

Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha, at its sitting held on the 19th December, 1963, agreed without any amendment to the Companies (Amendment) Bill, 1963, which was passed by the Lok Sabha at its sitting held on the 16th December, 1963."

aspects of the matter, Government have decided that population will have, as at present, to continue to be the primary basis for classifying cities for purposes of the grant of allowances to Central Government employees. Efforts have been made to construct index numbers of comparative costlines of some cities but in the absence of full data, the results are not complete. They can for the present provide only an indication of the general trend.

11:31½ hrs.

ESTIMATES COMMITTEE

THIRTY-NINTH REPORT

Shri Bhagwat Jha Azad (Bhagalpur): Sir, I beg to present the Thirty-ninth Report of the Estimates Committee on action taken by Government on the recommendations contained in the 154th Report of the Estimates Committee (Second Lok Sabha) on the Ministry of International Trade—Coir Board, Ernakulam.

11:32 hrs.

STATEMENT RE: RECLASSIFICATION OF CITIES

The Minister of Finance (Shri T. T. Krishnamachari): Representations have been received from Government employees and their Associations from several cities for upgrading the cities for the purpose of city compensatory and house rent allowances. A question about upgrading Nagpur was asked in the Rajya Sabha last month. The question of upgrading Madras was discussed in the Lok Sabha last week on a Resolution sponsored by Shri Manoharan. I had then indicated that Government were looking into the problem.

2. A review of the existing system of classification of cities has now been completed. After considering all

3. However, it has been decided that, instead of the existing 3 classes viz., A, B and C, there should be four classes A, B-1, B-2 and C. The population limits for qualifying for these classes would be 16, 8, 4 and 1 lakhs respectively instead of the present limits of 20, 5 and 1 lakhs. Classes A, B-2 and C will have the rates of allowances now attached to the existing A, B and C classes respectively. The new class B-1 will have rates intermediate between existing A and B classes.

4. Under this new system of classification, one B class city, Madras, would be re-classified A; four B class cities, viz. Hyderabad, Ahmedabad, Bangalore and Kanpur, would be re-classified as B-1 and three C class cities viz., Madurai, Allahabad and Jaipur, would be re-classified as 'B-2'. Other B class cities would be re-classified B-2, without any change in the rates of allowances admissible there.

5. This re-classification will have effect from the 1st January, 1964. As a result of this re-classification, more than 1½ lakhs Central Government employees in these eight cities will be eligible for higher rates of allowances with effect from 1st January, 1964. The additional cost is estimated at Rs. 2.59 crores per annum.