

THIRTY-EIGHTH REPORT

COMMITTEE ON PUBLIC UNDERTAKINGS (1994-95)

(TENTH LOK SABHA)

SOCIAL RESPONSIBILITIES AND PUBLIC ACCOUNTABILITY OF PUBLIC UNDERTAKINGS

(MINISTRY OF INDUSTRY
DEPARTMENT OF PUBLIC ENTERPRISES)

*[Action taken by Government on the Recommendations contained in the
24th Report of the Committee on Public Undertakings (Tenth Lok Sabha)]*



*Presented to Lok Sabha on
Laid in Rajya Sabha on*

28 MAR 1995
1995

LOK SABHA SECRETARIAT
NEW DELHI

February, 1995 / Magha, 1916 (Saka)

C.P.U. No. 747

Price : Rs. 15.00

© 1994 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Seventh Edition) and Printed by the Manager, P.L. Unit, Govt. of India Press, Minto Road, New Delhi-110002.

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
COMPOSITION OF THE ACTION TAKEN SUB-COMMITTEE. . .	(v)
INTRODUCTION	(vii)
CHAPTER I Report	1
CHAPTER II Recommendations that have been accepted by Government	12
CHAPTER III Recommendations which the Committee do not desire to pursue in view of Government's replies	22
CHAPTER IV Recommendations in respect of which replies of Government have not been accepted by the Committee	23
CHAPTER V Recommendations in respect of which final replies of Government are still awaited . .	33
APPENDICES	
I Minutes of 21st sitting of Committee on Public Undertakings (1994-95) held on 12th January, 1995.	36
II Analysis of action taken by Government on the recommendations contained in the Twenty-Fourth Report of Committee on Public Undertakings (Tenth Lok Sabha)	38

**COMMITTEE ON PUBLIC UNDERTAKINGS
(1994-95)**

CHAIRMAN

Shri Vilas Muttemwar

MEMBERS

Lok Sabha

2. Shri E. Ahamed
3. Shri R. Anbarasu
4. Prof. Sushanta Chakraborty
5. Shri Chetan P.S. Chauhan
6. Shri Ramesh Chennithala
7. Shri B. Devarajan
8. Shri Srikanta Jena
9. Prof. M. Kamson
10. Prof. (Smt.) Savithiri Lakshmanan
11. Shri Guman Mal Lodha
12. Shri B.M. Mujahid
13. Shri Ramdew Ram
14. Shri Pius Tirkey
15. Shri Virendra Singh

Rajya Sabha

16. Shri Jagesh Desai
17. Shri R.K. Dhawan
18. Dr. Murli Manohar Joshi
19. Shri Dipankar Mukherjee
20. Shri Suresh Pachouri
21. Shri Parvat Kumar Samantaray
22. Shri G. Swaminathan

SECRETARIAT

1. Shri Murari Lal — *Joint Secretary*
2. Smt. P.K. Sandhu — *Director*
3. Shri P.K. Grover — *Under Secretary*

**ACTION TAKEN SUB-COMMITTEE OF THE COMMITTEE ON
PUBLIC UNDERTAKINGS
(1994-95)**

1. Shri Vilas Muttemwar —*Chairman*
2. Shri Jagesh Desai —*Convener*
3. Shri Srikanta Jena
4. Shri R.K. Dhawan

INTRODUCTION

I, the Chairman, Committee on Public Undertakings having been authorised by the Committee to submit the Report on their behalf, present this Thirty Eighth Report (Tenth Lok Sabha) on Action Taken by Government on the recommendations contained in the Twenty Fourth Report of the Committee on Public Undertakings (Tenth Lok Sabha) on 'Social Responsibilities and Public Accountability of Public Undertakings'.

2. The 24th Report of the Committee on Public Undertakings was presented to Lok Sabha on 23rd December, 1993. Replies of the Government to all the recommendations contained in the Report were received on 21st September, 1994. The replies of Government were considered by the Action Taken Sub-Committee of the Committee on Public Undertakings on 12th January, 1995. The Committee on Public Undertakings considered and adopted this Report at their sitting held on 12th January, 1995.

3. An analysis of the action taken by the Government on the recommendations contained in the 24th Report (1993-94) of the Committee is given in Appendix-II.

NEW DELHI;
February 13, 1995

24 Magha, 1916 (S)

VILAS MUTTEMWAR,
Chairman,
Committee on Public Undertakings.

CHAPTER I

REPORT

The Report of the Committee deals with the action taken by Government on the recommendations contained in the Twenty Fourth Report (10th Lok Sabha) of the Committee on Public Undertakings on 'Social Responsibilities and Public Accountability of Public Undertakings' which was presented to Lok Sabha on 23rd December, 1993.

2. Action Taken Notes have been received from Government in respect of all the 25 recommendations contained in the Report. These have been categorised as follows:

- (i) Recommendations/observations that have been accepted by Government.
Sl. Nos. 4-6, 9-16, 22 and 23
- (ii) Recommendations/observations which the Committee do not desire to pursue in view of Government's replies.
Nil
- (iii) Recommendations/observations in respect of which replies of Government have not been accepted by the Committee.
Sl. Nos. 1, 2, 3, 7, 8, 17, 18, 21 and 25
- (iv) Recommendations/observations in respect of which final replies of Government are still awaited.
Sl. Nos. 19, 20 and 24

3. The Committee desire that the final replies in respect of the recommendations for which only interim replies have been given by Government should be furnished to the Committee expeditiously.

4. The Committee will now deal with the action taken by Government on some of their recommendations.

A. Social Objectives of PSUs

(Recommendations Sl. Nos. 1 to 3, Paragraphs 1 to 4)

5. The Committee had observed that although there had been a massive growth in the public sector, the social objective, which was one of the basic considerations for the formation of the public sector had not been assigned the importance it deserved either by the Government or by the PSUs. They were of the view that being part of the State every Public Undertaking had the moral responsibility to play an active role in discharging the social obligations endowed on a Welfare State, subject to financial health of the enterprise. The Committee had laid stress on the

social responsibilities of public undertakings towards the society at large and the local people in particular. According to them, the social responsibilities of public undertakings, including financial institutions could be defined as the moral obligations which an enterprise, being an agency of a Welfare State is expected to fulfil in addition to its corporate objectives for the Welfare of the society at large and the people in and around its area(s) of operation.

6. The Government have stated in their reply that public enterprises are conscious of their social responsibilities and have shown constant awareness of it. Apart from reservation of posts for various categories, recruitment of local people and rehabilitating project affected people, some of the public undertakings also undertake welfare measures in the fields of education, health, housing etc. the details of which are incorporated in the Public Enterprises Survey. They have stated that the Insurance Corporations also undertake social responsibilities as cast upon them by the Government at the time of their formation. Expansion of insurance network has provided employment opportunities for local people as administrative and marketing staff as also rural representatives and agents of General Insurance Corporation and its subsidiaries are recruited locally.

7. The Committee do not fully agree with the reply given by the Government. While taking note of the fact that some Public Undertakings do fulfil social responsibilities on the lines the Committee has conceptualised social objectives of PSUs in a Welfare State, if an overall view of the performance of the undertakings in this sphere is taken, the Committee cannot but express their displeasure over the callous attitude of the Government as well as the PSUs in discharging social responsibilities. The information presently being given in the Public Enterprises Survey cannot be said to be adequate keeping in view the importance this aspect deserves. Besides, availability of employment opportunities to local people by way of expansion of insurance network can only be termed as the result of normal business activities and not fulfilment of social objectives. The Committee, therefore, desire that there should be greater commitment to social objectives of PSUs both on the part of the Government and the public enterprises.

B. Quantification of Social Responsibilities

(Recommendations Sl. Nos. 7 & 8, Paragraphs 8 to 11)

8. The Committee had observed that as far back as in 1965 they had in their 7th Report (3rd Lok Sabha) recommended that the Government should enunciate social objectives and obligations of PSUs alongwith financial and economic objectives. Even after the Committee had reiterated their recommendation in the 40th Report (1973-74), the Government spelt out only financial and economic macro objectives of the public enterprises in the Industrial Policy Statement made in Parliament in 1977 ignoring the social objectives. While deprecating the cavalier and ham-handed manner in which the Government has been handling such a vital

objective of the public sector, the Committee had expressed the view that it was high time that effective steps were taken to codify and institutionalise various types of social responsibilities being discharged by different PSUs in an unorganised and haphazard manner. They had recommended that the Government should clearly enunciate social objectives and obligations of the public sector at the macro level. Thereafter each undertaking should within a period of six months draw up its own plan of social responsibilities at the macro level. The Committee had also desired that the targets for social responsibilities to be discharged by undertakings should be included in the Annual Plan and the Memorandum of Understanding (MOU) signed with the Government.

