 4

(Presented to Lok Sabha by Shri A. K. Gopalan, M.P., on the 20th December, 1972)

(Considered by the Committee on Petitions, Lok Sabha, at their sitting held on the 20th December, 1972, 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 Shri P. Ramamurti and others

SHEWETH

1. That they are deeply moved by the indescribable sufferings the people of Vietnam have been undergoing for the last so many years. For almost three decades they have hardly known any peace. They had to fight with arms against the Japanese, then against the French, and now against the most bestial was of extermination by the U.S. to keep the southern part of the country as their neo-colony and military base. History has not known such sacrifices and undaunted courage and determination as have been shown by the Vietnamese people.

2. More bombs have been dropped on the small country of Vietnam than in all the theatres during the entire course of the Second World War, chemical and bacteriological weapons, laser bombs have been used on a large scale to destroy the land and its vegetation, kill and incapacitate human beings and animals. Not satisfied with all this, the U.S. aggressors have brutally massacred men, women and children in cold blood in many villages as in My Lai.

3. In the Northern part of the country, everything that the people have built with their hard labour after their liberation has been the target of ferocious aerial attacks by U.S. air pirates. Town and cities, industrial areas and communication centres, hospitals and schools, dykes and irrigation systems have all been bombed again and again.

4. But the valiant Vietnamese nation of 31 million people heroically faced all this, and inflicted defeat after defeat on the war machine of the most powerful country. They defeated the U.S.'s "Special War", "Limited War", "Pacification Campagin", etc. Nixon's latest "Vietnamisation" plan—plan of "puppet army plus maximum U.S. air-power—has suffered serious setbacks at the hands of the Vitnamese freedom-fighters.

5. The whole world has watched with admiration the valour, courage and determination with which the people of South Vitnam with the support of their brethren from the North have met this aggression and are fighting for their freedom.

6. The whole world knows that the puppet Government of South Vietnam cannot last for a single day, but for this U.S. support. The world also equally knows that the Provisional Revolutionary Government which controls over four-fifths of South Vietnam is the real representative of the people of South Vietnam.

7. This fact has been recognised by the recent Conference of Non-aligned Nations in Georgetown (Guyana) where the Provisional Revolutionary Government was admitted as an member. The Government of India was a party to this decision.

8. There is no reason why the Government of India should not recognise this patent reality and give recognition to the Provisional Revolutionary Government and thus proclaim its support to the fighting people of Vietnam.

and accordingly your petitioners pray that the Lok Sabha may be pleased to get the Government: (1) to accord recognition to the Provisional Revolutionary Government of South Vietnam immediately; and (ii) to do all in its power to stop the Amercian bombing of both North and South Vietnam.

and your petitioners as in duty bound will ever pray:

Sl. No.	Name of petitioner(s)	Address	Signature or Thumb impression
1.	P. Ramamurti and others.	9-B, C.P.R. Iyer Road, Madras-18	Sd -

Countersigned by: Shri A. K. Gopalan, M.P.
Shri Samar Mukherjee, M.P.
Shri Dinen Bhattacharya, M.P.

APPENDIX III

(*See* para 3.1 of the Report)

(Representation submitted by Shri Shankar Dayal Singh, regarding the prices of Fiat Cars)

SHANKAR DAYAL SINGH, 43, Meena Bagh

Member of Parliament New Delhi.

(Lok Sabha).

22 July, 72.

The Chairman,

Committee on Petitions,

Lok Sabha,

New Delhi.

Sir,

May I bring to your notice the unfortunate predicament of a large number of consumers—which include among other Members of Parliament and Government officers with fixed incomes—who purchased Fiat cars manufactured by M|s. Premier Automobiles Ltd., Bobmay through their authorised agents all over India? In spite of the deteriorating quality of the cars—many consumers had reported manufacturing defects within a year of purchase and these should be available with the Ministry of Industrial Development—the Company charged ex-factory price of Rs. 13434/- exclusive of duties and taxes from those consumers who purchased their cars from July 1969 to June, 1970. The total cost, including taxes, etc., came to Rs. 19636|-.

