C.B.I. No. 204 Vol. III

COMMITTEE ON PETITIONS

(FOURTH LOK SABHA)

SEVENTH REPORT

(Presented on the 30th April, 1970)

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI
April, 1970/Vaisakha, 1892 (Saka)
Price : Rs. 1.85

CONTENTS

876 LS—1

COMPOSITION OF THE COMMITTEE ON PETITIONS

(1969-70)

CHAIRMAN

1. Shri S. Supakar

MEMBERS

2. Dr. (Mrs.) Maitreyee Bose
3. Shrimati Jyotsna Chanda
4. Shri D. N. Deb
5. Shri George Fernandes
6. Shri B. K. Gudadinni
7. Shri Dhireswar Kalita
8. Shri Jugal Mondal
9. Shri K. Ananda Nambiar
10. Kumari Rajni Devi
11. Shri R. Dasaratha Rama Reddy
12. Shri S. C. Samanta
13. Shri Prakash Vir Shastri
14. Shri R. K. Sinha
15. Shri Virbhadra Singh.

SECRETARIAT

1. Shri B. K. Mukherjee—*Deputy Secretary.*
2. Shri J. R. Kapur—*Under Secretary.*

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

I

INTRODUCTION

I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Seventh Report of the Committee.

1.2. The Committee, after the presentation of their Sixth Report, held ten sittings, on the 24th December, 1969, 28th and 29th January, 28th February, 26th March, 4th, 9th, 10th, 17th and 29th April, 1970.

1.3. At their sittings mentioned above, the Committee *inter-alia* considered the following Petitions|Representations which form the subject-matter of this Report:—

(i) Petition (No. 14) from Shri B. Saya Reddy of Nizamabad, regarding control on price, production and distribution of molasses (*See* Appendix I);

(ii) Petition (No. 24) from Shri Kartick Samal and others, regarding levy of excise duty on tin boxes under the Finance Bill, 1970 (*See* Appendix VI);

(iii) Petition (No. 25) from Dr. Bhai Mahavir and about 96183 others of Delhi, regarding budget proposals of the Central Government for 1970-71 (*See* Appendix VII);

(iv) Representation from Shri Shivram, member, Home Minister's Advisory Committee and others, Port Blair, Andaman, regarding withdrawal of Andaman Special Pay;

(v) Representation from Shri Chandra Prakash Aggarwal, Kaimganj (U.P.), regarding inadequate punishment for the offence of kidnapping under Indian Penal Code;

(vi) Representation from Shri C. Kesaviah Naidu, Sarpanch, Bheemavaram, Narasingapuram, District Chittoor, regarding introduction of *Giro* system in the Post Offices.

(vii) Representation from the Retail Grain Dealers' Federation, Bombay, on Petition No. 11 regarding the Prevention of Food Adulteration Act, 1954 and Rules made thereunder;

(viii) Representation from Shri N. G. Goray and others regarding Report of the Senior Services Committee for Life Insurance;

(ix) Representation from Sarvashri Dipen Ghosh and Benu Badan Das on behalf of the employees of the Farakka Barrage Project regarding apprehended unemployment resulting from completion of the Farakka Barrage Project;

(x) Representation from Shri S. P. Mitter, Secretary-General and other representatives of All India University Employees' Confederation, Lucknow regarding inclusion of non-teaching employees of universities and other educational institutions within the purview of Industrial Legislation; and

(xi) Representation from Shri L. D. Jain and others regarding service conditions of the proof-readers of the Government of India Press, New Delhi.

1.4. In addition to the above, the Committee also considered the replies received from the Government indicating action taken on some of the recommendations contained in the Committee's earlier Reports.

1.5. At their sittings held on the 26th March, 4th, 9th and 10th April, 1970, the Committee examined Shri M. Narayan Reddy, M.P., who had presented the Petition, Shri B. Saya Reddy, the petitioner, and the representatives of the following organisations/Ministries, in connection with Petition No. 14 *re.* control on the price, production and distribution of molasses (para 1.3(i) *supra*);

(i) The All India Sugar Mills Association, New Delhi;

(ii) The All India Distillers' Association, New Delhi;

(iii) M|s Synthetics and Chemicals Ltd., Bombay;

(iv) Ministries of Petroleum & Chemicals & Mines and Metals (Department of Chemicals), Food Agriculture, Community Development and Co-operation (Department of Food) and Industrial Development, Internal Trade and Company Affairs (D.G. T.D.).

1.6. The Committee considered and adopted the Report at their sitting held on the 29th April, 1970.

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

II

PETITION NO. 14 FROM SHRI B. SAYA REDDY OF NIZAMABAD, *RE.* CONTROL ON THE PRICE PRODUCTION AND DISTRIBUTION OF MOLASSES

2.1. The petition (*See* Appendix I) was presented to Lok Sabha by Shri M. Narayan Reddy, M.P. on the 30th July, 1969.

A. Petitioner's Grievances and prayer

2.2. The petitioner stated, *inter alia*, as follows in his petition;

> "The present controlled price of molasses (@ 67 paise per quintal) is not even sufficient to cover the cost of storage of molasses and handling charges. The present price is not only abnormally low but also in effect amounts to 'Expropriation of property without any compensation.'
>
> The present control on molasses with a fixed price of 67 paise per quintal is *ultra vires* of the Constitution inasmuch as it is an unreasonable restriction on trade and right to hold property and as such violative of Article 19(I) (f) & (g) of the Constitution.
>
> The present policy of the Central Government in regard to molasses is unrealistic and highly unfair and, therefore, needs immediate reconsideration and revision in the public interest.
>
> Molasses has an export market. The F.O.B. molasses export price during 1968 was above Rs. 900/- (Rupees nine hundred only) per metric tonne. Thus there is a real potential in molasses to earn much needed and valuable foreign exchange if the control is removed."

2.3. The petitioner has prayed that "Lok Sabha might consider this grievance in the public interest and also direct the Central Government to go into the whole matter with a view to provide immediate relief."

B. Comments of the Ministry of Petroleum and Chemicals and Mines and Metals (Department of Chemicals)

2.4. The Ministry of Petroleum & Chemicals and Mines and Metals (Department of Chemicals) have furnished para-wise comments

(*See* Appendix II) on the petition. They have also furnished a detailed brief (*See* Appendix III) on the subject.

The Ministry, in their para-wise comments have stated, *inter alia,* as follows:

"The question of fixing a price for molasses on the basis of its independent cost of production does not arise since it is only a by-product of sugar manufacture and the selling price of sugar takes the total cost of production into account. The price fixed for molasses, however, takes into account the reasonable expenditure required for storing in good condition, pumping and loading."

"It is incorrect to say that control on molasses is *ultra vires*".

"The Andhra Pradesh High Court by its judgment of 26th December, 1968, has directed the issue of a writ of mandamus directing the Union of India and the State Government of Andhra Pradesh to forbear from enforcing the provisions of Molasses Control Order, 1961* as amended by the Molasses Control (Amendment) Order, 1968@ of 26th March, 1968 since extended to the State of Andhra Pradesh from 17th April, 1968, in respect of molasses obtained from khandsari units until and unless the proper price is fixed in the light of the observations in the judgement. The Andhra Pradesh High Court has upheld the validity of the Molasses Control Order, 1961 but it held that the Schedule to the Order amended in 1968 fixing the price of the molasses obtained from khandsari sugar units at 67 paise per 100kgs. is *ultra vires* and contrary to Section 18(G) of the Industries (Development & Regulation) Act, 1951 since the Central Government has not applied its mind to the relevant factors in fixing the price. As a result, the question of amending the Schedule to the Molasses Control Order, 1961 with a view to provide for a suitable price for khandsari molasses is under consideration of the Central Government." **

"It is denied that molasses were being sold for lawful purpose at Rs. 50 to Rs. 70 per quintal. The price of various grades of molasses have been specified in the Schedule to the

---

**See* Appendix IV

@*See* Appendix V

** The Ministry informed on the 14th October, 1969, that the question of amending the Schedule was still under consideration in consultation with the Department of Food.

Molasses Control Order, 1961. These prices are just and fair and have been fixed on the basis of the total reducing sugars as per I. S. I. specifications and taking into consideration the fact that there is no separate cost of production of molasses, this being only a by-product.

Having regard to the trend of production of and demand for molasses and almohol in the recent past and during the current sugar season it is not practicable to lift control on and allow export of this commodity."

C. Findings of the Committee

(i) *Origin of control on molasses*

2.5 It has been stated in the petition that the sugar factories are under statutory obligation to deliver the entire stock of their molasses to the nominees of various State Governments at the controlled price of 67 paise per quintal. The production and distribution of molasses is controlled under the Molasses Control Order, 1961, issued under the Industries (Development and Regulation) Act, 1951. The price of 67 paise per quintal of molasses is said to have been fixed during the Second World War in the year 1941 by the then British Government. But in spite of many changes and tremendous development in sugar industry and economy the Central Government, it is stated, has not reviewed its policy either by increasing the price or lifting the control.

2.6. The Department of Chemicals have, in a written note furnished to the Committee, stated that during the early Fifties distillery industry was not fully developed in the country. Because of this the demand for molasses was very low and in fact a number of sugar factories were letting molasses in the open allowing it to go waste. Apart from constituting a health hazard this meant waste of a valuable raw material. In a number of States like U.P. the disposal of molasses was controlled by separate State Acts and a price for molasses had also been fixed. The price so fixed was 4 annas per maund in U.P. and some other States.

In 1955 the Central Government appointed a Committee known as Alcohol Committee to study and suggest measures for developing alcohol based industries. In para 50 of their report this Committee recommended that the price of molasses be fixed at 4 annas per maund and its distribution controlled so as to make it available to the distilleries for the production of alcohol. The recommendations of this Committee were accepted and as a result the Molasses Control

Order, 1961 was issued on 29th March, 1961 fixing the prices of different grades of molasses.

(ii) *Sale and price of molasses in the open market*

2.7. It has been stated in the petition that the market price of molasses varies between Rs. 50 to Rs. 70 per quintal as against the control price of 67 paise per quintal.

The representative of the All India Sugar Mills Association informed the Committee during oral evidence that there was a transaction on record, though a solitary one, where, in Punjab, molasses was sold at Rs. 175 per quintal. He added that in Punjab and Haryana, the entire production of molasses was being utilised for manufacture of potable liquor.

2.8. The Department of Chemicals have, in a written note furnished to the Committee, denied that molasses is being sold at Rs. 50 to Rs. 70 per quintal in the market for lawful purposes.

(iii) *Storage of Molasses*

2.9. Shri M. Narayan Reddy, M.P., stated before the Committee in his oral evidence that storage was a very important factor in the disposal of molasses. He explained that molasses was produced during the crushing season by the sugar industry, which was normally of about five months, from October of one year to April in next year. On the other hand, the alcohol industry worked round the year and used molasses for all the 12 months. Storage of molasses was, therefore, inevitable and unavoidable throughout the year. He added that if molasses was not stored scientifically, it became unusable for the manufacture of alcohol. To check any deterioration, molasses had to be stored in galvanised steel tanks. The cost of such a tank worked out from 12 to 15 times the cost of molasses stored in it. These tanks became unusable after eight to nine years. Shri Reddy pointed out that about 30 to 35 per cent of molasses became unusuable on account of bad or no storage facilities. He added that because of this wastage there was shortage of molasses in the country and it had to be imported during the year 1963. He suggested that, that waste should be checked by providing necessary storage facilities. That objective, he felt, could be achieved by suitably raising the control price of molasses. He further pointed out that the alcohol factories got allocations and lifted only as much molasses as was just necessary for their immediate use, so as to avoid the necessity of storage in their own premises. He suggested that the obligation of storage, loading etc. of molasses should be

placed on the distillery industry, rather than on the sugar factories who did not use it themselves. When asked to state the approximate cost per quintal of molasses on account of storage and other handling processes, Shri Reddy informed the Committee that it depended upon the period of storage. If molasses was stored in a steel tank for, say, a year, it would cost about Rs. 10 to Rs. 12 per quintal. Shri Reddy pointed out that no one in the sugar industry was in a position to provide galvanised steel tanks. The Committee asked whether any concessions|incentives were being given to the sugar factories for handling and storing of molasses, the witness stated that it was 'absolutely nil'. The Committee deseired to know whether the sugar industry was prepared to put up adequate storage accommodation for molasses, if the selling price of molasses was increased. The witness replied that since the sugar factories worked about five months in a year and employed seasonal labour, it was not in the larger interests of the nation to store molasses within the premises of the sugar factories beyond one or two months after the crushing season. He suggested that this obligation of storage should be placed on both the sugar industry as well as the alcohol industry.

2.10. The representative of the All India Sugar Mills Association informed the Committee in his evidence that the cost of storage of molasses came to about 80 to 90 paise per quintal. He added that the sugar industry would be prepared to put up adequate storage accommodation for molasses if the selling price of molasses was increased. In this connection he also stated that he was not aware of any cconcessions|incentives given to the sugar industry for storage and other handling processes of molasses.

2.11. The representative of M|s. Synthetics and Chemicals informed the Committee in his evidence that they had suggested to the Sugar Enquiry Commission that since the States were deriving a great deal of revenue both from molasses and alcohol industry, they should agree to create certain central storages for excess of molasses, which were to be used after May-June.

2.12. The representative of the All India Distillers' Association stated that the sugar industry was allowed a return of 12 per cent on total fixed assets, which *inter alia* included storage charges for molasses.

2.13. The representative of the Department of Chemicals informed the Committee in his oral evidence that the sugar industry did not put up adequate storage facilities because of three reasons. Firstly, they felt that they would not get adequate remuneration after proper storage. Secondly, the free sale of molasses gave them better price. Thirdly, there was a problem of shortage of iron and steel.