9. The Government have stated in their reply that the Memorandum of Association of PSE which is framed with the approval of the Government states the objectives, including social objectives, for which it has been established. It is for the individual PSE to implement such social objectives as provided in its MOA keeping in view its financial health and operating environment. The policy of the Government is to give greater powers to the boards of PSEs and this has been reaffirmed in the Industrial Policy Statement of 24th July, 1991. The Government have further stated that in the present context the emphasis of the Government is on generation of surpluses by PSEs for reinvestment and therefore, profit related parameters are given higher weightage in MOUs. Being a negotiated document, the MOU can incorporate such of those non-commercial parameters which are in keeping with the provisions in the MOA provided both the parties, i.e. the PSE and the administrative Ministry/Department concerned deem it necessary and agree to the same.

10. The Committee are greatly distressed to find that the Government's reply is silent on the question of spelling out social objectives and obligations of PSUs at the macro level by Government. The Committee had been repeatedly recommending to clearly enunciate the Government policy on this vital aspect of the Public Sector. The manner in which the recommendation of the Committee has been dealt with by the Government is hardly satisfactory. While expressing their displeasure over this, the Committee would like to place on record that they expect greater attention and promptness on the part of Government in dealing with the recommendations of the Committee in future.

11. The lack of a clear strategy on the part of the Government with regard to social objectives and obligations has been engaging the attention of the Committee for almost last three decades. Presently while some PSUs undertake social responsibilities of their own choice involving huge expenditure in some cases, there are others who seem to be totally unaware of such an obligation. There is an urgent need to streamline the entire system in this regard. This would be possible only if the Government define their

policy on social objectives of PSUs. The Committee, therefore, reiterate their earlier recommendation that Government should enunciate social objectives and obligations of the public sector and the Committee be apprised of the same within a period of six months from the presentation of this Report. Individual undertakings should draw up their social responsibilities at the micro level within a period of six months after Government lays down the social objectives at the macro level. This would enable the Government and the PSUs to include targets for discharging social responsibilities in the Annual Plan and the MOU on agreed basis and meaningfully evaluate the achievements thereagainst.

C. Implementation of Social Welfare Programmes

(Recommendations Sl. No. 11 & 16, Paragraphs 14 & 19)

12. The Committee had suggested that it would be appropriate to assign the overall supervision of the programmes relating to social responsibilities to the senior most officer incharge of Administration/personnel both at the corporate and plant level especially in case of multi unit enterprises. They had stressed the need to have a separate division in each major unit/plant where social welfare programmes are carried out on the pattern of the Peripheral Development Department functioning in SAIL's plants. In multi-unit enterprises, social projects should be identified and proposals prepared at the plant level. After scrutiny and approval at the plant level, the proposals should be sent to the corporate office. Consolidated proposals should be got approved at the Board level before budget allocations are made. The Committee had also suggested that it was desirable to avail the help of the State Government and District administration, wherever necessary, for identification and implementation of schemes at the plant level.

13. The Committee had noted that an area of rendering benefit to the local people would be by way of awarding contracts to eligible people in the region. They had recommended that routine maintenance jobs of plant and township: contracts for cleaning; repairs and transportation; minor construction job, etc. involving minor expenditure should be awarded to local entrepreneurs.

14. The Government have stated in their reply that it is desirable that the boards of PSEs have flexibility in the method of implementation of social responsibilities because as per the Articles of Association they enjoy full autonomy in this respect. PSEs were also free to avail the help of State Governments and district administration, wherever necessary. The Government have further stated that their policy is to give greater powers to the boards in keeping with Industrial Policy Statement (1991) so that the enterprises could operate efficiently and effectively.

15. While appreciating the anxiety of the Government to give greater powers and autonomy to the boards in the sphere of fulfilling social

responsibilities, the Committee do not see any reason why certain guidelines should not be issued by Government in this regard. The objective is to streamline the procedure and monitor the social welfare activities of PSUs effectively. In order that the local people may derive benefit, it is only desirable that at least minor contracts be awarded to local entrepreneurs. The Committee trust that their recommendations would be taken note of while implementing social obligations by Public Undertakings.

D. Rehabilitation of PAPs

(Recommendation Sl. No. 17, Paragraph No. 20)

16. The Committee had noted that although the DPE had issued certain guidelines regarding rehabilitation of PAPs in 1986 with a view to streamline the procedure, the PSUs had not evolved a uniform approach for alleviation of hardships faced by displaced persons so far. They had observed that the Public Undertakings concerned had a moral responsibility to ensure that the dispossessed persons were rehabilitated fully. The Committee had also felt that the role of the State Government and Undertaking concerned needed to be specified to avoid any sort of lapse on either side or duplication of efforts in the rehabilitation process. They had, therefore, recommended that Government should clearly lay down comprehensive guidelines covering all aspects of rehabilitation and demarcating the responsibilities of the State Government and the Public Enterprises.

17. The Government have stated in their reply that they have already examined comprehensively various aspects of land acquisition and rehabilitation of affected families and detailed guidelines have been issued in February 1986. The guidelines cover various issues such as role of State Government and project authorities, manner of financing rehabilitation packages, etc. Individual PSEs also consider possibilities of extending improved benefits to affected persons from time to time depending on the situation and context.

18. The Committee are not satisfied with the reply given by Government. As already pointed out in their 24th Report (1993-94), the guidelines issued by Government in 1986 on rehabilitation of PAPs had not helped in streamlining the procedure and demarcating the responsibilities of the State Governments and the PSUs in the process of rehabilitation. As a result, the approach of different Public Undertakings to the problem of rehabilitation of displaced persons continues to be at great variance. The Committee expressed deep concern towards the sufferings and hardships faced by displaced families which are not properly assisted by project authorities in the rehabilitation process. Responsibilities such as these endowed on PSUs have far reaching effects on the well being of the people and should not be left to the mercy of a few officers of the enterprise. These considerations had motivated them to suggest to the Government to lay down clear and comprehensive guidelines covering all aspects of rehabilitation of PAPs and

demarcate the responsibilities of the State Governments and the PSUs. The Committee, therefore, reiterate their earlier recommendation.

E. Providing Employment to PAPs

(Recommendation Sl. No. 18, Paragraph 21)

19. The Committee had expressed great concern over the withdrawal of the facility of offering employment to one member of every dispossessed family by the Government in a very casual manner. They had noted that it was only humane to offer some source of livelihood to the dispossessed family. If the lack of required educational qualification was the deterrent factor, those without the specific qualifications should be offered jobs in unskilled categories or imparted training by the undertaking concerned to equip them for the skilled categories of jobs. In case there was a problem of over staffing PAPs could be absorbed as and when vacancies arose. The Committee had recommended that the facility of employment to PAPs should be restored with immediate effect.

20. The Government have stated in their reply that the PSEs have been facing the problem of surplus manpower and this is one of the reasons for their modest performance. The changes in the economic and technological fields have further made it difficult for PSEs to absorb more persons especially at unskilled/semi skilled levels. However, PSEs generate indirect employment and the emphasis should be on this aspect. They have further stated that although, the condition for providing a job to one member of each dispossessed family has been withdrawn, adequate provisions for rehabilitation of the affected persons have been made in the guidelines. The project authorities are required to impart suitable education and training to equip the affected persons to be considered for employment in the project, subject to availability of vacancies. Further, with a view to encouraging the dispossessed families taking to useful avocations like poultry farming, animal husbandry etc. the project authorities will assist the concerned state governments in organising and financing such activities.

21. The Committee are constrained to observe that the Government have not taken the spirit of their recommendation with the seriousness it deserved. They wish to point out that although it is a commonly acknowledged fact that there is surplus manpower in PSUs, recruitments continue to be made. Even the technical advancements and economic changes have not totally done away with the requirement for persons at unskilled/semi-skilled levels. Moreover, the number of PAPs required to be offered employment is not always too many in number. The Committee are not convinced that facility like imparting of education and training to displaced persons or assisting in organising and financing self employment opportunities by State Governments could be an effective substitute to providing employment to one member of every dispossessed family. The Committee, therefore, reiterate their earlier recommendation that the facility of provid-

ing employment to PAPs should be restored without any further loss of time and the Committee be apprised of the same. Besides, priority must be given to PAPs at the time of any fresh recruitment.

F. Socially Oriented Public Undertakings

(Recommendations Sl. No. 19 & 20, Paragraphs 22 & 24)

22. The Committee had observed that the aims and objectives of Artificial Limbs Manufacturing Corporation of India Limited (ALIMCO) which was set up for the manufacture and supply of aides and appliances needed by the disabled were more charitable in nature than commercial. The original assumption was that funds for the company's operations would be derived *inter-alia* from contributions and annual grants from the National Defence Fund, the Central Government, the State Government, public institutions, etc. and donations from various sources. However, having been left to sustain itself, ALIMCO had no choice other than to fix high prices for its products to meet the cost of production. With exorbitant prices required to be paid by the disabled for procuring aides and appliances, the social benefits expected of the company had not really accrued to the deserving sections of the lower strata of society. The Committee while deploring the indiscriminate manner in which Government had rescinded the original assumption with regard to raising resources for the operations of the company, had desired that even in the context of the changing economic policy, a more lenient policy should be adopted towards socially oriented PSUs like ALIMCO. They had suggested that Government should examine ways and means of providing financial support to those activities of the Company which were directly meant to benefit the disabled. The Committee had also desired that they be informed of the specific steps taken by Government in this regard.