The consumers were required to give an understanding in writing to the effect that consequent upon an upward revision of the price by the Supreme Court, before whom a writ petition (No. 327 of 1969) was filed by the manufacturers, they would be required to pay the difference. The consumers who had to wait for long years (in—some cases for seven and eight years) for allotment of a car could not do otherwise than give the undertaking in the form prescribed by the manufacturers|dealers. The subsequent history is well-known. As a result of Supreme Court decision a car-price commission was appointed by the Government in 1971 which reported only six or seven months back fixing the prices of Fiat, Ambassador and Standard cars. There has been an increase of Rs. 334|- in the ex-factory price of the Fiat Car.

The revised prices should have been effective from the date of the submission of the report. It is beyond comprehension why the Ministry of Industrial Development permitted the manufacturers to realise the difference in price from those consumers who purchased their cars as long as 30 months back and had given some sort of undertaking. The decision of the Ministry to authorise the manufacturers to realise from the consumers the difference in prices with retrospective effect from July 1969 is patently unjust. The dealers have sent registered letters to all those who purchased cars from July, 1969 to June, 1970 to pay Rs. 428/- In the case of Fiat Cars (Rs. 334 plus Rs. 94 as taxes) within a period of three weeks.

The matter requires a thorough probe by the Petitions Committee of the Lok Sabha. I hope you will very kindly place the matter before the Committee for their consideration.

Yours faithfully,

Sd|-

(SHANKAR DAYAL SINGH)

APPENDIX IV

(*See* para 3.2 of the Report)

(*Relevant extracts from the factual note furnished by the Ministry of Heavy Industry regarding the prices of Fiat Cars*)

For the last several years Government had been exercising an informal control over the prices of passenger cars. The original prices of automobiles were fixed after enquiry by the Tariff Commission 1956 which included cost investigation of the manufacturers. Since then increases were allowed from time to time on account of various factors and, wherever considered necessary, cost investigations by the Chief Cost Accounts Officer of the Ministry of Finance have been carried out. The manufacturers of passenger cars had over the years been making representations for increase in the selling prices of their cars on various counts. In order to verify the reasonableness of these claims, the Tariff Commission had been requested to undertake an inquiry and recommend fair selling prices for passenger cars. The report of the Tariff Commission on the fixation of fair selling prices of automobiles was received in August, 1968. While the report of the Tariff Commission was still under the consideration of Government, two of three car manufacturers namely M/s. Premier Automobiles and M/s. Standard Motor Products of India Ltd., in violation of the system of informal price control which had been in vogue and in disregard of the advice of Government to the contrary, unilaterally increased the ex-factory prices of their cars by Rs. 2312 and Rs. 1637 over the then approved prices with effect from 8th September, 1969 and 12th September, 1969 respectively. The situation arising out of this action of the car manufacturers was considered by Government and it was decided to control the prices of passenger cars on a statutory basis. Accordingly, after taking into account the recommendations of the Tariff Commission and other relevant considerations, the ex-factory retail selling prices of the three makes of cars were notified by Government under Section 18(G) of the Industries (Development and Regulation) Act, 1951, on the 21st September, 1969 as shown below:—

	Rs.
Hindustan Ambassador	15,316
Fiat 1100-D	14,325
Standard Herald 4-Door.	14,003

These prices are exclusive of the excise duty and other taxes payable on the complete vehicles.