(iv) *Protection to the alcohol industry and alcohol based industries*

2.14. It has been stated in the petition that there is absolutely no justification to continue existing control on molasses at throw away price of 67 paise per quinta to help the alcohol industry in an unreasonable and unconstitutional manner. It sounds like 'robbing peter to pay paul'.

2.15. Shri M. Narayan Reddy, M.P., during his oral evidence drew attention of the Committee to the Note below Sub-clause (2) of Clause 7 of the Molasses Control Order, 1961, and stated that the price of Rs. 6.70 per metric tone at which the sugar factories were under obligation to supply molasses to the alcohol industry was inclusive of the cost of loading molasses in tank wagons or tank lories as might be arranged between the owner of a sugar factory and the purchaser. These handling processes and the storage of molasses cost the sugar factories about Rs. 10 to Rs. 12 per tonne. He felt that such a provision in the Control Order, 1961, was not only expropriatory, as the price of molasses was extremely low, but also the sugar industry was being forced to pay for the protection of alcohol industry. Shri Reddy contended that the users of alcohol or molasses argued in a circle and did not clinch the issue. Elaborating his point, he added that if you increase the price of molasses, it will result into higher price of alcohol. If you increase the price of alcohol, the cost of the industry that is run by alcohol will go up. They argue as if the cost is not going up in any other thing. That way, they (the Tariff Commission and other Committees) did not simply go into the matter, although some Committees have recommended for the increase."

2.16. The representative of M|s. Synthetics & Chemicals stated before the Committee that in 1956-57 when the synthetic rubber project base on alcohol was conceived, the Government of India consulted a number of foreign experts. At that time it was well known that alcohol was being given up as a basic raw material for manufacture of synthetic rubber everywhere in the world. But since the petroleum situation in this country was not very hopeful it was

felt that they would not be able to follow the lead of the Western Nations. Besides, there was a serious problem of disposal of molasses. Although it was recognised that that was not going to be an easy material on which to build up the rubber industry in the country, there was no other choice left in the matter. He added that they (M|s Snthetics and Chemicals) "went into this because at that time the Nagaraja Rao Committee (The Alcohol Committee, 1956), the Parliament and the Prime Minister and others had given solemn assurances that alcohol based industries would receive alcohol at the lowest possible price and it would be Government's intention to see that this particular raw material would not be made so expensive as to make the whole series of alcohol based industries like P.V.C., polythylene, organic chemicals and synthetic rubber, non-viable and uneconomic."

Subsequently, during the course of evidence, the witness clarified that "no assurance was given to us in writing. But the Nagaraja Rao Committee's Report was accepted by the Government, basic promise of which was that the prices of alcohol should be kept low so as to ensure the development of alcohol-based industries. We never discussed the problem of molasses as an assurance. The fixed molasses price was for limiting the price of alcohol. That has been provided clearly in the Report of the Nagaraja Rao Committee."

2.17. In a written note furnished to the Committee the Department of Chemicals have stated *inter alia* that unless molasses is made available at this price to the distilleries, it would be difficult for the latter to produce and sell alcohol at a reasonable price to alcohol based industries. The Alcohol Committee and the Tariff Commission have also opined that for sustaining the alcohol based industries and to make alcohol available at a reasonable price for the purpose, the selling price of molasses has to be around the figure fixed under the molasses Control Order, 1961. The Sugar Enquiry Commission which went into the question of utilisation of by-products of sugar industry in 1965 was in fact anxious about the future of molasses once the alcohol based industries shift from the use of alcohol produced from molasses to alcohol produced from other sources. This situation has not yet materialised. They, however, recommended that the price of molasses be increased by 50 per cent over the present prices to give an incentive to sugar factories for putting up proper storage facilities like steel tanks. Since sugar factories have failed to evolve a satisfactory scheme in this regard, it has not been possible to agree to an increase in the selling price of molasses.

(v) *Manufacture of potable liquor*

2.18. The representative of the All India Sugar Mills Association expressed the opinion that in so far as the sale of molasses for the manufacture of potable liquor was concerned, the determination of its price should be left entirely to the free play of market forces of demand and supply of molasses. In this connection, the witness stated that in Punjab and Haryana, the entire production of molasses was being utilised for the manufacture of potable liquor. He added that supply of molasses at controlled price to the manufacturers of potable liquor was against the Directive Principle of State Policy regarding prohibition, as it meant that potable liquor was being supplied to the public at reduced or subsidised rates. He felt that when molasses was utilised for manufacture of potable liquor, any kind of restriction, whether on price or on the movement of molasses was contrary to Article 19(f) and (g) of the Constitution.

2.19. During the course of oral evidence before the Committee, the representative of the Department of Chemicals stated that there was possibly a case to consider whether the potable liquor industry was capable of bearing a higher cost and the benefit could be passed on to the sugar industry.

(vi) *Restriction on trade and right to property*

2.20. It has been contended in the petition that the present price of molasses is not only abnormally low but also in effect amounts to "expropriation of property without any compensation." The present control on molasses with a fixed price of 67 paise per quintal is *ultra vires* of the Constitution inasmuch as it is an unreasonable restriction on trade and right to hold property and as such violative of Article 19(1) (f)(g) of the Constitution. In support of the above contention, the petitioner has referred to a recent judgment of the High Court of Andhra Pradesh at Hyderabad, in writ petitions No. 3865 to 3869 of 1968 in the matter of Bharat Khandsari Sugar Mills *vs.* the Government of Andhra Pradesh and Andhra Pradesh Power Alcohol Factory etc. and quoted the following portion of the said judgment:

> "That the market price of molasses bears no comparison to the control price. In my opinion the Central Government was not justified in ignoring completely the cost of production on the ground that it was a by-product. Simply because a commodity is by-product of the process of manufacture of another commodity, it cannot be said that the produce does not incur any cost on producting the former.

Further the Central Government is obliged to fix fair price for a particular commodity, which is the subject matter of order under Section 18(g) and it is not necessary to say that the price of another commodity has been fixed taking into account the total cost of production including the second commodity and, therefore, no price need be fixed for the second commodity. Under Section 18(g) of this Act the Central Government was to fix a "fair price" for the molasses. The price has normally to be fixed such as the cost of production the price at which it would normally be sold in the market and the use to which it may be put etc. I am of the view that the Central Government has not applied its mind at all to the actual price which the commodity may fetch in the market.'

2.21. The Committee asked the representative of All India Sugar Mills Association why the validity of the Control Order, 1961, was not challenged in the Court by the Sugar Mill owners. He replied that according to certain decisions of the Supreme Court, a limited company was not entitled to the same fundamental rights as an individual was.

2.22. In their written comments furnished to the Committee the Department of Chemicals have stated that it is incorrect to say that Control on molasses is *ultra vires*—Section 18(G) of the Industries (Development and Regulation) Act, 1951 and is violative of Article 19(i)(f)(g) of the Constitution of India. Section 18(G) of the said Act clearly provides for regulating the supply and distribution of any article relatable to Schedule industries including the trade and commerce therein. Molasses is relatable as raw material to a class of fermentation industries occurring as item 26 of the First Schedule to the Industries (D&R) Act, 1951. Control of the prices as well as distribution of molasses is well within the ambit of this section and this has been done in the national interest. There is no room for ambiguity in the import of this Section.

The Andhra Pradesh High Court by its judgment of 26th December, 1968, has directed the issue of a writ of *mandamus* directing the Union of India and the State Government of Andhra Pradesh to forbear from enforcing the provisions of the Molasses Control Order, 1961 as amended by the Molasses Control (Amendment) Order, 1968 of 26th March, 1968 since extended to the State of Andhra Pradesh from 17th April, 1968, in respect of molasses obtained from khandsari units until and unless the proper price is fixed in the light of the observations in the judgement. The Andhra Pradesh High

Court has upheld the validity of the Molasses Control Order, 1961 but it held that the Schedule to the Order amended in 1968 fixing the price of the molasses obtained from khandsari sugar units at 67 paise per 100 kgs. is *ultra vires* and contrary to Section 18(G) of the Industries (Development & Regulation) Act, 1951 since the Central Government has not applied its mind to the relevant factors in fixing the price. As a result, the question of amending the Schedule to the Molasses Control Order, 1961 with a view to provide for a suitable price for khandsari molasses is under consideration of the Central Government.

(vii) *Impact of rise in the price of molasses*

2.23. Shri M. Narayan Reddy, M.P., stated before the Committee that if the price of molasses was raised, the sugar consumer would be benefited, as the Tariff Commission which fixed the price of sugar, would take into account the price of molasses. The representative of the All India Sugar Mills Association also stated that by increasing the price of molasses, the price of levy sugar could be lowered.

2.24. The representative of the All India Distillers' Association, however, stated that if there was a 50 per cent rise in the price of molasses, the relief to the sugar consumer would be just about half-a-paise per kilogram, which was insignificant. The representatives of the Departments of Chemicals and Food also expressed the view that the benefit to the sugar consumer was not likely to be very much.

2.25. The representatives of the All India Distillers' Association pointed out to the Committee that in case of a rise in the price of molasses the alcohol based industries would be hit hard. Those industries might switch over to other substitute raw materials. In that case, the sugar industry might again be faced with the problem of disposal of molasses.

2.26. The representative of M|s. Synthetics and Chemicals informed the Committee that with every 10 per cent increase in the price of alcohol, the price of synthetic rubber would go up by 115 to 125 rupees per tonne. He added that when the synthetic rubber project was started the price of alcohol was about 84 paise per gallon, today they were paying almost double that price. The prices of alcohol had been revised upwards three times. One Report of the Tariff Commission was still awaiting Government's decision. The witness contended that if for any reason the price of alcohol increased further, the synthetic rubber industry would have to be closed. When

asked how long, in his opinion, the price of molasses should not be raised, the witness stated that if over a period of the next decade the proposed petro-chemical programmes came into operation and the switch-over from alcohol to other raw materials was made possible, molasses might come back into sharp focus again and face a serious problem of disposal."

2.27. Shri M. Narayan Reddy, M.P., however, did not agree with the view that an increase in the price of molasses would have serious impact on the selling price of alcohol and alcohol based industries. He felt that the prices of the products of these industries depended on many factors. He explained that alcohol was used in about 200 industries. It was necessary to find out the cost of alcohol in the end product of these industries. That would also vary from product to product. In this connection, the witness referred to the import of alcohol worth Rs. 4 crores at a very high price and concluded that that did not have any such repercussions. He added that "there was nothing, excepting the tendency to get as much advantage (as possible)". He felt that the rise in price of molasses could be adjusted. When asked whether he agreed with the view that if molasses was not consumed by the alcohol industry, the price of molasses would drop to a level much below the control price, the witness stated that in that event the whole quantity of molasses could be exported at a "better price and advantage to the country." The witness was asked whether he agreed with the view that if the price of molasses was raised the alcohol-based industries like synthetic-rubber industry, would switch over to the petroleum-based raw materials and in that event the sugar industry would not be able to fetch any price for molasses, and would be faced with the problem of its disposal. He replied in the negative and stated that that was a superficial view of the entire problem. He added that in that eventuality molasses could be diverted to the manufacture of alcohol, for which there was a ready international market. Alcohol was a scarce commodity like copper and there was a world-wide shortage. That would earn lot of foreign exchange for the country.

2.28. The Committee enquired of the representative of the All India Sugar Mills Association whether he agreed with the view that an increase in the selling price of molasses would have a serious impact on the selling price of alcohol and alcohol based industries. He replied that, although he was not very familiar with the cost of production of alcohol, the price of molasses played a very small part in the end product insofar as potable liquor was concerned. The impact would be one-hundredth part because of the proportion-

ately high excise duty on potable alcohol. The witness repudiated the view that if molasses was not consumed by the alcohol industry the price of molasses would drop to a level much below the existing control price. He added that molasses had an export market and could earn foreign exchange. The Committee drew the attention of the witness to the arguments of the distilleries and other users of molasses that if the price of molasses was raised the alcohol-based industries like the synthetic rubber industry would switch over to the petroleum-based raw materials and in that eventuality the sugar industry would not be able to fetch any price for molasses in the market and that they would be faced with the problem of its disposal. The witness replied that any such fears were unfounded and needed to be dispelled. On the other hand, he said that they would be happy if they were left to themselves.

(viii) *Effect of partial decontrol of sugar*

2.29. The Committee asked Shri M. Narayan Reddy, M.P., whether the partial decontrol of sugar had given any incentive to the sugar industry as a whole. He stated that partial decontrol had "nothing to do with acquisition. That would not justify free acquisition of molasses. Even a factory making several millions of rupees would not give us any justification to acquire something free."

2.30. The representative of the All India Sugar Mills Association, however, agreed with the view that partial decontrol of sugar had provided incentive to the sugar industry as a whole, but added that on that account Government were not justified in taking away a by-product without paying any price at all and, particularly, when lot of expenditure was incurred towards the storage.

(ix) *Fair Price for Molasses*

2.31. Shri B. Saya Reddy, M.P., the petitioner, submitted before the Committee that the price of molasses fixed by the Government was very low which did not cover even the cost of storage and handling processes. He desired that the price of molasses should be fixed according to the cost of its production. He contended that the cost of "proper storage, transport handling and some profit to the sugar industry", should be taken into consideration while determining the fair price for molasses. The representative of the All India Sugar Mills Association stated that the fair price for molasses would be between Rs. 4 and Rs. 5 per quintal. Asked to state the factors that should be taken into consideration for determining such a fair price, the witness drew attention of the Committee to the judgment of the Andhra Pradesh High Court in the matter of Bharat

Khandsari Sugar Mills *Vs.* the Government of Andhra Pradesh and others, which *inter alia* had referred to the cost of production and the price at which the commodity was likely to be sold in the open market.