23. The Committee had also recommended that Indian Medicines Pharmaceuticals Corporation Limited (IMPCL) which is also entrusted with the responsibility of cultivation of high quality herbs and their collection from high terrains of the Himalayan regions, should be given necessary financial assistance to take up research in Ayurveda, Unani and Siddha especially with a view to developing medicines for those diseases with no remedy as yet.

24. In their reply the Ministry of Industry (Department of Public Enterprises) have stated that the recommendation of the Committee relating to ALIMCO was sent to the Ministry of Welfare and that of IMPCL to the Ministry of Health for taking appropriate action in the matter.

25. The Committee take serious note of the fact that action taken by the administrative Ministries have not been ascertained and intimated to the Committee even after a lapse of eleven months since the presentation of the Report. They urge that the matter should be pursued vigorously with the administrative Ministries and the action taken should be intimated to the

Committee within a period of one month from the date of presentation of this Report.

G. Social Responsibilities of Financial Institutions

(Recommendation Sl. No. 21, Paragraphs 25 & 26)

26. The Committee had observed that public sector financial institutions (PFIs) including banks play a pivotal role in the development of backward regions, upliftment of rural masses and weaker sections of the society and promotion of industrialisation. As such, PFIs have a specialised role towards the society at large as part of their corporate objective over and above the social responsibilities which each and every public sector enterprise discharges out of moral obligation or goodwill being an agency of the State.

27. The Committee had also noted that although high claims were made by the Government and the financial institutions about fulfilment of social obligations in keeping with their corporate objectives, they were sceptical about the extent to which the benefits had actually percolated down to the lowest strata of the society especially in the remote, hilly and tribal regions of the country. They had urged that the Government should issue detailed and comprehensive guidelines to all financial institutions including banks to vigorously pursue social objectives in letter and spirit in keeping with the socio-economic policies of the Government.

28. In their reply the Government have stated that as regards discharge of social obligations of financial institutions through industries assisted by it, the Ministry of Finance was of the view that financial institutions are not the best instruments for performing social obligations. The question of insistence on the provision of social amenities like hospitals, drinking water etc. as part of project design needed to be viewed in the overall context of the financial viability of the project. Normally such services require concessional finance to keep the unit viable. Financial institutions will not be able to provide concessional finance for such facilities as they are now required to raise funds at market rates. They have further stated that the Life Insurance Corporation of India has started Social Security Schemes with a fund of Rs. 100 crores. For this scheme premia are paid in full for insurance cover to the families of landless agriculture labourers (upto Rs. 2000) and those who have taken loans under IRDP Premium to the extent of 50% is borne from the fund for insurance to Beedi workers, Brick-Kiln workers (Jalandhar), Cobblers, Fishermen, Hamals, Handicraft Artisans, Handloom and Khadi Weavers, Lady Tailors, Pappad Workers attached to 'Sewa', physically Handicapped self employed persons, Primary Milk Producers, Salt Growers, Tendu Leaf collectors, Urban Poor, Forest Workers, Sericulture and Toddy Tappers. The number of claims settled upto 31.3.1994 is 70,524 in respect of LALGI, 11,698 in respect of IRDP and 14,251 in respect of 50% subsidy schemes.

29. The Committee are surprised at the stand taken by Government with regard to social objectives of financial institutions. During evidence of representatives of Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC), both the Chief Executives were very positive in their response regarding fulfilling of social responsibilities by PFIs. Enquired as to whether it was not felt that being a Public Undertaking, the Corporation should do something for the well being of the people, the Chairman, GIC had stated in evidence as follows:

“The answer straightaway is ‘yes’. No Indian can feel that such a responsibility does not exist.”

The Ministry of Finance (Department of Economic Affairs) had also placed before the Committee information relating to various measures undertaken by PFIs for the upliftment of economically weaker sections of the society. The reply given by the Government is not in line with the stand maintained by the PFIs particularly LIC and GIC before the Committee. In their 24th Report the Committee had maintained the view that the spheres of activities for discharging social responsibilities might vary depending on various factors like location of the unit, local requirements, financial health and corporate objectives of the PSUs concerned. It was in order to enable the financial institutions to formulate their own social objectives, that the Committee had urged the Government to issue detailed and comprehensive guidelines to all financial institutions including banks to vigorously pursue social objectives in keeping with the socio-economic policies of Government.

30. Insistence on the provisions of social amenities like hospitals, drinking water etc. by PFIs through industries assisted by them was only one of the methodology suggested by the Committee for discharging their social obligations. The Committee would, therefore, urge that Government should have a more positive and benevolent approach towards the social objectives of PSUs including financial institutions. They feel that in addition to voluntary activities undertaken by PFIs they are better placed to discharge social responsibilities even as part of their corporate objectives through the various investment, insurance and money lending schemes. The Committee, therefore, reiterate their earlier recommendation.

II. Public Accountability of the Public Sector

(Recommendation Sl. No. 25, Paragraphs 31 & 32)

31. The Committee had recommended that the Government should ensure public accountability of PSUs with regard to fulfillment of social objectives and obligations. They had also suggested that laying down targets in the pursuit of social responsibilities in the MOU would facilitate ratings by Government in this sphere and present to the public an authentic evaluation of social responsibilities discharged by the Undertaking concerned. The Committee had noted that some of the PSUs like OIL and BPCL furnished details on broad areas of operation with regard to

social responsibilities and the results achieved thereagainst in their Annual Report. Similarly, Social Accounts including Social Balance Sheet was being included in the Annual Report by some undertakings. The Committee had felt that this would undoubtedly help better transparency in the operations of the enterprises. They had suggested that the performance by PSUs in this sphere should be given due weightage also in the periodical reports and returns submitted by the undertakings to the DPE and the administrative Ministry and in the Quarterly Review Meetings. Besides this, a comprehensive review of the social responsibilities discharged by the public undertakings should be brought out in the Public Enterprises Survey of the DPE annually. The Committee had also desired that the Government should examine the feasibility of subjecting the Social Accounts of PSUs to statutory and C&AG audit and arranging Social Audit of public enterprises on the lines of TISCO. They had felt that these steps would ensure better accountability of PSUs to the Parliament, the consumers and the public.

32. In their reply Government have stated that their policy towards public sector is enunciated in the Industrial Policy Statement of 24th July, 1991. The Government believed in making PSEs growth oriented and technically dynamic. Its policy was to give greater powers to the boards of PSEs so that enterprises could function professionally. Thus the emphasis of Government was on performance improvement of PSEs. The MOUs gave high weightage to profit related items to reflect this concern of Government. However, items relating to social activities could also be included in MOUs provided the same are incorporated in the MOA of the PSE and both parties, i.e. the PSE and the concerned administrative Ministry/Department consider it necessary and agree to it. As regard incorporation of details on social activities in the Public Enterprises Survey, the same is already being done and details for the year 1992-93 were given in chapter 13, 15 and 16 of the Survey. The annual reports of PSEs were prepared in accordance with the provisions in the Companies Act and other instructions on the subject issued by the Government from time to time. Details of recruitments of SC/ST, ex-servicemen etc. as also expenditure incurred on account of township and other items like education, health were generally incorporated in the annual report of the PSEs.

33. The Committee are constrained to find that Government have not taken their recommendation with the seriousness it deserved. Public accountability is indispensable in a democratic set up. This is all the more valid in respect of public undertakings, since it is the public money which is invested in PSUs. It is a fact that even now many public undertakings allocate large sums of money for social welfare programmes. No valid justification has been given by Government as to why PSUs should not be accountable to the public regarding fulfilling of social responsibilities. Making PSUs accountable would not hinder the autonomy or performance

improvement of the enterprises in any way. The Committee would draw the attention of the Government to the following recommendations in their 32nd Report (1987-88) on 'Accountability and Autonomy of Public Undertakings':

"The Committee consider that autonomy and accountability must co-exist being directly inter-related. The autonomy carried to an extreme would totally frustrate the principle of accountability, while accountability also carried to an extreme would nullify the concept of autonomy."

The Committee had found that the existing level of public accountability of PSUs in the sphere of fulfillment of social responsibilities was quite inadequate. They, therefore, reiterate that the Government should ensure public accountability of public undertakings in this sphere by assigning the right priority to social responsibilities in MOU, Annual Report, periodical reports and returns submitted to Government, Quarterly Review Meetings, Public Enterprises Survey, etc.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation Serial No. 4 (Paragraph No. 5)

The Committee find that whereas some of the PSUs like Gas Authority of India Ltd., Oil & Natural Gas Commission, Steel Authority of India Ltd., National Mineral Development Corpn. Ltd. and Hindustan Organic Chemicals Ltd. have shown a sense of commitment to the cause of social responsibilities and are engaged in various activities voluntarily for the welfare of the people around the area of their operation, there are other enterprises like Life Insurance Corporation of India, General Insurance Corpn. of India and Central Warehousing Corporation, which despite having wide-spread network across the country have not done anything worthwhile in this direction. However, the Committee are perturbed to find that some enterprises have failed to discharge social responsibilities on one pretext or the other. They are of the view that being in any specific service like trading, telecommunication or consultancy does not exonerate an enterprise from discharging social responsibilities. For instance, in the field of commerce, trade and business wherever our public undertakings have to deal with foreign trading companies such companies as are established and run by NRIs need to be encouraged; as an illustration public undertakings like VSNL must give preference to NRI owned Telecommunication Carriers like Startech established and run by NRIs in Washington DC (USA). Similarly, an Undertaking like Food Corporation of India should not be content with merely discharging its corporate objectives like procurement, supply and maintenance of buffer stocks of food grains. The Committee trust that as assured by the Chairman, ILC and the Chairman GIC plan of action must have already been drawn up by the Corporations for discharging social responsibilities.