2. The three car manufacturers challenged the validity of the Government notification dated 21st September, 1969 by filing Writ Petitions in the Supreme Court. The petitions came up for hearing before the Supreme Court in the last week of April, 1970. The Court, after hearing the petitions, recommended to Government on the 6th May, 1970 that a Commission be appointed for the purpose of recommending the fair selling prices of all the three makes of passenger cars manufactured in the country. In pursuance of the recommendation of the Supreme Court, Government appointed on 27th May, 1970 the Car Prices Inquiry Commission under the Chairmanship of Shri Sarjoo Prasad Singh, Ex-Judge of Patna High Court. The Commission submitted its report on the 29th March, 1971. The report of the Commission was examined by Government and affidavits on behalf of Government were filed in the Supreme Court, giving Government's views on the recommendations in the Commission's report and indicating the basis on which Government proposed to refix the selling prices of the three makes of cars. The Supreme Court resumed hearing of the pending Writ Petitions on the 16th April, 1971 and directed that with immediate effect and as an interim measure the manufacturers be permitted to sell their cars at prices recommended by the Commission pending final disposal of the case and subject to such adjustments as may be found necessary in the light of Court judgement later, which are shown hereunder:—

	Rs.
Ambassador .	16,819
Fiat—1100-D	15,687
Standard Herald .	16,080

The Court heard the case further from 6th October, 1971 to 1st November, 1971 and delivered the final judgement on 24th November, 1971. In their judgement, the Supreme Court held the Government Order dated 21st September, 1969 inoperative and ineffective. The Court also laid down the principles on which future selling prices of the three makes of cars should be worked out and notified by Government. According to the judgement of the Supreme Court, Government were required to promulgate a fresh Order under Section 18(G) of the Industries (Development and Regulation) Act, 1951, refixing the prices of the three cars in accordance with the recommendations of the Car Prices Inquiry Commission as modified by the Supreme Court. While fixing these prices, Government were required to take the costs as in July, 1970 as the base and to take into account all increases and decreases in cost since July, 1970 upto the date of the judgement of the Supreme Court. Accordingly, after verifying the data furnished by the manufacturers about the increases and decreases in costs upto the date of the judgement, the revised prices of the three makes of cars have been notified on the 24th January, 1972 as under:—

	Rs.
Ambassador .	16,946
Fiat—1100-D.	15,946
Standrad Herald	16,539

The above prices are ex-factory prices, inclusive of dealer's commission and do not include excise duties, Central Sales Tax and local taxes, if any, and transportation charges.

3. During the pendency of the Writ Petitions in the Supreme Court, M/s. Premier Automobiles had been taking undertakings from the dealers and the latter in turn from the customers with regard to the payment of the difference between the price which will be determined after the judgement of the Court and the one fixed in the Government Order of September, 1969. In their judgement, the Court has permitted M/s. Premier Automobiles to refix the price for the period September, 1969 to the end of June, 1970 in accordance with the principles laid down in the Commission's report as modified by the Supreme Court. For the period from 1st July, 1970 to 15th April, 1971 the Supreme Court permitted M/s. Premier Automobiles to charge a price not exceeding the one fixed in the Court's interim order dated 16th April, 1971. Government have not notified the prices so fixed by M/s. Premier Automobiles Ltd. as this was not required under the provisions of the judgement. The dealers of M/s. Premier Automobiles have issued notices to some of the customers to pay the difference between the price fixed on the 16th April, 1971 and the one fixed in the Government Order of September, 1969. Some of the customers who received notices from the dealers for paying the difference in price sought the guidance from this Ministry whether they are legally bound to pay the difference in price now being claimed by the dealers. The matter was examined and this Ministry sought the advice of the Law Ministry about the legal obligation of the customers in this regard and the lines on which the communications received from the customers should be replied to by this Ministry.

4. This Ministry decided on 21st April, 1972 not to enter into any correspondence on this subject. Accordingly, no reply has been sent by this Ministry in response to the numerous enquiries received in regard to the effect of undertaking given by the various customers of Fiat Cars.

APPENDIX V

(*See* para 4.2 of the Report)

(*Representation regarding taking over by Government of the closed vanaspati factory of M|s. Ganesh Flour Mills Co. Ltd., Subzi Mandi, Delhi*).