2.32. In their written comments furnished to the Committee, the Department of Chemicals have stated that the question of fixing a price for molasses on the basis of its independent cost of production does not arise since it is only a by-product of sugar manufacture and the selling price of sugar takes the total cost of production into account. The price fixed for molasses, however, takes into account the reasonable expenditure required for storing it in good condition, pumping and loading it. It is further stated that the prices of various grades of molasses, which have been specified in the Schedule to the Molasses Control Order, 1961, are just and fair and have been fixed on the basis of the total reducing sugars as per I.S.I. specifications and taking into consideration the fact that there is no separate cost of production of molasses, this being only a by-product.

(x) *Department dealing with molasses*

2.33. Shri M. Narayan Reddy, M.P., stated before the Committee that presently molasses was being dealt with by the Department of Chemicals in the Ministry of Petroleum and Chemicals. He suggested that that subject should be dealt with by the Department of Food, in the Ministry of Food, Agriculture, Community Development and Cooperation, which was dealing with the subject of sugar.

The representative of the Department of Chemicals, however, stated that where the by-product of one industry became the raw material of another industry, the concerned Departments of the Government had to work in close coordination and no difficulty had so far arisen in this regard.

D. **Observations/recommendations of the Committee**

2.34. The Committee note that the Molasses Control Order, 1961 was issued by Government in pursuance of recommendations of the Alcohol Committee, 1956, to control the price and distribution of molasses. The Committee also note that the Alcohol Committee and the Tariff Commission have opined that to sustain the alcohol-based industries and to make alcohol available at reasonable price for the purpose, the selling price of molasses has to be around the figure fixed under the Molasses Control Order, 1961.

2.35. The Committee observe from the written comments furnished by the Department of Chemicals that the question of fixing a price

for molasses on the basis of its independent cost of production does not arise since it is only a by-product of sugar manufacture and the selling price of sugar takes the total cost of production into account. The price fixed for molasses also takes into account the reasonable expenditure required for storing it in good condition, pumping and loading it.

2.36. The Committee further observe that the sugar industry does not feel the incentive to put up adequate storage facilities for molasses as, according to them, the industry is not being provided adequate remuneration for the molasses that it offers for sale to the distilleries. The industry feels that it can earn better price for the molasses in the open market.

2.37. As regards the sale of molasses in the open market, the Committee note that there are two points of view. According to the petitioner, molasses is being sold in the open market at prices ranging between Rs. 50 to Rs. 70 per quintal. On the other hand, the Government have denied that molasses is being sold at such high prices for any lawful purposes. The Committee feel that an urgent enquiry is called for so as to prevent any sale of molasses for unlawful purposes at such high prices.

2.38. The Committee note from the evidence given by the representative of the Department of Chemicals that there is possibly a case to consider whether the potable liquor industry is capable of bearing a higher cost. The Committee hope that Government will examine this.

2.39. The Committee have given their careful consideration to all aspects of the matter referred to above. They recommend that Government may set up a Study Team consisting inter-alia of representatives of concerned industries to undertake a comprehensive review of the entire working of the Molasses Control Order, 1961, in the light of the experience gained so far and keeping in view the interests of the industries concerned.

III

PETITION NO. 24 FROM SHRI KARTICK SAMAL AND OTHERS REGARDING LEVY OF EXCISE DUTY ON TIN BOXES UNDER THE FINANCE BILL, 1970.

3.1. Petition No. 24 regarding levy of excise duty on tin boxes under the Finance Bill, 1970 (See Appendix VI) was presented to Lok Sabha by Shri Srinibas Mishra, M.P., on the 1st April, 1970.

3.2. The Committee have considered* the petition at their sitting held on the 17th April, 1970.

3.3 Since the petition relates to the Finance Bill, 1970, which is pending before the House, the Committee recommend that the petition be circulated** in extenso **to all members of the Lok Sabha under Rule 307 of the Rules of Procedure and Conduct of Business in Lok Sabha.**

---

*The Ministry of Finance (Department of Revenue and Insurance) have subsequently furnished to the Committee their comments on this petition which are reproduced below :—

"In the Budget proposals, 1970, "Metal containers ordinarily intended for packing of goods for sale including cask; drums, cans, boxes, gas cylinders and pressure containers, but excluding collapsible tubular containers made of aluminium are made liable to pay duty at 10% ad valorem under Central Excise Tariff Item 46. Since the petitioners are reported to be engaged in the manufacture of 'metal containers' they were sought to be brought under Central Excise Control. The petition No. 24 presented to Lok Sabha on 1-4-1970 is a sequel.

2. The points made in paragraphs 1-4 of the petition are ascertained to be correct.

3. It is also a fact that the Central Excise Officials contacted the manufacturers of such metal containers and explained to them their obligations under the Central Excise Act and Rules, *viz.* that manufacturers should take out licences to manufacture metal containers and that they should clear them on payment of prescribed duty as stated in paragraph 5, of the petition. It is not correct to say as contended in paragraph 7 that the boxes cannot be called 'metal containers' in the strict sense. It is ascertained that the petitioners have temporarily suspended the manufacture of these metal containers.

4. With regard to what is stated in paragraph 9 of the petition, it may be mentioned that as the definition of the Central Excise tariff Item 46 stands, the products manufactured by these persons come within the scope of the tariff item and, therefore, megally become dutiable. The respresentations made in paragraphs 10 and 11 of the petition are under examination in the Ministry.

**The petition was circulated *in extenso* to all the members of Lok Sabha on the 20th April, 1970.

IV

PETITION NO. 25 FROM DR. BHAI MAHAVIR AND ABOUT 96183 OTHERS OF DELHI REGARDING BUDGET PROPOSALS OF THE CENTRAL GOVERNMENT FOR 1970-71

4.1. Petition No. 25 regarding the Budget proposals of the Central Government for 1970-71 (See Appendix VII) was presented to Lok Sabha by Shri Kanwar Lal Gupta, M.P., on the 14th April, 1970.

4.2. The Committee have considered the petition at their sitting held on the 17th April, 1970.

4.3. **The Committee feel that examination of the petitioners and Government representatives cannot be completed before the consideration of the Finance Bill in Lok Sabha. They are also of the opinion that most of the remarks contained in the petition involve amendments to the Finance Bill, 1970, which is pending before the House, and to which amendments can be made by the House itself.**

4.4. **The Committee, therefore, recommend that the petition be circulated*** in extenso **to all the Members of the House under Rule 307 of the Rules of Procedure and Conduct of Business in the Lok Sabha.**

*The petition was circulated to all the Members of the Lok Sabha *in extenso* on the 20th April, 1970.

V

REPRESENTATION FROM SHRI SHIVRAM, MEMBER, HOME MINISTER'S ADVISORY COMMITTEE AND OTHERS, PORT BLAIR, ANDAMAN, REGARDING WITHDRAWAL OF ANDAMAN SPECIAL PAY

5.1. Shri Shivram, Member, Home Minister's Advisory Committee, and others, Port Blair, Andaman had submitted a representation regarding withdrawal of Andaman Special Pay by Government of India.

A. Petitioner's Grievances

5.2. The petitioners in their representation had, *inter alia* stated as follows:—

> "The Government of India in the Ministry of Home Affairs *vide* their letter No. 27|36|67-ANL dated the 4th June, 1969 have communicated that the President subject to certain exceptions as indicated in the said letter has decided that Andaman Special Pay shall be withdrawn from 4-6-1969. This decision of the Government of India has adversely affected a large number of Government servants serving the Government in this Union Territory and has caused great resentment among the loyal Government Servants.....Instead of Andaman Special Pay, they will be allowed Compensatory Allowance and Special Allowance. This will affect them in the matter of pension, gratuity, leave salary, dearness allowance etc."

Prayers of the Petitioners

5.3. The petitioners had prayed that:

(i) "the 'Andaman Special Pay' should be continued to be drawn by those who are at present drawing (*i.e.,* prior to the issue of orders dated 4-6-1969), even on their promotion; or they may be allowed to opt for the new Rules *i.e.* 25 per cent and 7½ per cent with effect from the date on which the orders came into force."

(ii) "Special Allowance of 25 per cent and Compensatory Allowance of 7½ per cent should be sanctioned to all the

Government servants irrespective of their places of recruitment including future mainland recruits."

(iii) "The Middle, North and Nicobar Special Pay should be continued to be drawn by persons recruited in South Andaman and posted to Middle and North Andamans, Little Andaman and Nicobar Islands and are at present drawing, special pay at existing rules."

(iv) "For Specialists, such as Doctors, Science Teahers, Section Officers of the A.P.W.D. and other technical posts, a suitable Special Pay should be sanctioned and attached to the posts, instead of to individuals (like Cashier's Special Pay etc.)

B. Factual comment of the Ministry of Home Affairs

5.4. The Ministry of Home Affairs, to whom the representation was referred for factual comments, have stated in their comments *inter alia* as follows:—

"From 1951 onwards, Andaman Special Pay was made inadmissible to local recruits as it was felt that there was no justification for the grant of this special pay to local recruits, since this special pay was intended as an attraction or incentive for securing personnel from the mainland for service in the Islands.....

Those locally recruited prior to 1951 were allowed to continue to draw the special pay so long as they continued to hold the same posts, and, on their promotion, the pay in the higher post was fixed with reference only to the basic pay drawn in the lower post. The reduction in emoluments, if any, on account of the stoppage of Andaman Special Pay in such cases was compensated by grant of personal pay to be absorbed in future increments....

With a view to reduce the disparity between mainland recruits and local recruits in the matter of emoluments, a Compensatory Allowance @ 7½ per cent of basic pay was sanctioned in 1962 to local recruits drawing basic pay below Rs. 500|- per mensem.. This Compensatory Allowance was not admissible to the mainland recruits, deputationists and Cadre Officers, as they were allowed Andaman Special Pay.

Persons who draw 'Special Allowance' and 'Compensatory Allowance' under the new terms will get higher monetary benefit since these allowances are calculated on Dearness Pay also. On the other hand, Andaman Special Pay is calculated on basic pay only and not on dearness pay.

As the intention behind the orders dated 4th June 1969 is to withdraw Andaman Special Pay and to replace it with 'Compensatory Allowance' and 'Special Allowance', it will not be possible to perpetuate the continuance of Andaman Special Pay by allowing those who drew it prior to 4th June 1969 to continue to draw it even after their promotion after 4th June 1969. It may, however, be pointed out that such persons have been given an option to be exercised by them on their promotion, either to draw the element of Andaman Special Pay as 'Personal Pay' to be absorbed in future increments, or to cease to have any claim in respect of Andaman Special Pay and draw 'Compensatory Allowance' and "Special Allowance".

Under the orders dated 4th June, 1969, the Compensatory Allowance of 7½ per cent of basic pay subject to a maximum of Rs. 100|- p.m. is admissible to all Government servants of the Andamans Administration, irrespective of whether they are recruited locally or from the mainland. However, the 'Special Allowance' is intended as an attraction or incentive for securing personnel from the mainland for service in the Islands. It cannot, therefore, be allowed to the local recruits.

The Special Allowance sanctioned in the orders dated 4th June, 1969 is intended as an attraction or incentive for securing personnel from the mainland for service in the Islands. This is necessitated by the difficulties in obtaining the services of qualified technical and other personnel required for the development activities in the islands. This also covers specialist and technical staff like Doctors, Science Teachers etc. As such it is not considered necessary to attach special pays to these posts. It may be pointed out that even if special pays are attached to such posts and the 'Special Allowance' is withdrawn, there will still be demand from persons recruited from the mainland for the grant of additional monetary compensation for service in the remote locality and for the drawbacks of life in these Islands."

5.5. The Committee have also noted that in reply to Unstarred Question No. 1854, dated the 6th March, 1970, on this subject, the Minister in the Ministry of Home Affairs stated in Lok Sabha as follows:—

> "'Andaman Special Pay', which was sanctioned with effect from the 1st September, 1948, was intended as an incentive for securing personnel from the mainland for service in the Islands. Since the original order sanctioning this 'Special Pay' was not unambigous in this respect, the local recruits, who were not entitled to it, were erronously allowed to draw the 'Special Pay'. However, with effect from the 22nd January, 1951, the correct position was clarified and the drawal of the 'Special Pay' by the local recruits was discontinued. With a view to avoid a reduction in emoluments of the local recruits who were in service prior to the 22nd January, 1951, and had been drawing 'Andaman Special Pay', it was provided that they would continue to draw 'Andaman Special Pay' so long as they continued in the same post, and that on promotion, the reduction, if any, in their emoluments on account of the loss of 'Andaman Special Pay' drawn by them in the lower post would be protected by the grant of Personal Pay to be absorbed in future increments."

C. Recommendations of the Committee

5.6. The Committee appreciate the difficulties experienced by Government in securing the services of qualified technical and other personnel required for the developmental activities in the Andaman and Nicobar Islands and note that grant of Special Allowance is intended as an attraction or incentive for securing such personnel from the mainland. The Committee are, however, of the opinion that the conditions of service and pay and allowances for all employees doing the same type of work should generally be the same.

5.7. The Committee note that Government have protected the emoluments of the local recruits who had been earlier drawing the 'Andaman Special Pay'. The Committee are, however, of the opinion that when a Government employee is promoted, his existing pay and allowances should be suitably protected. The Committee, therefore, desire that Government may examine the feasibility of continuing the Special Pay and Allowances to the Government employees in the Andaman and Nicobar Islands even after their promotion without any portion thereof being absorbed in future increments.

VI

REPRESENTATION FROM SHRI CHANDRA PRAKASH AGGRAWAL, KAIMGANJ (U.P.), REGARDING INADEQUATE PUNISHMENT FOR THE OFFENCE OF KIDNAPPING UNDER INDIAN PENAL CODE

6.1. Shri Arjun Singh Bhadoria, M.P., forwarded a representation from Shri Chandra Prakash Aggarwal, Kaimganj, U.P., regarding inadequate punishment for the offence of kidnapping under Indian Penal Code.

6.2. The petitioner had suggested that necessary amendment might be made in the Indian Penal Code to provide svere punishment, or the Bombay Children Act might be adopted in order to check and control the grave and heinous offence of kidnapping.