Reply of the Government

Government does not distinguish between public enterprises in one sector and another in so far as their responsibilities, including social responsibilities, are concerned. For example, the policy relating to reservation of posts for certain weaker sections of society is uniformly applicable to all PSEs. At the same time all PSEs cannot be treated on an equal footing for all types of social activities. Undertaking such responsibilities depends on their financial health, operational environment and provisions in their Memorandum of Association/Statute. As regards the assurance given by the Chairmen of LIC and GIC, the Ministry of Finance, which is the

administrative Ministry in their case, has intimated that the LIC Act, 1956 and the Insurance Act, 1938 do not allow the Corporation to spend anything from its Life Fund on things which do not pertain to its policy holders. The GIC and its subsidiaries have disbursed a grant of Rs. 20 lacs to the Consumer Education & Research Centre, Ahmedabad to finance the setting up of a consumer product testing laboratory at Ahmedabad. Further, the General Insurance Industry contributes annually a part of the expenditure incurred by the Loss Prevention Association of India in carrying out its various activities. The contribution made during the year 1993-94 amounted to Rs. 1.85 crore. The General Insurance Industry administers the Central Government sponsored "Personal Accident Insurance Social Security Scheme" and "Hut Insurance Scheme" which benefit a large number of people below the poverty line. The premia for these schemes are paid by the Government. The General insurance Industry has set up an endowment fund of Rs. 50 lacs to provide free training to SC/ST candidates to improve their chances of securing employment.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 5 (Paragraph No. 6)

For its own efficient functioning an enterprise needs to operate in a congenial and peaceful surrounding. A healthy and prosperous unit cannot remain an island for long ignoring the poverty and sufferings of the people around it. Therefore, every Undertaking has to be sensitive to the problems, needs and aspirations of the people of the area in which they operate and should be prepared to render them a helping hand whenever required. However, in the Committee's view an act of charity should not be something thrust upon but a spontaneous outflow from a benevolent heart, Swami Vivekananda has rightly said". It is great privilege for all of us to be allowed to do anything for the world. In helping the world, we really help ourselves". In Committee's view the ultimate goal of discharging social responsibilities should be the common good of as many people as possible, be it something for the benefit of the people in general or the people of the area of operation of the enterprise in particular.

Reply of the Government

The Government is by and large in agreement with the views expressed by the Committee. However, PSEs have to keep in view their financial ability to pay for social activities as also the nature of the environment in which they are operating.

[Ministry of Industry (Department of Public Enterprises)
O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 6 (Paragraph No. 7)

Some of the common spheres of activities which could be undertaken by public undertakings are promotion of literacy and higher education; health and family welfare; providing clean drinking water; community development; environmental protection and sanitation; development of infrastructural facilities and amenities like roads, bridges, street lighting and drainage; promotion of sports, art and culture; assistance in housing and township; improving the lots of socially and economically weaker sections of the society; providing employment to local people; rehabilitation of project affected persons (PAPs) and meeting local needs as and when required. The spheres of activities listed above are only illustrative and not exhaustive. The Committee suggest that projects for fulfilment of social responsibilities should be selected by individual undertakings keeping in view the specific requirements of the areas where the units are located in consultation preferably with the peoples' representatives, renowned social workers of the district and non-governmental organisations.

Reply of the Government

PSEs are free to identify and implement projects relating to social obligations as provided in their MOA and such other obligations as provided in the Presidential directives issued from time to time. In this regard they are also free to consult whomsoever they consider necessary including peoples' representatives and non governmental organisations.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 9 (Paragraph No. 12)

In the Committee's view, fulfilment of social responsibilities should be linked to profitability of an enterprise. No PSU should undertake welfare activities to the detriment of its financial health. The Committee fully subscribe to the views expressed by the Executive Trustee, Unit Trust of India that "when we speak of social responsibility of the Public Sector, the first concern should be that those public sector units which are operating less efficiently and not achieving their objectives must, first and foremost, concentrate on achieving their objective." PSUs which are declared sick or which have been in the red consecutively for a period of three years should automatically stand exempted from discharging social responsibilities till such time they come out of the red. But at the same time this should not be construed to mean that there is a premium on inefficiency and that Committee are in favour of condoning any slackness. The Committee have also taken note of the suggestions about taking into account the expenditure incurred on social responsibilities while evaluating the financial performance of the Undertaking and a tax rebate system on the amount spent on social welfare. They have not gone into the merits and demerits of the proposals. The Committee suggest that the proposals should be

examined by Government taking into account their pros and cons and decisions taken thereon should be intimated to the Committee.

Reply of the Government

In addition to evaluation of financial performance, the MOU is expected to measure the overall performance of a PSE including performance related to attainment of social objectives provided the same are incorporated in the MOU. As regards tax rebate, certain types of expenditure are already exempted from payment of tax under provisions in the Income Tax Act. Government will support on merit proposals received from PSEs for tax rebate on other types of social activities in consistent with its overall development policies.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 10 (Paragraph No. 13)

The Committee welcome the suggestion for pooling together of resources by the public and private sector industries located in a region for the pursuit of social responsibilities. In their 18th Report (1992-93) on Indian Petrochemicals Corpn. Ltd., the Committee had recommended that the proposal by IPCL to set up a large hospital in association with other neighboring industries such as RCF, HOC and other private industries located in the area should be translated into a reality. In their 19th Report (1992-93) on Industrial Development Bank of India also the Committee while illustratively pointing out the fact of scarcity of water in a highly industrialized district like Raigad in Maharashtra, had welcomed the positive response shown by the Chairman, IDBI who had volunteered to work out a scheme to cover the entire district so that the acute problem of drinking water was solved. He had also assured to set an example in all other similar areas/regions. The Committee had desired an early action in this regard. They reiterate the recommendations and expect all concerned to treat these as guidelines for the good of the locality and its people in discharge of their social responsibilities and in commitment of their public accountability. They further suggest that wherever in a region PSUs are contiguously located, efforts should be made to pool together the resources and jointly plan and implement major projects of public utility like hospitals, educational institutions, provision of drinking water etc. for the welfare of the people in the region.

Reply of the Government

The Government has already asked IPCL to expedite implementation of this recommendation. The Industrial Development Bank of India (IDBI) is endeavouring to help in solving the drinking water problem in Raigad district, Maharashtra. The Yousuf Meherally Centre, a voluntary agency operating in Raigad district, has been sanctioned financial assistance of Rs. 12.68 lakhs on soft terms by IDBI to set up a Technical cell for

watershed development. The cell consisting of experts would prepare project reports for augmenting the supply of water for different purposes. The required equipment has been acquired and training has been imparted to the staff recruited for the purpose. PSEs are free to pool together the resources and jointly plan and implement social welfare programmes.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 11 (Paragraph No. 14)

For effective formulation, implementation and monitoring of activities relating to social responsibilities it is imperative that a cogent group of committed persons should be deputed by the Public Undertakings for the job. As is being done in most PSUs, it would be appropriate to assign the overall supervision of the programmes relating to social responsibilities to the senior most officer incharge of Administration/personnel both at the corporate and the plant level especially in case of multi-unit enterprises. The Committee wish to stress the need to have a separate division in each major unit/plant where social welfare programmes are carried out on the pattern of the Peripheral Development Department functioning in SAIL's plants. The Committee feel that the existing procedure and administrative set up in SAIL for planning, formulation and implementation of proposals with regard to social responsibilities is worthy of emulation. In multi-unit enterprises, social projects should be identified and proposals prepared at the plant level. After scrutiny and approval at the plant level, the proposals should be sent to the Corporate Office. Consolidated proposals should be got approved at the Board level before budget allocations are made. It is also desirable to avail of the help of the State Government and District administration, wherever necessary, or identification and implementation of schemes at the plant level.

Reply of the Government

It is desirable that the boards of PSEs have flexibility in the method of implementation of social responsibilities because as per the Articles of Association they enjoy full autonomy in this respect. PSEs are also free to avail the help of State Governments and district administration, wherever necessary. The Government's policy is to give greater powers to the boards so that the enterprises could operate efficiently and effectively.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Comments of the Committee

Please see Paragraph 15 of Chapter I of the Report.