MAZDOOR SAMYUKTA SANGHARSH COMMITTEE

Ganesh Flour Mills Co. Ltd., Subzi Mandi, Delhi-7

Dated 17th November, 1971.

To

Shri S. L. Shakdher,
Secretary of Lok Sabha,
New Delhi.

Honourable Sir,

Re: Take over by the Government of closed Vegetable Ghee factory of the Ganesh Flour Mills Co. Ltd., Delhi.

The management of the Ganesh Flour Mills Co. Ltd., Delhi, have by a stroke of pen resorted to illegal, sudden, unprovoked and arbitrary closure of the Vegetable Ghee factory of the Ganesh Flour Mills Co. Ltd., Delhi with effect from First Day of September, 1971. Shock and horror stricken, therefore, we have, several times knocked at the door of appropriate Governmental authorities for take-over of the above-said unit of the Company by the Government and to restart it in the vital interest of Nation and Workmen. We have tried our best to convince the highest authorities in the land for requisite take-over but so far the concerned authorities have taken a lenient view of it. Consequently, for most of us a state of more or less starvation stares in the face of unemployment. We are again submitting facts leading to present state of affairs for your consideration.

(1) *Closure: Facts and Effects*

(i) The Management of the said Company announced closure of their Vegetable Ghee factory at Delhi with effect from 1st September, 1971 and terminated the services of about four hundred workers and other employees connected with the said factory, on the plea of "circumstances beyond the control of the Management".

(ii) The plea of "circumstances beyond their control" has been taken with the malicious intention of depriving the workers and employees of due compensation provided under the law. This termination of service of the employees is nothing but outright wholesale retrenchment maliciously garbed as closure due to circumstances beyond control.

(iii) The brazen-faced, shameless and mean attitude of the management is highlighted by the fact that they have not even paid to their starving employees their hard earned salary and wages for the months of July and August, 1971 and even one month's pay in lieu of the Notice.

(iv) The effect of this ill-intentioned and ill-advised closure is to deprive the Nation of the Vanaspati Product which is an essential commodity vital for Nation, and to render jobless 400 workers Employees, Executives and technical staff with their 3000 dependent family members besides dealers and distributors of its manufactured goods.

(2) *Facts about the Company*:

(i) This Company is one of the oldest industrial joint Stock Public Limited Companies of Delhi-having already lived seventy-seven years of its career. The Company's manufacturing units spread out in three different States (apart from its forcibly seized factories in West Pakistan). Its main products are Vanaspati No. 1 and Champion foods besides Oxygen and soaps as by-products. The total capacity of Production of Vanaspati is 125 tons per day (75 tons at Kanpur and 50 tons at Delhi). It ranks second biggest company in the Vanaspati Manufacturing factories in the country. (Only Hindustan Liver's Dalda Product is ahead of it). Its Vanaspati Product (No. 1) continued to have a very good market and feeds requirements of the Public in Punjab, Himachal Pradesh, Rajasthan, Union Territory of Delhi, Haryana, Uttar Pradesh, Bihar and West Bengal.

(ii) This Company, with all its six units working, can provide employment to more than 2000 persons including workmen, staff, technical staff and executives. As a matter of fact, it had, in the past above referred employment strength.

(iii) This Company has in the past paid crores of Rupees per year as revenue to the Union Exchequer, on a/c of Income Tax, Sales Tax, Excise Duties and other Central taxes, besides crores of rupees in taxes to the State Governments and Union Territory of Delhi.

These facts can be ascertained from the Balance Sheet of the Company, record of which is kept with the Registrar of Companies.

(iv) Over the past decade and more the Management have been relentlessly pursuing immature expensionist and other blunderous policies which have proved disastrous. The new heavily losing units were spoon/fed year after year consuming away not only the current earnings of elder ones but even the large reserves of the Company built over several years, thereby turning the one-time flourishing units also into losing ones.

(v) The situation inevitably resulted in prolonged and frequent closures of the factories., more particularly of the parent Delhi Vananspati factory of the Company due to the utter depletion of its working finances and consequent inability of the Company to buy raw-materials economically.