The petitioner had also requested that the administrative machinery of the Government should be cautioned to deal with cases of kidnapping very seriously withont any delay.

Factual Comments of the Ministry of Home Affairs

6.3. The Ministry of Home Affairs, to whom the representation was referred for factual comments, have *inter alia* stated in their comments (*See* Appendix VIII) as follows:

"From two statements* showing the incidence of kidnapping and abduction from the year 1964 to 1968 in the country as well as its break-up, State-wise, it may be seen that although there has been a slight increase in the incidence of this crime, it is more or less in step with the increase in population.

The question of kidnapping for ransom was also discussed in the Conference of Inspectors General of Police held in 1966 and it was recommended by the Conference that an offence u|s 365 IPC when kidnapping was for ransom should be made exclusively triable by the Court of Sessions. This recommendation is under consideration of the Law Commission.

There does not seem to be any justification for raising maximum punishment at the present stage because the sentences

*See Annexures I and II to Appendix VIII.

normally imposed by the Courts are only a fraction of the maximum sentences already provided under the law.

The Government of India are, however, already considering a Bill to provide for minimum punishment for certain types of offences of kidnapping u/s 363 and 363A(1) of IPC. It is also proposed to broadbase the definition of 'begging' given u|s 363A on the analogy of the corresponding provision of Bombay Prevention of Begging Act, 1959.

The question of kidnapping of children and deforming and using them for purposes of begging was also examined by the Cabinet who had decided as under:—

'That a programme should be drawn up and implemented for taking child-beggars away from the streets to homes and orphanages where they should be properly looked after The possibility of making increased funds available to the Department of Social Welfare to enable them to provide shelter and give proper care to these child-beggars should be examined in consultation with the Ministry of Finance. Punishment should be made more severe for those kidnapping children and also for those using children for purposes of begging'."

Observations of the Committee

6.4. The Committee note that the Government of India are already considering a Bill to provide for minimum punishment for certain types of offences of kidnapping under Sections 363 and 363A, Indian Penal Code, as the sentences normally imposed by the Courts were only a fraction of the maximum sentences already provided under the law. The Committee also note that Government propose to broad-base the definition of 'begging' given under Section 363A, Indian Penal Code, on the analogy of the corresponding provision of the Bombay Prevention of Begging Act, 1969. The Committee hope that Government will take the necessary measures indicated by them at an early date.

VII

REPRESENTATION FROM SHRI C. KESAVIAH NAIDU, SARPANCH BHEEMAVARAM NARASINGAPURAM DISTRICT CHITTOOR, RE: INTRODUCTION OF *GIRO* SYSTEM IN POST OFFICES

A. Petitioner's Points

7.1. Shri C. Kesaviah Naidu, Sarpanch, Bheemavaram, Narsingapuram, District Chittoor, sent a representation (See Appendix IX) in which he had stated that the Post Office Saving Banks served most of the villages in rural areas. In foreign countries, every thing was transacted by the cheque system through banks, whereas in India, it was always by cash payment with attendant danger of looting or loss on the way.

The petitioner had further stated that the 'Giro' system was prevalent in several countries, where the remitter and the payee held Saving Bank Accounts in Post Offices. The petitioner had also suggested that in cheques, a small portion might be left blank for the remitter to write the purpose to avoid covering letter and waste of paper.

The petitioner had suggested that the 'Giro' system might be introduced in Post Office Savings Banks in India, without minimum deposit and without restriction of number of withdrawals and amounts in paise.

B. Factual comments of the Directorate General of Posts and Telegraphs

7.2. The Committee asked for the comments of the Ministry of Communications (Directorate General of Posts and Telegraphs) on the suggestions made in the representation. In their comments furnished to the Committee, the Directorate General of Posts and Telegraphs have stated as follows:—

> "The Postal Giro Service is a simple, cheap, 'fast and secure remittance and money transfer service' provided through the postal system. The Post Office maintains giro accounts, centralised in one or more account offices or 'Giro centres'. The transactions take place in post offices. Apart from transfer of funds between giro accounts, a non-account

holder can pay his dues to an account holder by crediting the amount to the giro account at a post office. As account holder can arrange payments to a non-account holder through a post office by means of pay order issued from the giro centre maintaining the account. Business houses, insurance companies, electrical undertakings etc., can sent the bills premium notices etc. in the form of giro pay-in-slip to their clientele for effecting payment in cash at a post office or authorising the giro centre to transfer the amounts from their giro accounts. Standing orders can be given to the giro centre for payment of bills from the public utility undertakings, insurance premiums etc., as and when they fall due by transfer without any action having to be taken by debtor, the bill being sent direct to the giro centre for settlement. The giro centre issues periodical statement of account to every account holder in whose account transactions take place showing the opening balance, credits, debits and closing balance.

Parawise comments on the petition are given below:

(i) It is true that the Post Office Savings Bank is spread over the length and breadth of the country and is the best means of reaching the rural population.

(ii) Giro system will be definitely cheaper than the charges now levied for remittance through money-orders. In the giro system, the use of a single paper e.g. the bills of public utility undertaking or the permium notices of the insurance companies issued in the form of pay-in-slip in the whole process of billing the debtor, payment in cash|by transfer from other account and updating the creditors records will be useful and economical.

(iii) Cheque habit has not developed to a great extent in India although efforts are being made to popularise the opening of cheque accounts in P.O. Savings Bank. The giro system will be an additional facility available to the public.

(iv) The views of the petitioner will be taken into consideration at the time of formulating the rules for the giro system when decided to be introduced."

C. Observations of the Committee

7.3. The Committee, while taking note of the facts furnished by the Directorate General of Posts and Telegraphs on the representation, feel that the introduction of *Giro* system in Post Offices will be an additional facility to the public. The Committee recommend that Government should consider the feasibility of introducing the *Giro* system in post offices.

VIII

REPRESENTATION FROM THE RETAIL GRAIN DEALERS' FEDERATION, BOMBAY ON PETITION NO. 11 RE. PREVENTION OF FOOD ADULTERATION ACT, 1954 AND RULES MADE THEREUNDER

8.1. The Honorary Secretary, the Retail Grain Dealers' Federation, Bombay, made a further representation on the comments furnished to the Committee by the Ministry of Health, Family Planning and Urban Development (Department of Health and Urban Development) on Petition No. 11 regarding the Prevention of Food Adulteration Act, 1954 and Rules made thereunder and included in the Fifth Report of the Committee (Fourth Lok Sabha), *vide* paras 26 to 32 thereof.

Factual comments of the Ministry of Health, Family Planning and Works, Housing and Urban Development (Department of Health).

8.2. The Committee asked the Ministry of Health, Family Planning and Works, Housing and Urban Development (Department of Health) to furnish their comments on the various points raised in the further representation of the Federation.

In their comments (*See* Appendix X), the Department of Health have *inter-alia* stated as follows:—

> "The question of differentiating 'adulterated' food from 'sub-standard' food was raised by some of the Associations who gave evidence before the Joint Committee of Parliament on Prevention of Food Adulteration Bill in 1964 but the Committee did not make any recommendation in this respect. This question was recently referred to C.C.F.S. who have set up a sub-committee to examine the matter. Further action will be taken on receipt of their report.....
>
> Where food articles taken out of sealed packets|tins are sold in loose form, the State Govts. have been told to advise the Food Inspectors to draw samples of the same article from a sealed package|tin from that very manufacture if available and send both these samples simultaneously to the Public Analyst for analysis. In case, the results of the

two samples taken are found to be identical but not conforming to the standards as laid down under the P.F.A. Rules, then prosecution should be launched against the manufacturers alone and not against the retail dealers etc. for adulteration of the article at the stage of manufacture even though the said manufactured article is drawn from the retailer.....

The Foods which are found to be contaminated with harmful substances and which are not in a fit position to be reclaimed either as human or animal food have to be destroyed. If, however an article of food is found as not fit for human consumption but suitable for use as cattle feed or in industrial or agricultural suitable action is taken in that respect by the concerned authorities.....

It is not possible for a sample to be analysed by any laboratory within 24 hours in most of the cases. Most often, the analysis requires certain chemical procedures which might take more than 2 to 3 days. Moreover, all the laboratories of the public analysts have their normal quota of work to do and it is not always possible for them to test the sample of a retailer on a priority basis. The State Govts. would be requested to curtail the period required."

8.3. The Committee, while taking note of the comments furnished by the Department of Health, would like to be informed in due course about the findings and recommendations of the Sub-committee set up by the Central Committee for Food Standards to consider the question of differentiating "adulterated" food from "sub-standard" food, and the action taken by Government thereon.

IX

REPRESENTATION FROM SHRI N. G. GORAY AND OTHERS REGARDING REPORT OF THE SENIOR SERVICES COMMITTEE FOR LIFE INSURANCE

A. Petitioners' Grievances and Pray

9.1. Shri N. G. Goray and others, in their representation countersigned by Shri S. M. Joshi, M.P., regarding Report of the Senior Services Committee for Life Insurance, have *inter-alia* stated as follows: —

"The petitioners are interested as citizens of India, in seeing that genuine report of Committee known as the Lall Committee is produced before the Parliament.

Immediately after the nationalisation of insurance, the provisional postings made by L.I.C. of the former employees of various insurance companies were criticised and charges of favouritism and nepotism were made by all the sections of the Parliament. Thereupon the Committee known as the Senior Services Committee for Insurance was appointed presided over by Shri Lall, Retd. I.C.S. Later it came to be known as the Lall Committee. The terms of reference of this Committee were to grade the officers of the companies whose business was transferred to the L.I.C. and arrange them in a suitable order of seniority.

After the report was submitted to the Government, it was sent to L.I.C. for implementation. The L.I.C. thereupon appointed a sub-committee of Directors known also as the Senior Services Committee. This Commitee made certain variations in the recommendations of the Lall Committee Report. The final lists were sent to the Government. After the categorisation of officers was communicated to them, those who felt aggrieved were permitted to submit appeals to the Corporation. These appeals were considered by the Services and Budget Committee, also a sub-committee of Directors of the L.I.C.

However during all this process the original Lall Committee Report was kept confidential. Later a few copies of the report were placed in the Library of Parliament in response

to an Unstarred Question No. 106 dated 4th November 1965 by Shri S. N. Dwivedy M.P.

From the report produced it will be observed that there are certain glaring contradictions in the signed portion of the report and the unsigned lists appended to the report. As per the terms of reference the Committee was asked to grade the officers and to determine their seniority. The sentence 'appropriate measures may be taken for the grading of the remaining officers,' in para 13 of the report clearly implies that the officers mentioned in the lists appended to the report had been appropriately ranked and graded by the Committee. However, the lists appended to the report do not show grades.

A separate note by Shri Vaidyanathan and Shri Rajagopalan has been appended to the report. They have criticised the report stating that by division of companies into groups, officers of companies at the bottom of each group tended to benefit *vis-a-vis* officers of companies at the top of each group. The criticism has no relevance when read with the unsigned list appended to the report as the lists show the names of officers one after the other and not gradewise. This criticism would hold good only if the lists had shown grades.

The appended lists form the substantial part of the report and still the lists as they have been produced do not bear any signature of the Committee members or initials of the typist or of someone who may have checked them.

The petitioners say that the unsigned lists cannot be said to be genuine. One cannot believe that a committee appointed to meet the criticism about partiality and favouritism should have handed over an unsigned list to the very same officers for implementation.

From the facts stated above it will be seen that the L.I.C. has in its possession sufficient documentary evidence to prove or disprove the authenticity of the unsigned lists produced before the Parliament."

B. Factual Comments of the Ministry of Finance (Department of Revenue and Insurance)

9.2. The Committee called for the facts of the matter from the Ministry of Finance. The Ministry of Finance (Department of Re-

venue and Insurance) have, in their written comments, stated as follows:

"The contention raised in the petition dated 6.12.1969 of Shri N. G. Goray and others is that copies of the lists of officers arranged according to seniority, which formed annexures to the report of the Senior Services Committee of Life Insurance (popularly known as the Lall Committee) placed by the Government in Parliament Library in 1965, were incorrect. The argument of the petitioners are:—

(i) The lists are unsigned and cannot, therefore, be genuine. It cannot be believed that 'a Committee appointed to meet the criticism about partiality and favouritism should have handed over an unsigned list to the very same officers for implementation.'

(ii) According to the terms of reference of the Lall Committee, it should have graded the officers and determined their seniority. However, the lists appended to the report do not show grades.

2. The 'Lall Committee' was set up by the Government in June, 1956, for the purpose of interviewing and grading officers of the erstwhile insurers for appointment to posts in the L.I.C. Shri S. Lall, ICS (Retd.) was the Chairman.

The terms of reference of the Commitee were as follows:—

(a) to examine and interview officers of all ranks and grades borne or deemed to have been borne on the Senior Services of the 'Controlled Business' of all insurers whose business vested in or would be transferred to the Life Insurance Corporation under the Life Insurance Corporation Act, 1956;

(b) to grade these officers appropriately and arrange them in a suitable order of seniority; and

(c) to submit its report together with the list or lists of seniority of the officers to the Secretary, Department of Economic Affairs, Ministry of Finance.

The Committee submitted its report to the Government on 26.6.1957. It graded the officers in two separate lists, one of officers on the administrative side and the other of officers on the development side. The first contained 274 names and the second 283. (Any officer coming within the pur-

view of the Committee and not graded was considered junior to the junior most in the two lists). The lists attached to the report had, unfortunately, been omitted to be signed by the Members of the Committee and this has given rise to the allegeation that the lists are not authentic.