Recommendation Serial No. 12 (Paragraph No. 15)

One of the main plants of planning in India has been to generate employment opportunities. As far as public undertakings are concerned,

they can act as a potent device for offering employment particularly to the residents of the region where their plants/units are located. The Committee are happy to note that the Government has realized the necessity of providing employment benefit to the local people at least in recruitment of posts carrying scales of pay the maximum of which does not exceed Rs. 2,500/- per month. In spite of this, the actual compliance of the guidelines is not satisfactory in respect of many of the undertakings. To the Committee it appears incredible that public enterprises are unable to find local people even for unskilled and manual jobs in group 'D' posts. If at all any type of basic training is required for posts in Group 'D' the enterprise concerned should be forthcoming to arrange for such training to the local people in the eligible age-group so as to make them suitable for the job requirements. The Committee are of the firm view that recruitment to posts with pay scales upto Rs. 2,500/- should invariably be done through the local Employment Exchange by providing training as and when required. However, in exceptional cases if an Undertaking is unable to get candidates through the local Employment Exchange, the vacancies should be advertised in the local newspapers after obtaining non availability certificate from the local Employment Exchange and candidates from the adjoining areas should be given priority as compared to outsiders provided they possess the required qualifications.

Reply of the Government

Government has already realised the need for providing employment to local people in PSEs long back in the 60s and issued instructions in this regard. According to the latest instructions issued on 6th April, 1992, recruitment to posts carrying scale of pay the maximum of which does not exceed Rs. 2500 p.m. should be made through the national employment service only. Other sources can be tapped only if the employment exchanges issue 'non availability certificate'. PSEs enjoy complete freedom for imparting training to local people depending upon their requirements and availability of infrastructural facilities.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 13 (Paragraph No. 16)

As far as categories other than Group 'D' are concerned BYNL has a system of inducting ITI apprentices on regular basis for amongst the local people and imparting them training in order to make them better qualified for jobs in the respective trades. In addition, its subsidiaries like Bharat Pumps Compressors Limited and Triveni Structurals Limited organise tailor-made training programmes in collaboration with the local training institutes for the local people to equip them with the required skills for employment. Similarly, BPCL Refineries also train large number of local people as Apprentices under the provisions of Apprenticeship Act, 1961. Though it is not obligatory, many such trained people are absorbed

depending on availability of vacancies while others acquire improved prospects of obtaining jobs elsewhere. It is also commendable that NALCO units which are located in relatively remote areas with relatively less qualified people around have recruited more than 50% of their skilled, semi-skilled, highly-skilled and even supervisory personnel through the Company's own training schemes. Against the existing manpower of about 3650 employees in these categories, about 2000 persons have been inducted through NALCO's own training schemes. NALCO's Angul Plant has trained more than 300 boys from nearby villages, who mostly belong to land affected categories, at the III for giving them technical qualification and skill for employment. The Committee suggest that similar sincere efforts should be made by all other Public Undertakings and especially by the units which are located in the rural, hilly, backward and tribal areas to impart suitable training to the local population with a view to equip them with the required skill to take up employment. If an undertaking is unable to provide employment to people in the locality due to reasons like excess manpower, efforts should be made to impart training and financial help, if possible, to them in order to enable to take up self-employment as is being done by SAIL plants.

Reply of the Government

The PSEs are free to identify and train the local people to the extent necessary as NALCO, SAIL etc. have done subject to the relevant provisions in the Apprenticeship Act 1961 and the infrastructural facilities available with them.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 14 (Paragraph No. 17)

The DPE issued comprehensive guidelines to PSUs to accelerate the growth and development of small scale ancillary units as far back as in 1971. The Committee are astonished to find that inspite of repeated guidelines issued by Government from time to time, some enterprises have not taken adequate steps for encouraging development of ancillaries. Although a detailed format for submission of half yearly report by PSUs to the DPE, Administrative Ministry, etc. for the purpose of monitoring the progress of the growth and development of ancillary units was circulated to all Undertakings, the Committee have gathered the impression that the DPE and the Administrative Ministries have failed to ensure strict compliance of the guidelines and in monitoring the progress made by the Undertakings in this regard. The Committee urge the DPE and the Administrative Ministries to ensure that public enterprises take adequate steps to develop/support ancillary and small scale industries.

Reply of the Government

The Department of Public Enterprises has asked the Ministries/ Departments and PSEs to give adequate importance to the development of ancillarisation and to furnish half yearly reports to the Development Commissioner, SSI and other concerned organisations. Ancillarisation would be mostly relevant in the case of PSEs engaged in manufacture of engineering products.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 15 (Paragraph No. 18)

With a view to encourage ancillaries and Small Scale Industries (SSIs), the Committee suggest that a full time senior level officer should be appointed as Ancillary Development Officer at plant level to supervise and coordinate with floor managers and ancillaries for identification of products which could be developed by these units and SSIs and location of units which could undertake the job. The progress made in this regard should be reviewed at the highest level in each plant periodically and specific steps taken to speed up the process of development.

Reply of the Government

The BPE guidelines dated 5.5.1978 on ancillarisation provide that all the public sector enterprises engaged in production should appoint a full time officer in the senior management level not below the rank of a deputy general manager as ancillary development officer who should be primarily responsible for developing ancillary industries and all other related activities. The guidelines also provide that the plant level Committee headed by the Chief Executive should review the progress of the programme in periodical meetings (at least once a quarter). However, it was decided in 1991 that BPE/DPE guidelines will be advisory in nature and the board of directors of the PSEs will have the discretion not to adopt these guidelines for reasons to be recorded in writing.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 16 (Paragraph No. 19)

Another area of rendering benefit to the local people would be by way of awarding contracts to eligible people in the region. While the extant guidelines with regard to inviting of tenders for awarding major contracts might continue to be complied with, the Committee see no reasons why routine maintenance jobs of plant and township; contracts for cleaning, repairs and transportation; minor construction job, etc. involving minor expenditure should not be awarded to local entrepreneurs.

Reply of the Government

It would be more appropriate if such matters are left to be decided by the boards of PSEs in view of the fact that the Industrial Policy

Statement (1991) envisages giving greater powers to them so that they can run on professional lines.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Comments of the Committee

Please see paragraph 15 of Chapter I of the Report.

Recommendation Serial No. 22 (Paragraph No. 27)

One of the aspects of PFIs which the Committee would like to mention specifically is that they should earnestly strive to promote balanced regional development. In order that benefits deriving out of industrial development and progress are equitably shared by one and all, it is necessary that disparities between regions are progressively reduced. With this end in view, financial institution should make a conscientious effort to channelise more investments to relatively under-developed and economically backward areas.

Reply of the Government

The principal financial institution, the Industrial Development Bank of India (IDBI) is represented on the Apex Committee constituted by Ministry of Industry for setting up growth centres and has been identified as the coordinating agency for processing of growth centre proposals. The decision regarding location of industrial projects, however, vests with entrepreneurs who, in turn, are influenced by the availability of infrastructure, incentives provided by State Government, suitability of location for availability of skilled labour, raw materials, proximity of markets etc. Financial institutions primarily look to the financial viability and technical feasibility of the project. Viable projects are assisted by the institutions irrespective of their location. It may, however, be stated that out of the cumulative sanction of Rs. 149445.7 crores by all financial institutions upto March 31, 1993 sanctions in backward areas amounted to Rs. 50665.9 crores, i.e. 34% of the total sanctions.

The Life Insurance Corporation of India is required to make investments of its accretion to Life Fund as per statutory framework contained in the modified Section 27-A of Insurance Act, 1938 and guidelines issued thereunder by Government of India from time to time. The allocation of investments in State Govt. Securities by the General Insurance Industry is done in such a way as to ensure equitable sharing of loans among various State Governments so that disparities between different regions are progressively reduced.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Recommendation Serial No. 23 (Paragraph No. 28)

Coming to the implementation part of socially oriented schemes the impression gathered by the Committee is that benefits deriving out of the schemes directed towards the welfare of the poorest of the poor are actually enjoyed by the more influential and well to do sections of the society. The Committee suggest that PFIs should renew and regenerate their commitment to the social objectives. With respect to schemes which are exclusive launched for social welfare, Government should examine the possibility of giving more liberal incentives like lower rate of interest, relaxed terms of repayment, etc. All schemes with social objectives in view should be made more specifically suited to the targeted groups and implemented religiously. In order to ensure that the benefits out of such schemes are not diverted for other purposes, the Committee desire that there should be stricter and regular monitoring at the implementation stage.

Reply of the Government

IDBI, the principal financial institution, has formulated special schemes for assisting viable industrial projects promoted by economically and socially weaker sections of society. The schemes are being operated by the Small Industries Development Bank of India (SIDBI). Special schemes for village artisans, tiny units, woman entrepreneurs and ex-servicemen for providing seed capital etc. have been introduced. For achieving the objective of rural industrialisation and providing gainful employment to rural women, SIDBI operates two schemes viz. Mahila Vikas Nidhi Scheme and Block Adoption Scheme. Accredited voluntary agencies are provided financial assistance by way of loans and grants to set up training-cum-production centres for women and to identify bankable rural industrialisation projects under the Block Adoption Scheme. IDBI has evolved an effective mechanism of monitoring the projects from the post sanction stage which ensures that the project is implemented as per schedule. Periodic reviews of assisted projects are undertaken and their progress is assessed on a regular basis. Problems faced by promoters are sorted out expeditiously so that project implementation is not hampered. As for the assistance provided to Voluntary Agencies, IDBI/SIDBI ensures through the project advisory committee, where their representative is nominated, that the assistance is utilised for the purpose for which it is given.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

CHAPTER III

**RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLIES**

NIL

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation Serial No. 1 (Paragraph Nos. 1 & 2)

The concept of social welfare has been prevalent in our society from time immemorial. It received approbation after independence in the Constitution of India which provides for a Welfare State. The Preamble and the Directive Principles of State Policy in the Constitution of India clearly enunciate the social policy of the State, which is the basis of our planing. A Welfare State is expected to strive to minimise inequalities in income, status, facilities and opportunities among the people and strive to promote the welfare of the people.