(vi) By early, 1968, the situation was reached when the only fate of the Delhi Vanaspati factory which loomed large on the horizon was that of a permanent closure. In this predicament the Company's Board of Directors decided to bring in a financier.

(vii) The Financier who appeared in the beginning to come as a Saviour, soon started extracting extertionate terms at critical moments and the Board of Directors proved too obliging or naive in accepting them.

(viii) In this situation, the position was soon reached when the Company was unable to deposit even the Provident Fund Accumulations of Employees, the arrears of which now amount to over six lacs of rupees.

(ix) With an uneasy conscience over their faults of omission and commission, all but one Directors have already resigned, creating a vacuum in management as no Board is now functioning.

(x) Several Petitions for winding up of the Company by the creditors of the Company are pending before the High Court of Delhi besides a petition of the Company Law Board against the Company on grounds of mismanagement and misfeasance.

(3) *Consequences of proposed winding up:*

(i) We are afraid that High Court of Delhi may issue orders of winding up of the Company on winding up petitioners of the creditors pending before it. If the Government does not take over the whole Company now, the Company itself may be no more. And with this our future will be rendered extremely bleak.

(ii) It is in the interest of our country that all factories producing essential commodities must not be allowed to be closed. It is also an important factor that this company is the second biggest Vanaspati Manufacturing Industry in India and its closure is bound to harm the country as a whole. The statistics of the Production capacity of Vanaspati Ghee in this Company is capable to feed Twenty five lakhs (2.5 million) people per day with fats.

(iii) When the Government is spending crores of Rupees per day in feeding and giving shelter to the evacuees—foreign nationals from Bangla Desh, we earnestly put to ourselves the question why can't our responsible Government intervene in our case and take appropriate steps to rehabilitate our lives and provide food and shelter and save us from starvation. If the Government does not come to our rescue, then who is there to save us from disaster.

4. Our efforts for Governmental take-over which have still not yielded any result.

(i) On 20th September, 1971 we had a meeting with Shri A. C. Shubh, Executive Councillor, Finance, Delhi Administration, who told us that Chief Secretary to Delhi Administration had already sent file of the case along with his recommendation for take over, to the Director, Mr. Menzes in the Union Ministry of Agriculture.

(ii) After a few days, we had a meeting with Honourable Shri R. K. Khadilkar, Union Minister for Labour and Employment who assured us that his Ministry would recommend take-over but a final decision in this connection has to be made by the Ministry of Agriculture.

(iii) We also met Honourable Shri Moinul Haq Chowdhry, Union Minister for Industrial Development who told us that Ministry of Agriculture can take such a decision.

(iv) At last on 26th October, 1971, we met Honourable Shri Fakhruddin Ali Ahmed, Union Minister for Agriculture. He asked his Secretary Mr. Barua to contact Mr. Menezes, Director in the Ministry of Agriculture. Thereupon Mr. Menezes, Director in the Ministry of Agriculture was asked to sent the file to the Honurable Agriculture Minister for his final decision in the matter. The crux is that whole case is pending for decision in the Union Ministry of Agriculture.

5. *Prayer*:

It is under above conditions of genuine present hardship and dark future prospect looming large that the employees of the Company, have been compelled to knock once again at the door of their popular Government with the prayer that the Government may be pleased to intervene effectively with the following measures immediately:—

(i) Taking the Company under an over-all control of the Government or alternatively its closed Vanaspati Ghee unit at Delhi, under Ordinance promulgated by the President, assuming powers of taking over the sick mills.

(ii) Restarting the Delhi Vanaspati factory of the Company under experienced management.

(iii) Marshalling the Company's assets with a view to immediate payment of Provident Fund arrears and disbursement of outstanding salary and wages to the employees.