3. As stated in para 3 of the petition, the Corporation set up a Senior Services Committee to evaluate each officer's case in the light of the report of the Lall Committee. The Corporation's Senior Services Committee also took into account the subsequent confidential reports of each officer. The seniority lists prepared by this Committee were approved by the Government. However, the Corporation was requseted to give the officers, who regarded themselves as adversely affected, a right to appeal. A number of officers preferred appeals, but none of them, except one Shri V. H. Deshmukh, made the allegation that the report had been tampered with. The allegation made by Shri Deshmukh was examined by the Civil Court, Poona, in a case filed by him against the Corporation. The Court, after examining all relevant evidence including the statement of Shri S. Lall recorded on commission, came to the conclusion that the lists, though omitted to be signed by the Members of the Lall Committee, were authentic.

4. The allegation regarding the authenticity of the lists was repeated on several occasions and the facts of the case were gone into in detail by three former Finance Ministers, namely, Shri T. T. Krishnamachari, Shri Sachin Chaudhary and Shri Morarji Desai. Every time it was held that the allegation was baseless.

5. The first argument of the petitioners, namely, that the unsigned lists appended to the report cannot be said to be genuine merely begs the question. While it is unfortunate that the seniority lists appended to the report were not signed by the Members of the Committee the lists are no less genuine. As pointed out in para 3 above, an impartial authority, namely, Civil Court, Poona, had, after going into the matter in detail, held that the lists were genuine. It may also be mentioned in this connection that the Members of the Lall Committee were eminent men from the Government and outside and included a Member of Parliament (Shri B. C. Ghose), and it is inconceivable that if the report (or the lists appended thereto) had been

tampered with, the fact would have passed unnoticed by them.

6. The second argument of the petitioners also is untenable. The report of the Lall Committee shows that the officers had been graded into two lists. The following extract from the report is relevant:—

'The lists of Senior Officers are prepared separately for the Administrative side and Development side, giving the order of seniority. These lists are appended to this report. There were certain officers who belonged to neither category like Doctors and Engineers, whom we have not ranked.'

The petitioners have sought to base their argument on the following observation in the minute of dissent by two Members of the Lall Committee, S|Shri Vaidyanathan and Rajagopalan, 'By division of companies into groups, officers of companies at the bottom of *each* group tended to benefit *vis-a-vis* officers of companies at the top of *each* group.'

The petitioners have torn the observation out of its context to conclude that the lists which were prepared by the Lall Committee showed the officers in different grades. What the Committee appears to have done is to arrange insurers in separate groups for determining the *inter se* seniority of their officers and in each group the insurers were arranged in descending order of their business standing. As a result of groupings, employees of the similar insurers in the same group were brought on par with the employees of the bigger insurers in that group, which appeared to S|Shri Vaidyanathan and Rajagopalan to give the former an advantage over the latter. The grouping of the insurers could not possibly have anything to do with the preparation of seniority lists for each group. It should be noted that, even the main report which was duly signed by the members of the Committee does not suggest that more than two seniority lists were prepared by the Committee. In fact Shri Lall had stated in his evidence in the Court case that two seniority lists were prepared.

7. It would be seen from the foregoing that there is no substance in the petition.

8. In para 9 of the petition it is suggested that the Corporation is in possession of sufficient documentary evidence to prove or disprove the authenticity of the unsigned lists. In this connection, it may be stated that the report of the Lall Committee, together with the two seniority lists, was

received personally by the then Principal Finance Secretary, Shri H. M. Patel. He forwarded it *in original* to Shri G. R. Kamath, the then Chairman of the L.I.C., with his D.O. letter dated 29-6-1957 pointing out that this was the only copy and suggesting that more copies thereof may be made for use in Government and in L.I.C. Shri Kamath returned the original report, together with six stencilled copies thereof, with his d.o. letter dated 12.7.1957 to Shri Patel. Later, the Managing Director of the L.I.C. asked for a specific check of the stencilled copies being made with the original with Government before finalising the lists of officers. In reply, the correctness of the stencilled copies were confirmed.

The report was all along treated as an important confidential document, and it remained in the custody of very Senior Government Officers but for the short period of less than a fortnight the report was with the L.I.C. when it was taken care of by the Corporation's Chairman, Shri Kamath. In the circumstances, it is not understood how it can be suggested that the evidence to prove or disprove the authenticity of the lists is with the Corporation.

9. The allegation made in the communications referred to in para 10 of the petition also was that the unsigned lists appended to the report of the Lall Committee were not authentic. The Government duly considered these communications and concluded that there was no substance in the allegation."

C. Observations of the Committee

9.3. The petitioners, in their representation, have questioned the authenticity of the copies of the 'Lall Committee Report', placed in the Parliament Library by Government, and have prayed 'that a correct copy of the Report may be placed before the Parliament.'

9.4. From the written note furnished by the Ministry of Finance, the Committee note that the question of the authenticity of the lists appended to the Lall Committee Report was examined by a Civil Court of Poona who, after examining all relevant evidence, including that of Shri S. Lall (who was the Chairman of the said Committee) himself, came to the conclusion that the lists, though omitted to be signed by the Lall Committee, were authentic.

The Committee feel that it is not a matter in which the Committee on Petitions should intervene. The Committee, therefore, do not propose to pursue the matter further.

X

REPRESENTATION FROM SARVASHRI DIPEN GHOSH AND BENU BADAN DAS ON BEHALF OF THE EMPLOYEES OF THE FARAKKA BARRAGE PROJECT *RE*: APPREHENDED UNEMPLOYMENT RESULTING FROM COMPLETION OF THE FARAKKA BARRAGE PROJECT

10.1. Shri Jyotirmoy Basu, M.P., had forwarded a representation from Shri Dipen Ghosh, General Secretary, Co-ordination Committee of Central Government Employees' and Workers' Unions and Associations, West Bengal and Shri Benu Badan Das, General Secretary, Farakka Barrage Project Employees' Co-ordination Committee, Murshidabad, regarding apprehended un-employment resulting from the completion of the Farakka Barrage Project.

A. Petitioners Grievance

10.2. The petitioners had *inter-alia*, stated as follows:—

"Farakka Barrage Project (a Central Project under the control of the Ministry of Irrigation and Power, Government of India) is going to be completed in February, 1971—one year ahead of schedule. This ahead-of-schedule completion of the Project—an unprecedented thing happens because of honesty, sincerity and devotion to duty of thousands of workers and employees engaged in the construction of the Project. But displaying of such human qualities by the workers has ironically cut short their service-longivity and price thereof may have to be paid by starvation and sufferings by being out of jobs on completion of the Project. According to own admission of the Union Minister for Irrigaion and Power, about fifty to sixty percent of the present staff-complement centering around 4,000 of the Farakka Barrage Project (that is, those who are under direct control of the Central Government) would be rendered jobless with completion of the Project. Besides, most of the workers employed by National Projects Construction Corporation (a Government of India Undertaking) and some other private contractor-firms engaged in connection with some specific jobs of the project-construction are also likely to be retrenched after the concerned work is done with. The adverse effect of

such a large-scale mass-retrenchment on the economy of the country, particularly of West Bengal, can easily be imagined. In fact, unless suitable alternative employment is provided to these workers and employees immediately after completion of the Project, creation of this new army of unemployed is likely to offset the expected overall economic benefits with completion of the Project."

Prayer of the Petitioners

The petitioners had prayed that "the Central Government may kindly be advised to undertake a comprehensive integrated programme to provide alternative employment to the Farakka Barrage Project workers and employees who are likely to be rendered jobless with the completion of the Project, thereby saving them from a life of starvation and suffering."

B. **Factual comments of the Ministry of Irrigation and Power**

10.3. The Committee asked the Ministry of Irrigation and Power to furnish their comments on the representation.

The Ministry of Irrigation and Power, in their written comments, have stated as follows:—

"The Farakka Barrage Project is a Central Government Project, being executed by the Ministry of Irrigation and Power on behalf of the Department of Shipping & Transport. The Project is scheduled to be substantially completed by 1970-71. The problem of absorption of surplus staff will arise from 1971 onwards.

The strength of the existing staff of the Project is as under:

(a)	Regular staff of all categories :		
	(i) Direct recruits . .	1300	(including 47 Gazetted Officers).
	(ii) Deputationists .	319	(including 90 Gazetted Officers).
(b)	Workcharged staff . . .	2099	
(c)	Muster Roll staff . .	268	
(d)	F.A.& C.A.O's staff (Regular) .	53	
		4039	

The Farakka Barrage Project is purely a temporary Organisation. All the posts in the Organisation are temporary. Hence none of the employees has been declared permanent.

The proposal regarding staff for maintenance organisation for the Farakka Barrage Project was considered by a Sub-Committee of the Technical Advisory Committee of the Farakka Barrage Control Board, set up for the purpose. The Committee has finalised its report, which is under scrutiny. It will be possible to absorb in this organisation some of the staff becoming surplus on the project.

The following lists out the efforts so far made and further course of action proposed with regard to providing alternative employment to staff of the Project.

(i) A special cell to deal with the absorption of surplus personnel of Farakka Barrage Project would be created at Calcutta under the Department of Labour and Employment. A post of O.S.D. in the scale of Rs. 1300—60—1600, has been created for the purpose.

(ii) Deputationists would be reverted to their parent departments according to a phased programme consistent with the project requirements.

(iii) The Minister of Railways, the Minister for Petroleum and Chemicals, the Minister for Home Affairs, the Minister for Labour, Employment & Rehabilitation and the Minister for Health, Family Planning, Works, Housing & Urban Development, the Calcutta Port Commissioners & the West Bengal Government have been addressed requesting them to consider absorbing suitable employees of the Farakka Barrage Project who may be rendered surplus there, while filling in vacancies in their departments|undertakings.

(iv) The Minister for Health, Family Planning, Works, Housing & Urban Development has issued instructions to the Organisations under him to give preference to such surplus staff.

(v) Whenever it is known that there are vacancies in various organisations under the Central Government, such organisations are being requested to give preference to the staff of the Project.

(vi) Minister of Irrigation and Power has written to the Minister of Transport|Chairman, Inland Water Transport Com-

mittee to investigate the possibilities of development of inland water transport in the Farakka Complex.

(vii) Minister of Irrigation and Power has also written to the Minister of Industrial Development for considering the possibilities of utilising the well equipped workshop at Farakka for running it on commercial basis, after the completion of the Project. The D.G.T. & D. have been directed to carry out a survey for the purpose. Meanwhile, the West Bengal Government have also shown interest in taking over this workshop.

It will be observed from the above that all efforts are being made to provide alternative employment to the employees and workers of the Farakka Barrage Project who might be rendered surplus on completion of the Project."

C. Observations of the Committee

10.4. The Committee, while taking note of the facts furnished by the Ministry of Irrigation and Power, hope that all necessary steps will be taken by Government to provide alternative employment to all the employees and workers of the Farakka Barrage Project, who might be rendered surplus on the completion of the Project.

XI

REPRESENTATION FROM SHRI S. P. MITTER, SECRETARY, GENERAL AND OTHER REPRESENTATIVES OF ALL INDIA UNIVERSITY EMPLOYEES' CONFEDERATION, LUCKNOW, RE: INCLUSION OF NON-TEACHING EMPLOYEES OF UNIVERSITIES AND OTHER EDUCATIONAL INSTITUTIONS WITHIN THE PURVIEW OF INDUSTRIAL LEGISLATION.

11.1. Shri George Fernandes, M.P., had forwarded a representation from Shri S. P. Mitter, Secretary-General and other representatives of All India University Employees' Confederation, Lucknow, re: Inclusion of non-teaching employees of Universities and other Educational Institutions within the purview of Industrial Legislation.

A. Petitioners' Grievances

11.2. The petitioners, stated to be non-teaching employees of several Universities in India, had in their representation submitted, *inter alia* as follows—

> "Your petitioners are the non-teaching employees of the several Universities in India—perform the same work like workers and employees in other spheres of employment, and face the same problems, yet the employees of the Universities and other educational institutions are not considered as workmen as defined in the Industrial Disputes Act or other legislation governing employer—employee relationship. They are not permitted to form trade unions and register them under the Indian Trade Unions Act.
>
> Your petitioners submit that lack of any protection under the industrial legislation of the country has placed the employees of Universities and other educational institutions at the mercy of executives and employers who take advantage of this lacuna to harass and brow-beat the employees. Denial of trade union rights to the employees of educational institutions also makes it impossible for these employees to agitate in a legitimate way to improve their working and living conditions."

Prayer of the Petitioners

11.3. The petitioners had prayed that the Lok Sabha might take steps "to bring the employees of Universities and other educational institutions within the purview of the industrial legislation of the country."

B. Factual comments of Ministries concerned

(i) *Ministry of Labour, Employment & Rehabilitation (Department of Labour and Employment)*

11.4. The Ministry of Labour, Employment and Rehabilitation (Department of Labour & Employment in their comments (*See* Appendix XI) had, *inter alia,* referred to the Supreme Court judgment, dated the 1st April, 1963, in the case between University of Delhi and another and Ram Nath and others, according to which "any dispute between the teachers and the institutions which employed them would be outside the scope of the Industrial Disputes Act, 1947". It was emphasized in the said judgment that education could not be treated as an 'industry' for the benefit of very minor and insignificant number of employees of educational institutions.

(ii) *Ministry of Education and Youth Services.*

11.5. The Ministry of Education and Youth Services had in their comments (*See* Appendix XI) stated *inter-alia*:

> "The Universities, except the Central Universities, are set up by the Acts passed by the Legislatures of the respective State Governments. The universities accordingly function as autonomous organisations and the power for determining the service conditions of the employees of the universities and the other educational institutions under the universities rest solely with the various bodies of the universities. The same is the position in respect of the Central Universities also, which are set up by Acts of the Parliament. The Central Government cannot, therefore, intervene in this matter."