After independence, to tide over the problems which were being faced by the country on economic, social and strategic fronts, it became a pragmatic compulsion on the part of the Government to deploy the public sector as an instrument to develop sound agricultural and industrial base, overcome economic and social backwardness and generate employment opportunities and balanced regional development. This endeavour to have a planned development of the country and the national objective of establishing a socialistic pattern of society together with the Industrial Policy Resolutions adopted by Parliament in 1948 and 1956 led to steady growth of State enterprises of diverse nature in India. As against 5 enterprises under the Union Government with an investment of Rs. 29 crores in 1951, there were as many as 246 Central Public Sector Enterprises with an investment of Rs. 135871 crores as on 31.3.1992. The Committee view with great concern that although there has been such a massive growth in the public sector, the social objective, which was one of the basic considerations for the formation of the public sector has not been assigned the importance it deserved either by the Government or by the PSUs.

Reply of the Government

Public Enterprises are conscious of their social responsibilities and have shown constant awareness of it. Their contribution in this regard is presented to the Parliament every year as a part of the Public Enterprises Survey. The relevant information for the year 1992-93 is given in part 3 of chapter 13 and chapters 15 and 16 of the Survey 1992-93, tabled on both the Houses of Parliament on 23.2.1994. The Insurance companies are also

aware of their social obligations and have introduced various schemes to benefit the common man.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Comments of the Committee

Please see paragraph 7 of Chapter I of the Report.

Recommendation Serial No. 2 (Paragraph No. 3)

Social responsibilities endowed on a Welfare State are enunciated in the Directive Principles of State Policy in the Constitution of India. The State includes the Government and Parliament of India and the Government and the Legislature of each of the States and all local or other authorities within the territory of India or under the control of the Government of India. Thus every Public Undertaking forms an integral part of the State. The Committee, therefore, are of the considered view that being part of the State every Public Undertaking has the moral responsibility to play an active role in discharging the social obligations endowed on a Welfare State, subject to the financial health of the enterprise.

Reply of the Government

PSEs generally undertake certain amount of non-commercial responsibilities which are incorporated in the Memorandum of Association in furtherance of their commercial objectives depending upon their financial health and operating environment. The Insurance Corporations also undertake social responsibilities as cast upon them by the Government at the time of their formation.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Comments of the Committee

Please see paragraph 7 of Chapter I of the Report.

Recommendation Serial No. 3 (Paragraph No. 4)

The social responsibilities of public undertakings could broadly be split into four spheres, viz, those (a) towards the shareholders, (b) towards the employees (c) towards the consumers, and (d) towards the society in general and the local people in particular. In the present Report, the thrust of the Committee is on the last sphere of social responsibilities, i.e. social responsibilities of public undertakings including financial institutions towards the society at large and the local people in particular. Within the ambit of the Committee's present examination, social responsibilities of public undertakings including financial institutions could be defined as the moral obligations, which an enterprise, being an agency of a Welfare State, is expected to fulfil in addition to its corporate objectives for the welfare of the society at large and the people in and around its area(s) of operation.

The term has a very wide connotation covering the entire gamut of social and welfare measures in the fields of education, culture, health and family welfare, housing, development of infrastructural facilities and civic amenities, recreation, social welfare, disaster relief, environmental protection, schemes of rural upliftment etc. With a view to help the under privileged class of people and raise their lot socially and economically so that they can be brought into the mainstream of the society, the public sector undertakings being the potent instruments of the State have a significant role to play.

Reply of the Government

The public enterprises are already helping the underprivileged classes of people through various measures like reservation of posts for SC/ST, physically handicapped, OBCs etc. As a rule local people are recruited against posts which carry pay scales, the maximum of which does not exceed Rs. 2500/-. The PSEs also undertake the responsibility for rehabilitating project affected people. Some of them also undertake welfare measures in the fields of education, health, housing, etc., the details of which are incorporated in the Public Enterprises Survey presented to Parliament every year. Further, expansion of insurance network has provided employment opportunities for local people as administrative and marketing staff as also rural representatives and agents of General Insurance Corporation and its subsidiaries are recruited locally.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Comments of the Committee

Please see paragraph 7 of Chapter I of the Report.

Recommendation Serial No. 7 (Paragraph No. 8)

The Committee note that whereas some public undertakings discharge social responsibilities voluntarily, there are others which are not even aware of the social significance of the public sector. This is mainly due to the failure of Government to define the social objectives and obligations at the macro level and by the PSUs at the micro level. The Committee on Public Undertakings have been focussing their attention on this vital aspect relating to the public sector since the last three decades. As far as in 1965 the Committee had in their 7th Report (3rd Lok Sabha) recommended that the Government should enunciate social objectives and obligations of PSUs alongwith financial and economic objectives. Even after the Committee reiterated their recommendation in the 40th Report (1973-74), the Government spelt out only financial and economic macro objectives of the public enterprises in the Industrial Policy Statement made in parliament in 1977 ignoring the social objectives. The Committee cannot but deprecate the cavalier and ham-handed manner in which the Government has been handling such a vital objective of the public sector. The Committee are of the firm view that if the public sector has not been able to adopt a codified

strategy with regard to fulfilment of social obligations, it is the Government which should own the responsibility for not taking the initiatives to spell out the macro objectives in this regard.

Reply of the Government

The Memorandum of Association of a PSE which is framed with the approval of the Government states the objectives including social objectives, for which it has been established. It is for the individual PSE to implement such social objectives as provided in its MOA keeping the view its financial health and operating environment. The policy of the Government is to give greater powers to the boards of PSEs and this has been reaffirmed in the Industrial Policy Statement of 24th July 1991.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Comments of the Committee

Please see paragraphs 10 & 11 of Chapter I of the Report.

Recommendation Serial No. 8 (Paragraph Nos. 9, 10 & 11)

The result of the absence of any clear policy in this regard has been that most of the PSUs have not been able to spell out their social objectives in the Corporate and Annual Plans, although many of the public undertakings earmark separate funds for social welfare annually and take up projects of their choice. In the absence of any Government guidelines some of the enterprises are even hesitant to take the risk of undertaking welfare activities. In order to make the public sector conscious and committed to upliftment of the society at large and the people in the area of their operation most of the public undertakings were also of the view that it is desirable that Government should clearly lay down social responsibilities to be fulfilled by them.

Not only has the Government failed to lay down any policy in regard to social objectives of PSUs, what is surprising to the Committee is their failure even to regulate and streamline the welfare activities which are already being undertaken by several PSUs. It is high time that effective steps are taken to codify and institutionalise various types of social responsibilities being discharged by different PSUs in an unorganized and haphazard manner. After examining all the aspects relating to the subject, the Committee have arrived at the inevitable conclusion that the Government should clearly enunciate social objectives and obligations of the public sector. The Committee would like to be apprised of the action taken by Government in this regard.

The Committee agree with the view expressed by the Secretary, Ministry of Industry (Department of Public Enterprises) that it would not be desirable to draw up an exhaustive list of activities to be discharged by each and every undertaking. The nature of activities selected may vary

from undertaking to undertaking depending on the sphere of operation of the company, location of the units, financial health, etc. The Committee are, therefore, of the firm view that the Government should spell out the social objectives only at the macro level and leave it to individual enterprises to draw up detailed programmes for compulsory implementation by them. After the Social objectives are defined by Government, each undertaking should within a period of six months draw up its own plan of social responsibilities at the micro level keeping in view the Government guidelines, the availability of resources and the local needs which every undertaking should conscientiously sense with discernment. The targets for social responsibilities to be discharged by a particular undertaking should be included in the Annual Plan and the Memorandum of Understanding (MOU) signed with the Government. The Government guidelines with regard to MOU therefore need to be suitably modified to include also general targets for fulfilment of social responsibilities.

Reply of the Government

The PSEs are helping in the upliftment of economically and socially backward sections of society by providing reservation of posts to SC/ST, OBC, physically handicapped persons and ex-servicemen. Further, posts carrying pay scales the maximum of which does not exceed Rs. 2500/-p.m. are filled through the National Employment Service. In the present context the emphasis of the Government is on generation of surpluses by PSEs for reinvestment and, therefore, profit related parameters are given higher weightage in MOUs. Being a negotiated document, the MOU can incorporate such of those non-commercial parameters which are in keeping with the provisions in the MOA provided both the parties i.e., the PSE and the administrative Ministry/Department concerned, deem it necessary and agree to the same.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

Comments of the Committee

Please see paragraphs 10 & 11 of Chapter I of the Report.