These are some of the urgent steps which the Government may be pleased to take in the vital national interest and to have hundreds of workers and staff from unemployment and starvation. Our extreme hardship and distress need to be relieved immediately and we earnestly hope and pray that all procedural and other kinds of delays would be avoided in putting the suggested measures into force.

Thanking you,

We remain, Sir,

Yours faithfully,

For MAZDOOR SAMYUKTA SANGHARSH COMMITTEE:

Ganesh Flour Mills Co., Ltd., Delhi-7.

Sd/- Sd/-

President. Secretary.

APPENDIX VI

(*See* para 4.8 of the Report)

[Order under Section 18AA of the Industries (Development & Regulation) Act, 1951, issued by the Ministry of Industrial Development re. take over of the management of the Ganesh Flour Mills Company Limited, Subzi Mandi, Delhi.]

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GOVERNMENT OF INDIA

Ministry of Industrial Development

(Audyogik Vikas Mantralaya)

New Delhi, the 3rd November, 1972.

ORDER

S.O. 695(E)/18AA/IDRA/72.—Whereas the Central Government is satisfied form the documentary evidence in its prossession that the persons in charge of the industrial undertaking known as Messrs Ganesh Flour Mills Company Limited, Delhi, have, by reckless investments and creation of incumbrances on the assets of the industrial undertaking, brought about a situation which is likely to affect the production of articles manufactured in the industrial undertaking, and that immediate action is necessary to prevent such a situation:

Now, therefore, in exercise of the powers conferred by sub-section (1) of Section 18AA of the Industries (Development) Act, 1951 (65 of 1951), the Central Government hereby authorises the Industrial Reconstruction Corporation of India Limited, Calcutta (hereinafter referred to as the "authorised person") to take over the management of the said industrial undertaking, subject to the following terms and conditions, namely:—

(i) the authorised person shall comply with all directions issued from time to time by the Central Government;

(ii) the authorised person shall hold office for a period of five years from the date of publication of this order in the Official Gazette.

(iii) the Central Government may terminate the appointment of the authorised person earlier, if it considers necessary to do so.

2. This order shall have effect for a period of five years commencing from the date of its publication in the Official Gazette.

[No. F.4/12/72-C.U.C.]

(Sd.) K. S. BHATNAGAR.

Joint Secretary to the Government of India.

APPENDIX VII

(*See* para 5.3 of the Report)

[*Statement furnished by the Ministry of Education and Social Welfare (Deptt. of Education) Containing Cemments of Delki Administration on the points raised in the representation re. service grienances of re-transferred teachers of Delhi Administration*]

Points	*Reply/Comments*
1. Re-absorption into Govt. Higher Secondary Schools.	On taking over of Middle Schools from the D. M. C. all the teachers have since been absorbed in Govt. Service However, if any teacher of this category remains to be absorbed that particular case be referred to this Administration.
2. Annual increments and their arrears be Paid up.	Annual increments/arrears of any for the period these teachers reamain with the D.M.C. should have been paid by the D.M.C. However, specific cases of non-payment be referred to this Administration for investigation
3. Govt. Estate Quarters on the basis of the first appointment in the Delhi Administration prior to 1-6-58.	Teachers who were in possession of General pool accommodation at the time of their transfer were allowed to retain the Govt. accommodation. Other teachers on transfer become entitled to residential accommodation according to the Rules of the D.M.C. for allotment of residential accommodation.
4. Membership of the Govt. Housing - society.	Govt. Teachers Housing Society is a private Agency and it is for them to frame Rules for membership of the society.
5. Acceptance of the period from 1-6-58 to 30-6-70 as Govt. service for all purposes.	No such condition was agreed to at the time of transfer in the year 1958. However if any such guarantee was given the copy of the same may be kindly be furnished.
6. Deputation allowance from 1-6-58 to 30-6-70.	As above.
7. Promotion of T. G.Ts. and others according to the full Govt. quota available.	The matter is already under consideration of the High Court and no comments can be given at this stage.
8. Seniority from the date of appointment in Delhi Administration from the original appointment.	No such condition was agreed to at the time of transfer.
9. Grievances of all kind of re-transferred teachers should be removed forth with.	Specific grievances should be sent to get the matter investigated.
10. Daily allowance and conveyance allowance for two nights and three days for working in the election 1967 as Polling officers by order of the Municipal Commissioner of Delhi.	This is a matter concerning D.M.C. However specific instance may be sent to this Administration for investigation through the D.M.C