C. Recommendation of the National Commission on Labour

11.6. In this connection, the National Commission on Labour, in their Report presented to Lok Sabha on the 29th August, 1969, had recommended as follows:—

> "There appears to be no valid ground for narrowing the scope of the definition of 'industry' under the I.D. Act, 1947, as it stands today. In fact, there is a case for enlarging its

scope so as to cover teaching or educational institutions or institutes, universities, professional firms and offices etc., whose employees are at present denied the protection of the provisions of the Industrial Disputes Act. However, the definition of 'industry' should be extended in scope by stages and in a phased manner over a reasonable period depending upon the administrative arrangements which could be made to meet the requirements of the law and upon the consideration of a number of other relevant factors. The arrangement for settlement of disputes may have to be different in such employments."

(Recommendation No. 159).

D. Views of the Ministry of Education & Youth Services on the recommendation of the National Commission on Labour

11.7. The Ministry of Education and Youth Services were asked by the Committee to furnish their comments and Government's decisions on the above recommendation of the National Commission on Labour. The Ministry have replied as follows:—

"The Ministry of Education does not agree to regard a College or a School or any educational institution or University as an industry. It may in this connection be pointed out that there have been on several occasions court rulings as to whether a particular establishment should be regarded as an industry or not. Realising the limits to which enlarging the scope of the word 'industry' as including hospitals had gone, the Supreme Court in the *University of Delhi* versus Ramnath* has held '.....that a university is not an industry.' The court explained that imparting education is to build up personality of the people and that to speak of educational process in terms of industry sounds completely incongruous.

In view of the foregoing, this Ministry does not accept the recommendation contained in the Report of the National Commission on Labour (Recommendation No. 159) that the definition of the word 'industry' under the Industrial Disputes Act, 1947, may be enlarged so as to cover teaching or educational institutions or institutes or universities."

E. Recommendation of the Committee

11.8. The Committee have carefully considered this matter in all its aspects. The Committee are in agreement with the views

*Labour Law Journal, 1963, Vol. II, A.I.R. 1963, S.P. 335.

expressed by the National Commission on Labour in recommendation No. 159 of their Report (1969) that the non-teaching staff of the Universities and other educational institutions should be brought within the purview of the Industrial Disputes Act, 1947. The Committee, therefore, recommend that Government should initiate suitable legislative and administrative measures to make this Act applicable to this class of employees.

XII

REPRESENTATION FROM SHRI L. D. JAIN AND OTHERS RE: SERVICE CONDITIONS OF PROOF-READERS OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI

12.1. Shri K. Lakkappa, M.P., had forwarded a representation from Shri L. D. Jain and others regarding service conditions of the Proof-readers of the Government of India Press, New Delhi.

A. Petitioners' Grievances

12.2. The petitioners had, in their representation, submitted *inter-alia* as follows:—

"In 1955, with the main object of regulating certain conditions of service of Working Journalists, the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act was passed which provided *inter-alia* for the hours of work, leave benefits, payment of gratuity and fixation of rates of wages.

Owing to a misconception somewhere in the Government that Government of India Press, New Delhi, was purely a job press, alike other Labour Laws, the benefits of the Working Journalists Act of 1955 were not extended to the Reading Staff of the Government of India Press, New Delhi.

In June, 1957, the constitutional validity of the Working Journalists Act of 1955, the legality of the decision of the Wage Board constituted thereunder and the inclusion of Proof-readers in it were challenged by the Express Newspapers (P) Ltd. and several others in the Supreme Court of India.

On the 19th March, 1958, their Lordships of the Supreme Court gave their judgement and upheld the constitutional validity of the Working Journalists Act, 1955, with the sole exception of section 5(1)(a)(iii) of the Act and also upheld the inclusion of Proof-readers in it.

In September, 1957, the Government of India constituted the Second Pay Commission, to enquire into the emoluments and service conditions of the Central Government Servants, who gave their recommendations to the Government in the year 1959.

Under the circumstances, neither the Reading Staff of the Government of India Presses could represent their case, in the proper perspective before the Second Pay Commission nor the Government, owing to its erroneous conception, placed the facts of the case before it and as a result the Commission did not give proper and due consideration to the emoluments and service conditions of the Reading Staff of the Government of India Presses."

12.3. The petitioners had contended that the recommendations made by the "Committee for Categorisation of Posts in the Reading Branches of Government of India Presses", appointed by the Ministry of Works, Housing and Urban Development, to review and classify the posts in the Reading Branches of Government of India Presses and to examine the service conditions, pay scales, duty hours and the field of recruitment and promotion etc., were "most unjust and unfair".

Prayer of the Petitioners

12.4. The petitioners had prayed that:—

"Directions may be issued to the Government of India that in respect of hours of work, leave benefits, pay scales and other conditions of service, the Reading Branch Staff of the Government of India Press, New Delhi, be placed at par with the proof-readers and other Working Journalists who are working in various Ministries and Departments of the Government and are covered by new Section 19B of the Working Journalists Act of 1955 or any other directions may be issued to the Government which may be considered just and proper to make clear the intentions of the LOK SABHA in respect of the conditions of service in the Reading Branch Staff of the Government of India Press, New Delhi *vis-a-vis* new section 19-B inserted in the Working Journalists Act of 1955."

B. Factual comments of the Ministry of the Health, Family Planning Works, Housing and Urban Development (Deptt. of Works, Housing and Urban Development) and Ministry of Labour, Employment and Rehabilitation (Department of Labour and Employment)

12.5. In their *identical* comments furnished to the Committee on the representation, the Ministeries of Health, Family Planning and

the representation, the Ministries of Health, Family Planning and Works, Housing and Urban Development (Deptt. of Works, Housing and Urban Development) and Labour, Employment and Rehabilitation (Deptt. of Labour and Employment) have stated *inter alia* as follows:

"Whatever doubt existed as to the applicability of Working Journalists Act, 1955, in view of Section 2(f) of the Act, has been removed by the insertion of Section 19-B, which specifically excludes from its purview the Government Servants governed by various Civil Services Rules| Regulations.

Shri L. D. Jain, the present petitioner filed a Civil Writ No. NC 181-D|of 1963 in the Delhi High Court. The Hon'ble High Court held that the Proof-readers of the Government of India Presses though covered by the definition of the term working journalist under Section 2(f) of the Act, were deprived of the benefits of the Act by Section 19-B thereof. This position appeared anomalous to the Hon'ble High Court which also observed as under:—

'These are, however, matters which it is for the Parliament to look into and further clarify the intention by proper amending legislation, if considered necessary, but is not possible to say that Section 19-B suffers from the vice of discrimination and is liable to be struck down under Article 14 of the Constitution.'

...The Unions of the Government of India Press Workers—such as Federation of Workers of the Government of India Presses, Calcutta; Government of India Press Workers' Union, New Delhi, etc. which represent the Reading Branch staff as well, gave evidence before the 2nd Pay Commission. The recommendations of the Commission with regard to Reading Branch staff are contained in Chapter XXIX of their report.....

The Categorisation Committee (Reading Branches) considered in detail the case of Reading Branch staff of the Government of India Presses. The Committee were of the view that the Reading Branch staff could not be treated as industrial workers like other industrial workers such as Machinemen, Binders, Inkers, Compositors etc., although their duties are not purely clerical in nature. It was further pointed out that the First and Second Pay Commissions have also treated the Reading Branch staff as a

separate group by themselves consisting of literary workers who could neither come within the category of clerical workers nor strictly within the purview of workshop staff. However, keeping in view the decision of Government to include Reading Branch staff in industrial group of workers, the Committee categorised them into categories of Supervisory, high skilled and skilled like other industrial workers.....

The Categorisation Committee (Reading Branch) opined that a clear definition of the term industrial workers should be adopted on an all India basis and that the workers should not be classified as industrial merely on the consideration that they were working in industrial establishment while their counter-parts in non-industrial establishment are classified as non-industrial. The presumption made by the petitioner that had this principle been applied to the Reading Branch Staff, they would have been classified as working Journalists is incorrect. Even if they were to be classified as non-industrial, this would not entitle them to be treated as working journalists under the Working Journalists Act, 1955 in view of Section 19-B thereof.....

It may be mentioned that another Pay Commission is now being set up and the Commission may go into this matter as the Second Pay Commission did."

C. Recommendation of the Committee

12.6. The Committee recommend that the case of the proof-readers of the Government of India Presses, may be placed before the Third Pay Commission now set up.

XIII

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATION OF THE COMMITTEE ON PETITIONS, CONTAINED IN THEIR FIFTH REPORT, FOURTH LOK SABHA, ON PETITION NO. 10 FROM SHRI H. K. SAHOO, SECRETARY, RAILWAY USERS' COMMITTEE, ROURKELA AND OTHERS, REGARDING CONSTRUCTION OF RAILWAY LINE BETWEEN BIMLAGARH AND TALCHAER ETC.

13.1. In their Fifth Report, presented to Lok Sabha on the 30th April, 1969, the Committee, after considering the petition from Shri H. K. Sahoo, Secretary, Railway Users' Committee, Rourkela and others, and the comments of the Ministry of Railways, had recommended as follows:

> "The Engineering and Traffic Surveys by the South Eastern Railway should be expedited and the question of construction of Bimlagarh-Talcher Rail Link considered by the Railway Board in the light of the demands and aspirations of the people of Orissa."
>
> [Para 25, P. 11, Fifth Report, Fourth Lok Sabha].

13.2. The Ministry of Railways (Railway Board) with whom the question of implementation of the above recommendation of the Committee was pursued, have stated as follows:

> "Preliminary Engineering and Traffic Surveys for a new line from Bimlagarh to Talcher including an extension upto Koira Valley were sanctioned in August, 1969, at an estimated cost of Rs. 14.38 lakhs and are in progress. The surveys are expected to be completed within a period of 12 months. The actual construction of this line will however, depend upon the results of the surveys, the priority this line will merit and the availability of funds."

13.3. The Committee are glad to note that Government have already sanctioned preliminary Engineering and Traffic Surveys for a new railway line in the area and the work of survey is in progress. They hope that the surveys would be completed within the time schedule and that the actual construction of the railway line would be taken up at an early date.

XIV

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE CONTAINED IN THEIR THIRD REPORT (FOUTRH LOK SABHA) ON REPRESENTATIONS FROM SHRI D. S. GREWAL, GREENFIELDS PLOT-HOLDERS ASSOCIATIONS, REGD., NEW DELHI REGARDING PROTECTION OF INTERESTS OF PLOT-HOLDERS IN GREENFIELDS COLONY.

14.1. In their Third Report, presented to Lok Sabha on the 29th August, 1968, the Committee, after considering the representations from Shri D. S. Grewal, Green-fields Plot-holders Association, Regd., New Delhi, and in the light of the comments and oral evidence of the Ministries of Health, Family Planning and Works, Housing and Urban Development, Home Affairs and Industrial Development and Company Affairs, had recommended as follows:—

> "The Committee would urge the Ministry of Home Affairs to expedite this matter in consultation with the Government of Haryana with a view to handing over of physical possession of plots to the plot-holders. The Committee have persued in this connection a newspaper advertisement which appeared in the *'National Herald'*, New Delhi, dated the 11th August, 1968, in which the colonisers have claimed that the Town and Country Planning Department of Haryana have since approved their lay-out plans etc. and have requested the plot-holders to expedite payment of the additional charges. The Committee feel gratified that, after the petitioners' representations to the Committee, some expedition has occurred in this regard. The Committee also note that the petitioners had agreed to pay the additional charge of Rs. 6 per sq. yard if Government took over the colony and undertook its development. The Committee trust that the Ministry of Home Affairs would have the matter expeditiously finalised with a view to remove any discontent on the part of the plot-holders.

The Committee also recommend that the Ministry of Home Affairs might, in consultation with the Ministry of Law, initiate suitable legislation to protect the interests of plot-holders where colonisation schemes are mooted at places within Union Government's jurisdiction and payments therefor have been made by purchasers at these places.

The Committee would also like to know from the Ministry, in due course, the results of their examination of the feasibility of criminal proceedings being launched in Delhi for an offence, if any, committed by the Company in view of its headquarters being situated in Delhi and their advertisement having been published in Delhi newspapers and moneys having been paid and received in Delhi. The Committee would also like the Department of Company Affairs to intimate the results of their investigations and to initiate action on the lines agreed to by their representatives, *viz.* making suitable provisions in the Company Law to restrict the activities of private limited companies, where alleged fraud or intent to defraud or misfeasance is noticed.

As regards Government's present view that the dispute is civil in nature and is a case of breach of contract and is justiciable only in a civil court, the Committee would like Government to examine the desirability of assuming powers for taking over a company where a large number of persons are affected, either as share-holders or as outright purchasers of the benefits or perquisites offered by the Company and who cannot seek redress in a law court individually. The Committee would like to know the Government's decision in due course."

[Paras 34—37, Pages 11-12, Third Report, Fourth Lok Sabha].

14.2. The Ministries of Health, Family Planning and Works, Housing and Urban Development, Home Affairs and Industrial Development and Company Affairs, with whom the question of the implementation of the above recommendations of the Committee was pursued, have stated as follows:

(i) *Ministry of Health, Family Planning and Works, Housing and Urban Development.*

"The Department of Parliamentary Affairs have clarified in their O.M. No. 4(L)Misc|68-PA, dated the 15th December, 1969 that with the revocation of President's

Rule, the responsibility for taking action on the recommendations of the Third Report of the Committee on Petitions devolves on the Government of Haryana.

In view of the advice of the Department of Parliamentary Affairs, the matter is being treated as closed so far as this Ministry is concerned."

(ii) *Ministry of Home Affairs.*

"As regards the question, 'whether on the basis of the advertisements made by the colonisers in local newspapers regarding approval of the colony and their convassing by purchase of plot by the prospective buyers by offering free rides in buses to the colony and other incentives and the situation of their Registered Office at Delhi, it could be said that some incident had taken place in Delhi which constituted an offence', the matter has been examined in consultation with the Ministry of Law. In the circumstances and on the facts of the case, no offence of cheating or misappropriation is made out and no legal action against the colonisers could be taken."