Recommendation Serial No. 17 (Paragraph No. 20)

The most woeful impact of industrialization is displacement of large number of people from their ancestral habitat and traditional occupation. As provided in the Land Acquisition Act, 1968 the State Government awards the compensation for the land acquired for the purpose of setting up new projects/units. What the Committee are deeply concerned about is the rehabilitation aspects after land acquisition. Although the DPE had issued certain guidelines in this regard in 1986 with a view to streamline the procedure it is disturbing to find that till now a uniform approach to alleviation of hardships faced by displaced persons has not been evolved by the PSUs. Whereas some enterprises have taken shelter under the plea that rehabilitation of Project Affected Persons (PAPs) is the responsibility

of the State Government and washed off their hands, there are PSUs which have gone to the extent of attending to every minute requirement of rehabilitation besides providing employment or paying subsistence allowance for a period of 20 years. It goes without saying that the Public Undertakings concerned have a moral responsibility to ensure that the dispossessed persons are rehabilitated fully instead of leaving them to destiny to decide their fate. Their basic requirements like alternative house, educational facilities, drinking water and requisite infrastructural facilities, need to be taken care of. The role of the State Government and the Undertaking concerned needs to be specified to avoid any sort of lapse on either side or duplication of efforts in the rehabilitation process. The Committee, therefore, impress upon the Government to clearly lay down comprehensive guidelines covering all aspects of rehabilitation and demarcating the responsibilities of the State Government and the Public Enterprises.

Reply of the Government

The government has already examined comprehensively various aspects of land acquisition and rehabilitation of affected families and detailed guidelines have been issued in Feb. 1986. The guidelines cover various issues such as role of State Govt. and project authorities, manner of financing rehabilitation packages, etc. Individual PSEs also consider possibilities of extending improved benefits to affected persons from time to time depending on the situation and context.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994]

Comments of the Committee

Please *see* paragraph 18 of Chapter I of the Report.

Recommendation Serial No. 18 (Paragraph No. 21)

Perhaps the only facility that was being extended to PAPs by most of the public enterprises was providing employment to one person from each displaced family. However, in 1986 DPE issued the following instructions revoking it:

"In the context of the urgent necessity of public sector enterprises operating at commercially viable levels and generating adequate internal resources, over-manning has to be guarded against. Any understanding formal or informal, in regard to offer of employment to one member of every dispossessed family in the project will stand withdrawn".

It is astonishing that a deserving facility that was being made available to PAPs for almost last four decades was withdrawn in such a casual manner. A tribal or peasant is evicted from a hilly or rural area loses his traditional occupation and is left high and dry without any source of subsistence. It is only human to offer him some source of livelihood. The Committee feel

that if lack of required educational qualification is the deterrent factor, those without the specific qualifications should be offered jobs in unskilled categories or imparted training by the undertaking concerned to equip them for the skilled categories of jobs. In case there is a problem of over-staffing, PAPs should be absorbed as and when vacancies arise. The Committee cannot but deprecate the casual manner in which the Government discontinued the facility of employment to PAPs and desire that it should be restored forthwith and the Committee be apprised of the same. Care should, however, be taken that employment is offered only against existing vacancies after candidate acquires the required qualification/skill wherever necessary.

Reply of the Government

The PSEs have been facing the problem of surplus manpower and this is one of the reasons for their modest performance. The changes in the economic and technological fields have further made it difficult for PSEs to absorb more persons especially at unskilled/semi-skilled levels. However, PSEs generate indirect employment and the emphasis should be on this aspect. Although, the condition for providing a job to one member of each dispossessed family has been withdrawn, adequate provisions for rehabilitation of the affected persons have been made in the guidelines. The project authorities are required to impart suitable education and training to equip the affected persons to be considered for employment in the project, subject to availability of vacancies. Further, with a view to encouraging the dispossessed families taking to useful avocations like poultry farming, animal husbandry etc. the project authorities will assist the concerned State Governments in organising and financing such activities.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994].

Comments of the Committee

Please see paragraph 21 of Chapter I of the Report.

Recommendation Serial No. 21 (Paragraph Nos. 25 & 26)

Public sector financial institutions (PFIs) including banks play a pivotal role in the development of backward regions, upliftment of rural masses and weaker sections of the society and promotion of industrialization. As such, PFIs have a specialised role towards the society at large as part of their corporate objective over and above the social responsibilities which each and every public sector enterprise discharges out of moral obligation or goodwill being an agency of the State. To mention a few, the PFIs are endowed with the social objectives like implementation of socio economic policies of the Government aimed at upliftment of less privileged sections of the society through their investment and insurance cover suited to the rural population with low premium paying capacity; introducing schemes for loan/insurance with the objective of social benefit; channelling

investible funds towards under developed regions, weaker sections of the society and other socially oriented sector and providing loans, assistance, etc. at non commercial terms and concessional rate of interest.

The Committee note that high claims have been made by the Government and the financial institutions about fulfilment of social obligations in keeping with their corporate objectives. They are, however, sceptical about the extent to which the benefits have actually percolated down to the lowest strata of the society especially in the remote, hilly and tribal regions of the country. The Committee urge that the Government should issue detailed and comprehensive guidelines to all financial institutions including banks to vigorously pursue social objectives in letter and spirit in keeping with the socio-economic policies of the Government.

Reply of the Government

As regard discharge of social obligations of financial institutions through industries assisted by it, the Ministry of Finance is of the view that financial institutions are not the best instruments for performing social obligations. The question of insistence on the provision of social amenities like hospitals, drinking water etc. as part of project design needs to be viewed in the overall context of the financial viability of the project. Normally such services require concessional finance to keep the unit viable. Financial institutions will not be able to provide concessional finance for such facilities as they are now required to raise funds at market rates. The Life Insurance Corpn. of India has started Social Security Schemes with a fund of Rs. 100 crores. For this scheme premia are paid in full for insurance cover to the families of landless agriculture labourers (upto Rs. 2000) and those who have taken loans under I.R.D.P. Premium to the extent of 50% is borne from the fund for insurance to Beedi workers, Brick-Kiln workers (Jalandhar), Cobblers, Fishermen, Hamals, Handicraft Artisans, Handloom & Khadi Weavers, Lady Tailors, Pappad Workers attached to 'Sewa', Physically Handicapped Self employed Persons, Primary Milk Producers, Rickshaw Pullers/Auto drivers, Safai Karamcharis, Salt Growers, Tendu Leaf collectors, Urban Poor, Forest Workers, Sericulture and Toddy Tappers. The number of claims settled upto 31/03/1994 is 70,524 in respect of LALGI, 11,698 in respect of IRDP and 14,251 in respect of 50% Subsidy schemes.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994]

Comments of the Committee

Please see Paragraph Nos. 29 & 30 of Chapter I of the Report.

Recommendation Serial No. 25 (Paragraph Nos. 31 & 32)

Public Accountability of the public sector could rightly be called the kingpin of a democratic set up. It is the public money which is invested in the public sector and hence the term public accountability connotes the

obligation on the part of the Government and the enterprise to reveal and justify their policies, actions and the results achieved there against to the real owners of the Company that is, the people at large. In view of the fact that the public sector was conceived as a device for socio-economic development, the concept of public accountability has a larger social significance. Since accountability of the public sector is a very complex issue which the Committee have already dealt in their 32nd Report (8th Lok Sabha), the scope of the present examination is limited to the ways and means of ensuring public accountability of the public sector with regard to pursuit of social responsibilities.

The Committee stress that the Government should ensure public accountability of PSUs with regard to fulfilment of social objectives and obligations. In the earlier part of this report the Committee have recommended that targets for pursuit of social responsibilities should be laid down in the MOU. This would facilitate ratings by Government in this sphere and present to the public an authentic evaluation of social responsibilities discharged by the Undertaking concerned. The Committee have noted that some of the PSUs like OIL and BPCL furnish details on broad areas of operation with regard to social responsibilities and the results achieved there against in their Annual Report. Similarly, Social Accounts including Social Balance Sheet is included in the Annual Report by some undertakings. The Committee feel that this would undoubtedly help better transparency in the operations of the enterprises. They suggest that the performance by PSUs in this sphere should be given due weightage also in the periodical reports and returns submitted by the undertakings to the DPE and the administrative Ministry and in the Quarterly Review Meetings. Besides this, a comprehensive review of the social responsibilities discharged by the public undertakings should be brought out in the Public Enterprises Survey brought out by the DPE annually. The Committee also desire that the Government should examine the feasibility of subjecting the Social Accounts of PSUs to statutory and C & AG audit and arranging Social Audit of public enterprises on the lines of TISCO. These steps will definitely ensure better accountability of PSUs to the Parliament the consumers and the public.