APPENDIX VIII

(*See* para 7.1 of the Report)

[*Representation from M/s Premier Vegetable Products Ltd. Jaipur, re. supply of tinplates from Tin Plates Producers.*]

PREMIER VEGETABLE PRODUCTS LTD.

95, INDUSTRIAL AREA,
JHOTWARA, JAIPUR—6,
RAJASTHAN.

Ref: No. PVP|

Dt. 1.8.1972.

Shri A. P. Sharma,
Chairman,
Petition Committee,
Lok Sabha,
NEW DELHI.

Dear Sir,

Re:— *Difficulties in getting supply of Tin Plates from Tin Plate Producers.*

We are vanaspati manufacturers, having installed a 100 tonnes per day capacity plant at Jaipur. We were feeling a great difficulty in getting tin containers, for filling our products, at reasonable prices. To solve this we established our own tin manufacturing plant as a subsidiary unit.

We regret to inform you that our experience in getting G.O.B. Licence for our Tin Plant and now tinplates for the same are not very good. We are giving below few points which will let you know the history of our grievances in this regard:—

1. We have established our Tin manufacturing unit attached with the Vanaspati Plant during the period 19.2.1970 to 24.2.1971. The supply of the Tin Plant and machinery were commenced from the month of June, 1970.

2. The erection of the plant was completed and commissioned up to 5.2.71 with a capacity to manufacture 9,000 tins per day, after an investment of Rs. 3 lacs.

3. While applying for a C.O.B. licence for manufacturing of Vanaspati on 14th June, 1970 to Ministry of Industrial Development and Internal Trade, Government of India we had mentioned in V.O.P. (8) Forms that we are putting up a tin manufacturing plant also. But referring the Gazette notification dated 24.2.71 of Government of India the above Ministry did not issue us licence for tin manufacturing on the plea that the same was reserved for Small Scale Industries.

Then, we again applied for a C.O.B. licence for our Tin Plant as per the Gazette notification S.O. 932|— INDRA|29B|71|6 dated 24-2-71 *vide* our application dated 19-5-71 alongwith EE forms etc. completed in all respects to the same Ministry.

4. The State Secretary of Industries strongly recommended our case for grant of C.O.B. licence *vide* his letter dated 24-5-71. The Deputy Director, Small Scale Service Institute Rajasthan, Jaipur also sent their assessment report regarding our Tin Plant to the Development Commissioner Small Scale Industries, New Delhi on 4-12-71 for Registration of the unit with them.

As the tin plate suppliers intimated us their unability to book our orders in absence of a C.O.B. licence, it became most urgent for us to get the licence at the earliest.

Hence, we approached the relevant authorities of the Ministry to issue us the licence immediately. But inspite of our several reminders, representations and personal efforts we could not get the licence till passing a period of one year after applying for the same.

5. Now, only after the combined and continuous efforts of the Secretary, Industries, Government of Rajasthan; Secretary, Rajasthan Chamber of Commerce and Industry, and Secretary, Industrial Area Manufacturers' Association Jaipur we could be able to get the required C.O.B. licence on last 29th April, 1972.

6. Immediately on receipt of the C.O.B. licence from the Ministry of Industrial Development we placed our indent on 5-6-72 for supply of 600 Tonnes of Tin Plates during June, 1972 to December, 1972 with M/s. Hindustan Steel Ltd., Calcutta and M/s. Tin Plate Co. of India Ltd. You will be surprised to know that none of these tin plate producers have even cared to acknowledge our orders. The

concerning officials of these companies are playing "monkey tricks" with us and are unnecessarily delaying the supply.