(iii) *Ministry of Industrial Development and Company Affairs.*

"The matter was referred to the Department of Industrial Development for consideration. The Department has indicated that only such industries as involve a manufacturing process can be brought within the purview of the Industries (Development and Regulation) Act. Since no manufacturing process is involved in development of plots for residential purposes, it would not be in order to include this activity within the purview of the Industries (Development and Regulation) Act, 1951. There is no provision either in the Companies Act, 1956, under which the Central Government can take over such company.

14.3. The Committee have noted the information furnished by the concerned Ministries and have decided not to pursue the matter further.

XV

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE CONTAINED IN THEIR FOURTH REPORT (FOURTH LOK SABHA) ON PETITION NO. 5 FROM SHRI MAHABIR PERSHAD GUPTA AND OTHERS, DELHI FIRST POINT SALES TAX ACTION COMMITTEE, DELHI, *RE.* INTRODUCTION OF FIRST POINT SALES TAX SYSTEM IN DELHI.

15.1. In their Fourth Report, presented to Lok Sabha on the 19th December, 1968, the Committee, after considering the Petition from Shri Mahabir Pershad Gupta and others, Delhi First Point Sales Tax Action Committee, Delhi, and in the light of the comments and oral evidence of the Ministry of Home Affairs, had recommended as follows:

> "The existing system of sales tax levy at the last point might continue for the present, especially as it has worked smoothly for a number of years. The Committee would, however, like the Government to examine the feasibility of increasing selective inclusion of articles for the first point levy, as is the case in respect of some of the items at present.
>
> While noting the provisions of the Delhi Sales-tax Bill now under consideration of the Delhi Administration, the Committee would prefer it to be last-point oriented. The Committee would welcome positive measures to enforce collection of sales tax and to check evasion of tax.
>
> The Committee feel that merger of sales tax with excise duty at source, though desirable and in the interest of better revenue collection and psychological satisfaction of the consumer, is not feasible in view of the strong opposition likely to be encountered from the State Governments.
>
> Finally, the Committee would recommend that Government should take early steps to introduce in Parliament a Sales Tax Bill for Delhi after taking into consideration all the relevant factors described above."
>
> [Paras 68 to 71, P. 21, Fourth Report, Fourth Lok Sabha]

15.2. The Ministry of Home Affairs, with whom the question of the implementation of the above recommendations of the Committee was pursued, have furnished the comments of the Delhi Administration in the matter, which are as follows:—

"The present system of levy of sales tax in Union Territory of Delhi is in accordance with the recommendations of the Committee on Petitions, Sales Tax is generally levied on last point and the whole scheme of the Bengal Finance Sales Tax Act, 1941 as extended to the Union Territory of Delhi is last point oriented. However, with effect from the 1st October, 1959, a new section—Section 5(a)—was inserted in the Act which empowers the Chief Commissioner (now Lt. Governor) to prescribe the points at which tax may be levied in the series of sales made by successive dealers. By invoking this provision, the incidence of taxation has been shifted to the first point on a few commodities as follows:—

Commodity	Date from which incidence has been shifted
1. Vegetable Ghee	1-1-1961
2. Coal	1-2-1963
3. Motor Spirit Aviation Spirit and High Speed diesel oil	15·5·1963
4. Medicines, Drugs and Pharmaceuticals preparations	1-1-1965
5. Cement	1-4-1965
6. Tyres and Tubes	1-7-1965

However, shifting of tax on the first point has caused certain legal complications. The scheme of the present Act being last point oriented, in view of provisions of Sections 4 and 7 of the Act, registered dealers can make tax free purchase for purposes of manufacturing and resale. Such tax free purchases come in conflict with first point taxation. The Ministry of Law have opined that the shifting levy of sales tax to the first point by issuing a notification under Section 5(a) of the Act does not override other provisions of the Act including those contained in sections 4 and 7. The aforesaid legal complications are being examined with a view to sorting out this matter.

The Delhi Sales Tax Bill, 1965 which was introduced in Lok Sabha on 24-8-66 lapsed consequent on the dissoultion of the Third Lok Sabha. The Ministry of Finance who are dealing with legislative matters of sales tax in Delhi addressed a communication in March, 1967 to Delhi Administration stating that in case the Administration were interested in pursuing the Bill, further action will be taken by them in the light of the provisions contained in the Delhi Administration Act, 1966 and the Central Government could process the matter further only after hearing from that Administration. In July, 1967, the Ministry of Finance were informed by Delhi Administration that the Delhi Sales Tax Bill was still under consideration of the Executive Councillor (Finance) and that the same will have to be placed before the Metropolitan Council after it was considered by the Executive Council Delhi. Meanwhile, in the last session of the Metropolitan Council, a private member, Shri Inder Mohan Sehgal, also introduced a Bill for the new Sales Tax Act for this territory. This Bill has been referred to a Select Committee of the Council and deliberations on it are continuing. The Administration has been proposing certain amendments in this Private Member's Bill. The Bill is likely to be discussed in the next session of the Metropolitan Council and then it would be considered by the Executive Council. Thereafter it would be sent to the Govt. of India for examination and for introduction in the Parliament. The Bill has been referred to the Select Committee.

As regards the question of positive measures to enforce collection of tax, Special Investigation Branch for surprise checks has been opened in the Sales Tax Department. This Branch has organised several surprise raids. The Recovery Branches of the Department have also been strengthened. It is significant that the actual collection in 1968--1969 was Rs. 21.85 crores against the actual coiletcion of Rs. 18.04 crores in 967-68.

15.3. **The Committee while taking note of the facts stated above, hope that the Delhi Sales Tax Bill will be finalised by Government in consultation with the Delhi Administration without any further delay, so that it may be introduced in Parliament at an early date.**

XVI

ACTION TAKEN BY GOVERNMENT ON THE RECOMMENDATIONS OF THE COMMITTEE CONTAINED IN THEIR FIFTH REPORT (FOURTH LOK SABHA) ON PETITION NO. 11 FROM SHRI HEMRAJ VERSHI HARIA AND THREE OTHER REPRESENTATIVES OF RETAIL GRAIN DEALERS' FEDERATION, BOMBAY, REGARDING THE PREVENTION OF FOOD ADULTERATION ACT, 1954 AND RULES MADE THEREUNDER

16.1. In their Fifth Report, presented to Lok Sabha on the 30th April, 1969, the Committee, after considering the petition from Shri Hemraj Vershi Haria and three other representatives of Retail Grain Dealers' Federation, Bombay, and in the light of the comments of the Ministry of Health, Family Planning & Works, Housing and Urban Development (Department of Health & Urban Development) had recommended as follows:

"(a) The provisions of the Prevention of Food Adulteration Act, 1954 and the Rules made thereunder should be enforced more rigidly;

(b) the State Governments might be advised to set up more food testing laboratories; and

(c) Action might be expedited for deciding the questions of

(i) preservation of chillies with proper preservatives; and

(ii) implementing the suggestion that articles should bear the dates of validity and time."

[Para 32 p. 16, Fifth Report, Fourth Lok Sabha]

16.2. The Ministry of Health, Family Planning & Works, Housing and Urban Development (Department of Health) with whom the above recommendations of the Committee were pursued, have stated as follows:

"(a) The State Administrative Medical Officers have already been addressed from time to time to enforce the provisions of the Prevention of Food Adulteration Act more rigidly. The Prime Minister and the Minister for State

in this Ministry have also written to the Chief Ministers and Health Ministers of States, respectively, on this subject.

(b) The State Governments have been advised to set more laboratories. The question of classification of "Prevention of Food Adulteration" as a Centrally Sponsored Scheme with a view to providing central assistance to the State Governments in this respect is under consideration.

(c) (i) The question regarding the use of traces of edible oils as a preservative in Chillies has been examined in consultation with the Central Committee for Food Standards and it was considered that there was need to provide for addition of traces of edible oils in Chillies. However, data and information regarding the different types of oils and their quantity used is being collected by a Sub-committee and a final decision will be taken as soon as the information is available.

(ii) As regards the suggestion that articles of food should bear the dates of validity and time, the matter has been examined in consultation with experts but it is not found practicable to indicate the dates of expiry on containers of food articles."

16.3. **The Committee, while taking note of the facts stated above, would like to be informed of the decision taken by the Government on the questions of (i) classification of "Prevention of Food Adulteration" as a Centrally Sponsored Scheme with a view to providing Central assistance to the State Governments and (ii) use of traces of edible oils as a preservative in Chillies. The Committee may also be informed about the actual difficulties felt by Government in indicating the dates of expiry on containers of food articles.**

XVII

REPRESENTATION INADMISSIBLE AS PETITIONS

17.1. During the period under report, the Committee have considered 32 representations and letters addressed to the House, the Speaker or the Committee by various individuals and associations, etc., which were inadmissible as Petitions.

17.2. The Committee observe that through their intervention the petitioners have been provided expeditious, partial or complete relief or due redressal of their grievances, or that the Ministries/ Departments concerned have explained satisfactorily the grounds for not being able to remove the petitioners' grievances. [See **Appendix XII, Parts I & II**].

S. SUPAKAR,
Chairman,
Committee on Petitions.

NEW DELHI;
The 29th April, 1970.

APPENDIX I

(*See* para 2.1 of the Report)

PETITION No. 14

(*Presented to Lok Sabha by Shri M. Narayan Reddy, M.P. on 30th July, 1969*)

To

LOK SABHA,
NEW DELHI.

The humble petition of Shri B. Saya Reddy of Mosra, Taluk Bodhan, District Nizamabad.

SHEWETH:

(1) Your petitioner is a sugar-cane grower of long standing supplying sugar-cane, to the Nizam Sugar Factory Limited, Shakkernagar, during last more than 20 years. He was the founder President of the Nizamabad Co-operative Sugar Factory Nizamabad and has been closely associated with the organization and management of this factory since its inception.

(2) It is more than 20 years since the Central Government introduced the present control on molasses on a fixed price of 67 paise (Sixty Seven paise only) per quintal. Production and distribution of molasses produced by more than 200 sugar factories in the country are controlled under the Molasses Control Order 1961 issued under the Industries (Development and Regulation) Act, 1951.

(3) As a consequence of control on molasses the sugar factories are under statutory obligation to deliver the entire stock of their molasses to the nominees of various State Governments. The State Governments make allotments to various distilleries from time to time for the production of potable liquors and industrial alcohol.

(4) The price of 67 paise per quintal of molasses is said to have been fixed during the Second World War in the year 1941 by the then British Government. But in spite of many changes and tremendous development in sugar industry and economy the Central Government has not reviewed its policy either by increasing the price or lifting the control.

(5) The present controlled price of molasses is not even sufficient to *cover the cost of storage of molasses and handling charges.* The present price is not only abnormally low but also in effect amounts to "expropriation of property without any compensation."

(6) The present control on molasses with a fixed price of 67 paise per quintal is *ultra vires* of the Constitution inasmuch as it is an unreasonable restriction on trade and right to hold property and as such voilative of Article 19(1) (f) (g) of the Constitution. In support of the above contention your petitioner begs to refer to a recent Judgement, of the High Court of Andhra Pradesh at Hyderabad, in writ petitions No. 3865 to 3869 of 1968 in the matter of Bharat Khandsari Sugar Mills *Vs.* the Government of Andhra Pradesh and Andhra Pradesh Power Alcohol Factory etc. A relevant and important portion of the said judgement is to the following effect.

> "That the market price of molasses bears no comparison to the control price. In my opinion the Central Government was not justified in ignoring completely the cost of production on the ground that it was a bye-product. Simply because a commodity is Bye-product of the process of manufacture of another commodity, it can not be said that the produce does not incur any cost on producing the former. Further the Central Government is obliged to fix fair price for a particular commodity, which is the subject matter of order under Section 18(g) and it is not necessary to say that the price of another commodity has been fixed taking into account the total cost of production including the second commodity and, therefore, no price need be fixed for the second commodity. Under Section 18(g) of this Act the Central Government was to fix a "fair price" for the molasses. The price has normally to be fixed such as the cost of production, the price at which it would normally be sold in the market and the use to which it may be put etc. I am of the view that the *Central Government has not applied its mind at all to the actual price which the commodity may fetch in the market.* (Emphasis supplied).

(7) It will be seen from the above that the present policy of the Central Government in regard to molasses is unrealistic and highly unfair and, therefore, needs immediate reconsideration and revision in the public interest.

(8) That the market price of molasses varies between Rs. 50 to 70 per quintal as against the control price of 67 paise per quintal.

This fantastic disparity is not only resulting in great hardship and loss to the sugar factories but also reducing and weakening their capacity in offering adequate and competitive, price to the sugar-cane growers all over the country. The other consequence of the abnormally low control price of molasses is the constant increase in the price of sugar adversely affecting the consumer.

(9) All the above factors require serious consideration in the public interest. Moreover molasses has an export market. The F.O.B. molasses export price during 1968 was above Rs. 900 (Rupees Nine hundred only) per metric tonne. Thus there is a real potential in molasses to earn much needed and valuable Foreign Exchange if the control is removed.

(10) There is absolutely no justification to continue existing control on molasses at throw away price of 67 paise per quintal to help another industry in an unreasonable and unconstitutional manner. It sounds like "robbing peter to pay paul".

(11) On account of this unrealistic policy of the Central Government; The Nizamabad Co-operative Sugar Factory, Nizamabad with which the petitioner is associated, is incurring a heavy loss year after year. It is now unable to repay its loans and advances taken from Government and other financial Institutions. So also many other Co-operative Sugar Factories all over the country are similarly handicapped. In the event of removal of controls on molasses the petitioner's Factory referred to above will recover its financial losses and will also be able to repay its loans and as well as pay fair and competitive price to the cane growers and reasonable dividend to the Shareholders.