Reply of the Government

The Government policy towards public sector is enunciated in the Industrial Policy Statement of 24th July, 1991. The Government believes in making PSEs growth oriented and technically dynamic. Its policy is to give greater powers to the boards of PSEs so that enterprises could function professionally. Thus the emphasis of Government is on performance improvement of PSEs. The MOUs give high weightage to profit related items to reflect this concern of Government. However, items relating to social activities could also be included in MOUs provided the same are incorporated in the MOA of the PSE and both parties, i.e. the PSE and the concerned administrative Ministry/Department consider it necessary

and agree to it. As regards incorporation of details on social activities in the Public Enterprises Survey, the same is already being done and details for the year 1992-93 are given in chapters 13, 15 and 16 of the Survey presented to Parliament on 23.2.1994. The annual reports of PSEs are prepared in accordance with the provisions in the Companies Act and other instructions on the subject issued by the Government from time to time. Details of recruitments of SC/ST, ex-servicemen etc. as also expenditure incurred on account of township and other items like education, health are generally incorporated in the annual report of the PSEs.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994]

Comments of the Committee

Please *see* paragraph 33 of Chapter I of the Report.

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation Serial No. 19 (Paragraph Nos. 22 & 23)

Most of the PSUs were set up to mainly function on commercial lines and earn profit on the investment made although social responsibilities are also an important ingredient of their objective nevertheless a few public undertakings like Artificial Limbs Manufacturing Corporation of India Limited (ALIMCO) and Indian Medicines Pharmaceuticals Corporation Ltd. (IMPCL) were primarily set up for much more benevolent and noble objectives. The Committee need hardly emphasis that such enterprises ought not be viewed at par with other PSUs.

The aims and objectives of ALIMCO which was set up for the manufacture and supply of aides and appliances needed by the disabled are more charitable in nature than commercial. The original assumption was that funds for the company's operations would be derived inter-alia from contributions and annual grants from the National Defence Fund, the Central Government, the State Government, public institutions, etc. and donations from various sources. However, having been left to sustain itself, ALIMCO had no choice other than to fix high prices for its products to meet the cost of production. With exorbitant prices required to be paid by the disabled for procuring aides and appliances, the social benefits expected of the company have not really accrued to the deserving sections of the lower strata of society. While deploring the indiscriminate manner in which Government has rescinded the original assumption with regard to raising resources for the operations of the Company, the Committee would like to impress upon the Government that even in the context of the changing economic policy, a more lenient policy should be adopted towards socially oriented PSUs like ALIMCO. Government should examine ways and means of providing financial support to those activities of the company which are directly meant to benefit the disabled. Such a support is not meant to help the enterprises, but is essential for the social cause the company is engaged in. The Committee would like to be informed of the specific steps taken by Government in this regard.

Reply of the Government

ALIMCO is established under Section 25 of the Companies Act, 1956 and, therefore, it is treated differently from other PSEs. Servicing equity is not a consideration in the case of such companies though profits/surpluses

are essential for their future self-sustaining growth. A copy of the recommendation has however, been sent to the Ministry of Welfare, the administrative Ministry in this case taking appropriate action in the matter.

[Ministry of Industry (Department of Public Enterprises) O.M. 2(1)/94-GM dated 20 Sept., 1994]

Comments of the Committee

Please see paragraph 25 of Chapter I of the Report.

Recommendation Serial No. 20 (Paragraph No. 24)

Similarly, Indian Medicines Pharmaceuticals Corporation Limited (IMPCL), besides being located in a remote tribal area is endowed with the prime social objective of preserving and developing indigenous Ayurvedic, Unani and Siddha medicines, which are part of our cultural heritage. It would be no exaggerations to say that the dormant potential and extreme suitability of indigenous systems of medicare to the Indian conditions of life are still not fully recognized. The Committee urge that IMPCL which is also entrusted with the responsibility of cultivation of high quality herbs and their collection from high terrains of the Himalayan regions, should be given necessary financial assistance to take up research in Ayurveda, Unani and Siddha especially with a view to developing medicines for those diseases with no remedy as yet.

Reply of the Government

A copy of the recommendation has been sent to the Ministry of Health, the administrative ministry in this case, for taking appropriate action in the matter.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994]

Comments of the Committee

Please see paragraph 25 of Chapter I of the Report.

Recommendation Serial Nos. 24 (Paragraph Nos. 29 & 30)

Every human being should cultivate a sense of concern for fellow-beings. Charity and goodwill should become a way of life. Thus, it would be unfair to restrict social objective and obligations to the public sector alone. In fact, many a time the public sector is under great pressure to meet several requirements like fulfilling of various social responsibilities, meeting emergency demands for relief at the time of natural calamities like flood, drought and earthquake, etc. It has been acknowledged even in developed countries that maximization of social welfare should be the legitimate goal of any enterprise and the company should be responsible not only to the shareholders, but also to the workers, consumers and other members of the community.

Having realized their obligations to the society, some of the private sector enterprises have been discharging welfare activities on their own. The Committee endorse observations made in this regard by the Panel appointed by Tata Iron & Steel Company Ltd. (TISCO) for social Audit in 1979 that companies such as TISCO have obligations to its workers and shareholders and to the community in which the company operates and to the larger society, that these obligations arise from the company's own understanding of what it owes to society and that such an understanding is based on values and norms that have been traditionally nurtured in India. Moreover, the Committee observe that even the guidelines issued by the Government with regard to reservation of jobs for the handicapped, ex-servicemen and weaker sections of the society do not apply to the private sector. On the other hand, many of the enterprises enjoy several benefits, avail of concessions and receive financial assistance from the Government as well as public sector institutions. There are some private companies which enjoy more concessions from the Government on some consideration or the other as compared to the public Sector. It would not be an exaggeration to say about the private sector that it is the public money which is being managed by private individuals. In the circumstances, the Committee would suggest that the Government should urgently consider ways and means of making private enterprises also discharge certain social responsibilities which could be linked to profitability. Some of the suggestions placed before the Committee in this context like inclusion of social objectives in the Memorandum and Articles of Association, entering into Memorandum of Understanding with Government making agreements with PFIs on social responsibilities at the time of sanctioning loans, inclusion of a statement on social objectives, and social balance sheet in the Annual Report, etc. are worth considering. The Committee would like to be apprised of the steps taken by Government in this regard.

Reply of the Government

The Chambers of Commerce (FICCI, ASSOCHAM & CII) have been requested to take appropriate action in the matter.

[Ministry of Industry (Department of Public Enterprises) O.M. No. 2(1)/94-GM dated 20 Sept., 1994.]

NEW DELHI;
February 13, 1995
 24 Magha, 1916(S)

VILAS MUTTEMWAR,
Chairman,
 Committee on Public Undertakings.

MINUTES OF THE 21ST SITTING OF COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON 12TH JANUARY, 1995

PRESENT

1. Shri Jagesh Desai — In the Chair
2. Prof. Susanta Chakraborty
3. Shri Chetan P.S. Chauhan
4. Shri B. Devarajan
5. Shri Srikanta Jena
6. Prof. M. Kamson
7. Shri B.M. Mujahid
8. Shri Pius Tirkey
9. Dr. Murli Manohar Joshi
10. Shri Deepankar Mukherjee
11. Shri Pravat Kumar Samantaray

1. Smt. P.K. Sandhu — *Director*
2. Shri P.K. Grover — *Under Secretary*

1. Shri C.G. Somiah	— C&AG of India
2. Shri S.K. Chakraborty	— Addl. Dy. C&AG
3. Shri R.N. Ghosh	— Director (Commercial)

1. Consideration and Adoption of Draft Reports

2. The Committee considered the draft Report on the Action Taken by Governmentt on the recommendations contained in the 24th Report of Committee on Public Undertakings (1993-94) on 'Social Responsibilities and Public Undertakings', as approved by the Action Taken Sub-Committee and adopted the same.

3. ** ** *

4. The Committee authorised the Chairman to finalise the Report on the basis of factual verification by Ministries/Undertaking concerned and

36

Audit (in respect of Report mentioned in Para 3) and to present the same to Parliament.

III. @@EVIDENCE OF REPRESENTATIVES OF MAZAGON DOCK LTD. IN CONNECTION WITH EXAMINATION OF MDL

**

**

**

**

The Committee then adjourned.

@@ Minutes relating to evidence of representatives of MDL kept separately.

APPENDIX-II

(Vide Para 3 of the Introduction)

Analysis of the Action Taken by the Government on the recommendations contained in the Twenty-Fourth Report of the Committee on Public Undertakings (Tenth Lok Sabha) on 'Social Responsibilities and Public Accountability of Public Undertakings'.

I. Total number of recommendations	25
II. Recommendations that have been accepted by the Government (vide recommendations at Sl. Nos. 4-6, 9-16, 22 and 23)	13
Percentage to total	52%
III. Recommendation which the Committee do not desire to pursue in view of the Government's reply	Nil
Percentage to total	Nil
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee (vide recommendations at Sl. Nos. 1, 2, 3, 7, 8, 17, 18, 21 and 25)	9
Percentage to total	36%
V. Recommendations in respect of which final reply of the Government are still awaited (vide recommendations at Sl. Nos. 19, 20 and 24)	3
Percentage to total	12%