Sir, we have invested a huge amount in establishing the Tin Plant Unit, but the same is lying standstill for want of Raw Material (Tin Plates) and about 40 labours are sitting idle. It is needless to mention that we are put to heavy losses in manufacturing tin containers with tin plates purchased in open market.

Please note that our Plant was established on 24-2-1971 and the licence was delayed till 29th April, 1972. Even after passage of about one and half years, we are unable to get the tin plate for reasons best known to the suppliers.

We shall be grateful if you kindly write to the Steel controller, Calcutta, Hindustan Steel and Tin Plate Company of India Ltd. and find out the reasons why this industry is being stored

Thanking you,

Yours faithfully,

for PREMIER VEGETABLE PRODUCTS LTD.,

Sd|—

(J. N. JAJU)

DIRECTOR.

APPENDIX IX

(*See* para 7.3 of the Report)

LOK SABHA

STARRED QUESTION NO. 249

To be answered on the 17th August, 1972

Supply of Tin Plates to Tin Can Manufacturing Units

*249. SHRI K. SURYANARAYANA: Will the Minister of STEEL AND MINES be pleased to state:

(a) the names of firms which have been granted C.O.B. Licences for fabricating Tin containers for captive use with a manufacturing capacity of 1000 tonnes per annum and above during the current year (upto 30th June, 1972); and

(b) whether any guidelines have been laid down for the supply of tin plates to these tin can-manufacturing units?

ANSWER

MINISTER OF STEEL AND MINES (SHRI MOHÀN KUMARAMANGALAM): (a) During the current year (upto 30th June, 1972) only two C.O.B. (Carry on Business) licences for the fabrication of tin containers were issued to the Vanaspati Manufacturers for their captive use. The names of the firms are as under:—

(i) M/s. Premier Vegetable Products Ltd., Jaipur.

(ii) M/s. Bhavnagar Vegetable Products Limited, Bhavnagar (Gujarat).

(b) No guidelines have been laid down by Government for the supply of Tin plates to different units. The distribution of Tinplates is looked after by the Tinplate Producers' Consultative Committee.

APPENDIX X

(*See* para 7.3 of the Report)

RAJYA SABHA

UNSTARRED QUESTION NO. 793

To be answered on the 11*th August,* 1972

Supply of tin plates

793. SHRI O. P. TYAGI: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that the Iron and Steel Controller has refused to supply tin plates quota to the firms who have been granted C.O.B. licences for processing of tin cans during the current year;

(b) whether any representations have been made to Government in this behalf;

(c) whether in the absence of this raw material, the entire capacity of these manufacturers is lying unutilised; and

(d) if so, the measures which Government propose to take to streamline the whole procedure for the allotment of periodical quota of tin plates to such producers and manufacturers of tin can?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAH NAWAZ KHAN): (a) No, Sir.

(b) to (d). Do not arise.

APPENDIX XI

(*See* para 7.3 of the Report)

LOK SABHA

UNSTARRED QUESTION NO. 2430

To be answered on the 17*th August*, 1972.

Representation from Firms requesting for supply of Tin Plates

2430. SHRI K. SURYANARAYANA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether any representations have been received by his Ministry from the firms which have been granted C.O.B. licences for fabricating tin containers requesting for the supply of tin plates; and

(b) if so, their particulars and the action taken or proposed to be taken in the matter?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAH NAWAZ KHAN): (a) and (b). A representation was received from M/s. Premier Vegetable Products Ltd., claiming to have received a C.O.B. licence for fabricating Tin Containers, with a capacity of 1,000 Tonnes per annum, and asking for supply of Tinplates. As there is no statutory control over the distribution of Tinplates, which is looked after by the Tinplate Producers Consultative Committee, the representation was passed on to that Committee for consideration under advice to the firm.

MGIPND—LS—3542 L.S.—15-3-73—725.