(12) The prosperity and welfare of 20 million sugar-cane growers all over the country is directly linked with the prosperity, stability and consistent progress of the sugar industry. It is necessary to provide incentive to the sugar industry by removing control on molasses altogether or by fixing a "fair price" of molasses so that they can pay better and higher price to the cane growers. It would also bring down the cost of sugar production and the consumer will have much needed relief. What was good or necessary in 1941 can not be so in 1969. It is really unfortunate that the Central Government has not revised its policy in this behalf all these years.

Accordingly your petitioner prays that:

(1) LOK SABHA might consider this grievance in the public interest and also direct the Central Government to go into the whole matter with a view to provide immediate

relief, and for this Act of Kindness, your petitioner as in duty bound shall ever pray

Name of Signatory	Full Address	Signature
Shri B. Saya Reddy, s/o Kishta Reddy.	P. O. Mosra, Tq. Bodhan, District Nizamabad Andhra Pradesh.	Sd/- B. Saya Reddy

Countersigned by Shri M. Narayan Reddy, M. P.
Div. No. 291

APPENDIX II

(*See* para 2.4 of the Report)

(*Parawise comments on Petition No. 14 furnished by the Department of Chemicals*)

Para 1: No comments to offer. These are facts in the knowledge of the petitioner.

Para 2: The statement is denied. Control on molasses was extended by the Central Government only on 29th March, 1961, under Central Molasses Control Order, 1961.

Para 3: No comments.

Para 4: The statement is not correct. The price of 67 paise per quintal was fixed from 29th March, 1961.

Para 5: The question of fixing a price for molasses on the basis of its independent cost of production does not arise since it is only a bye-product of sugar manufacture and the selling price of sugar takes the total cost of production into account. The price fixed for molasses, however, takes into account the reasonable expenditure required for storing in good condition, pumping and loading.

Paras 6 and 7: It is incorrect to say that Control on molasses is *ultra vires*—Section 18(G) of the Industries (Development and Regulation) Act, 1951 and is violative of Article 19(i) (f) (g) of the Constitution of India. Section 18(G) of the said act clearly provides for regulating the supply and distribution of any article relatable to Schedule industries including the trade and commerce therein. Molasses is relatable as raw material to a class of fermentation industries occuring as item 26 of the First Schedule to the Industries (D&R) Act, 1951. Control of the prices as well as distribution of molasses is well within the ambit of this section and this has been done in the national interest. There is no room for ambiguity in the import of this Section.

The Andhra Pradesh High Court by its judgment of 26th December, 1968, has directed the issue of a writ of

mandamus directing the Union of India and the State Government of Andhra Pradesh to forbear from enforcing the provisions of the Molasses Control Order, 1961 as amended by the Molasses Control (Amendment) order, 1968 of 26th March, 1968 since extended to the State of Andhra Pradesh from 17th April, 1968, in respect of molasses obtained from khandsari units until and unless the proper price is fixed in the light of the observations in the judgement. The Andhra Pradesh High Court has upheld the validity of the Molasses Control Order, 1961 but it held that the Schedule to the Order amended in 1968 fixing the price of the molasses obtained from khandsari sugar units at 67 paise per 100 kgs. is *ultra vires* and contrary to Section 18(G) of the Industries (Development and Regulation) Act, 1951 since the Central Government has not applied its mind to the relevant factors in fixing the price. As a result, the question of amending the Schedule to the Molasses Control Order, 1961 with a view to provide for a suitable price for khandsari molasses is under consideration of the Central Government.

Paras 8 to 12: It is denied that molasses were being sold for lawful purpose at Rs. 50 to Rs. 70 per quintal. The price of various grades of molasses have been specified in the Schedule to the Molasses Control Order, 1961. These prices are just and fair and have been fixed on the basis of the total reducing sugars as per I.S.I. specifications and taking into consideration the fact that there is no separate cost of production of molasses, this being only a by-product.

Having regard to the trend of production of and demand for molasses and alcohol in the recent past and during the current sugar season it is not practicable to lift control on and allow export of this commodity.

The petition is devoid of merits.

APPENDIX III

(*See* para 2.4 of the Report)

(Detailed brief on Petition No. 14 furnished by the Department of Chemicals)

The background about fixing the selling prices of molasses under the Molasses Control Order, 1961 is as under:—

During the early 50s distillery industry was not fully developed in the country. Because of this the demand for molasses was very low and in fact a number of sugar factories were letting molasses in the open allowing it to go waste. Apart from constituting a health hazard this meant waste of a valuable raw material. In a number of States like U.P. the disposal of molasses was controlled by separate State Acts and a price for molasses had also been fixed. The price so fixed was 4 annas per maund in U.P. and some other States.

In 1955 the Central Government appointed a Committee known as Alcohol Committee to study and suggest measures for developing alcohol based industries. In para 50 of their report this Committee recommended that the price of molasses be fixed at 4 annas per maund and its distribution controlled so as to make it available to the distilleries for the production of alcohol. The recommendations of this Committee were accepted and as a result the Molasses Control Order, 1961 was issued on 29th March, 1961 fixing the prices of different grades of molasses and the same was made applicable to the State of Andhra Pradesh with effect from the 15th July, 1961, in exercise of the powers conferred by clause 1(2) of the said Order. It is evident that while fixing these prices the State Governments should have taken into consideration the reasonable expenditure for storing in good condition and for loading the molasses in tank lorries. Thus the question of price being expropriatory does not arise.

Molasses only is not produced by any factory; it is obtained only as a by-product of sugar industry. Under Clause 3 of the Molasses Control Order, 1961 the Molasses Controller is empowered to require any owner of a sugar factory to sell the entire quantity or such portion of the Molasses produced or held in stock by him to any person or persons as may be specified by the Controller. Since molasses as such is not used for consumption, it is not necessary

that the owner of a sugar factory should be enabled to retain a portion of the molasses produced by him for his own consumption. In any case, the distribution is not made free of cost. In this view of the matter there does not seem to be any constitutional objection to require owners of the sugar factories to sell the entire quantity of molasses produced by them.

The prices of various grades of molasses have been specified in the Schedule to the Molasses Control Order, 1961. These prices are just and fair and have been fixed on the basis of the total reducing sugars as per the I.S.I. specifications and taking into consideration the fact that there is no separate cost of production of molasses, this being only a by-product. It is incorrect that molasses can be sold at Rs. 50 to 70 per quintal for any lawful purpose.

Sub-section 1 of Section 18(G) of the Industries (Development and Regulation) Act, 1951 specifically provides that the powers under that Section can be exercised in cases where it appears to the Central Government to be necessary or expedient for securing the equitable distribution and availability at fair prices of any article or class of articles relatable to any scheduled industry. This provision is a sufficient guide line for the Central Government to exercise the powers under that Section. The restrictions imposed under Section 18(G) are very reasonable and are in the public interest. It is incorrect to say that the Molasses Control Order, 1961 is *ultra vires* the Constitution and violative of Article 19(1) (f) (g) of the Constitution. Section 18(G) of the Industries (D & R) Act, 1951 clearly provides for regulating the supply and distribution of any articles relatable to schedule industries including the trade and commerce therein. Molasses is relatable as raw material to a class of fermentation industries occuring as item 26 of the First Schedule to the Industries (D & R) Act, 1951. Control of the prices as well as distribution of molasses is well within the ambit of this Section and this has been done in the national interest. There is absolutely no room for ambiguity in the import of this Section. In fact Central Government who have assumed control of the overall industrial development of the country have been concerned at the shortage of essential raw materials required for various important industries. Molasses falls in this category of raw materials, since it is the basic raw materials required for the production of power alcohol by distilleries. Power Alcohol is a very important and basic organic chemical and is used for the manufacture of essential items like drugs and pharmaceuticals, synthetic rubber, plastics and numerous other chemicals.

While the scheme for bringing the khandsari units within the scope of molasses Control Order, 1961 in the larger public interest

was under consideration, the situation regarding the availability of molasses in the country became critical towards the end of 1966 and the need for extending the Molasses Control Order, 1961 to khandsari units became imperative. This question was, therefore, discussed at a meeting of the State Excise Ministers on 15th August, 1967 and it was decided that in the present context of shortage of molasses, the control of production and distribution of molasses produced by khandsari units should be implemented. The amendment to the molasses Control Order, 1961 was issued on 26th March, 1968, in pursuance of this decision and after ensuring that the Scheme was feasible. The Molasses Control (Amendment) Order, 1968 of 26th March, 1968, was extended to the State of Andhra Pradesh, at their request, from 17th April, 1968, in respect of molasses obtained from khandsari units in that State.

The question of fixing a price for molasses on the basis of its independent cost of production does not arise since it is only a by-product of sugar manufacture and the selling price of sugar takes the total cost of production into account. The price fixed for molasses, however, takes into account the reasonable expenditure required for storing in good condition, pumping and loading. Unless Molasses is made available at this price to the distilleries, it will be difficult for the latter to produce and sell alcohol at a reasonable price to alcohol based industries. The Alcohol Committee and the Tariff Commission have also opined that for sustaining the alcohol based industries and to make alcohol available at a reasonable price for the purpose, the selling price of molasses has to be around the figure fixed under the Molasses Control Order, 1961. The Sugar Enquiry Commission which went into the question of utilisation of by-products of sugar industry in 1965 was in fact anxious about the future of molasses once the alcohol based industries shift from the use of alcohol produced from molasses to alcohol produced from other sources. This situation has not yet materialised. They, however, recommended that the price of molasses be increased by 50 per cent over the present prices to give an incentive to sugar factories for putting up proper storage facilities like steel tanks. Since sugar factories have failed to evolve a satisfactory scheme in this regard, it has not been possible to agree to an increase in the selling price of molasses. The very fact that the Sugar Enquiry Commission have recommended only 50 per cent increase even after storage facilities are set up by the sugar factories indicates that the prevailing prices are not expropriatory. Any increase in the price of molasses will lead to increase in the price of alcohol and make it uneconomical for the alcohol based industries. There will be a serious disruption of industrial activity at the national level.

Control on the distribution and pricing of molasses is exercised either under the Central Molasses Control Order, 1961, which is in force in certain States or under the Molasses Control Acts in force in other States. Amongst the major molasses producing States—U.P., Bihar Punjab, Haryana and Maharashtra have got their own Acts and Madras and Andhra Pradesh etc. are governed by the Central Molasses Control Order. Control on molasses is exercised by the State Governments through the Molasses Controllers appointed by them. The object underlying the controls is to utilise molasses which is a by-product of the sugar industry for the manufacture of power alcohol and to make available that alcohol at economic prices to alcohol-based industries in the country. The production of molasses in a particular year depends on the production of sugar. Molasses and alcohol are inter-linked in that the former is the main raw material for the latter. The two sugar seasons 1966-67 and 1967-68 were bad with the result that there was considerable fall in the production of molasses and alcohol. Consequently imports of alcohol and to some extent of molasses, were made to supplement the indigenous availability of the two commodities. In view of the present short supply of molasses and alcohol in the country arrangements for the import of alcohol are being made during the current sugar season 1968-69 also. The price of imported alcohol being about 3 times the price of the indigenous alcohol, there is no point in exporting some molasses and importing equal or higher quantity of this item or its by-product at higher prices.

In fact, in view of overall shortage in the country in 1968 in order to maintain level of production of alcohol based industries arrangements were made for the import of restricted quantities of molasses *i.e.* 10,267.082 tonnes to the tune of Rs. 22.5 lakhs for West Bengal to meet the acute shortage in that State.

The estimated production of molasses during the current sugar season 1968-69 is 12.23 lakh tonnes as against the production of about 9 lakh tonnes during the previous season. The estimated demand for molasses is 16.164 lakh tonnes which means a deficit of 3.92 lakh tonnes.

Besides, the question of a possibility of exports of molasses and alcohol in the near future was discussed at the State Excise Ministers' Conference held on the 19th May, 1969, and it was felt that there is no prospects of any exports being possible in the near future and this question does not arise at this stage.

Having regard to the trend of production of and demand for molasses and alcohol in the recent past and during the current sugar

season it is not practicable to lift ban on export of molasses and alcohol.

The Andhra Pradesh High Court by its judgement of 26th December, 1968, has directed the issue of a writ mandamus directing the Union of India and the State Government of Andhra Pradesh to forbear from enforcing the provisions of the Molasses Control Order, 1961 as amended by the Molasses Control (Amendment) Order, 1968 of 26th March, 1968 since extended to the State of Andhra Pradesh from 17th April, 1968, in respect of molasses obtained from khandsari units until and unless the proper price is fixed in the light of the observations in the judgement. The Andhra Pradesh High Court has upheld the validity of the Molasses Control Order, 1961 but it held that the Schedule to the Order amended in 1968 fixing the price of the molasses obtained from khandsari sugar units at 67 paise per 100 kgs. is *ultra vires* and contrary to Section 18(G) of the Industries (Development & Regulation) Act, 1951 since the Central Government has not applied its mind to the relevant factors in fixing the price. As a result, the question of amending the Schedule to the Molasses Control Order, 1961 with a view to provide for a suitable price for khandsari molasses is under consideration of the Central Government.

APPENDIX IV

(*See* para 2.4 of the Report)

[*Molasses Control Order*, 1961]

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 29th, March, 1961.

ORDER

S.R.O. 770.—In exercise of the powers conferred by Section 18G of the Industries (Development and Regulation) Act, 1951 (65 of 1951), the Central Government hereby makes the following order, namely:—

1. *Short Title and Commencement*:

(1) This Order may be called the Molasses Control Order, 1961.

(2) It shall come into force in a State on such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf for such State, and different dates may be appointed for different States.

2. *Definitions*:

In this Order, unless the context otherwise requires:

(a) "Molasses" means the mother liquor produced in the final stage of manufacture of sugar by the vacuum pan process from sugarcane or gur;

(b) "Sugar Factory" means an industrial undertaking in any part of which a manufacturing process connected with the production of sugar by means of vacuum pan process is being carried on and is ordinarily so carried on with the aid of power;

(c) "Molasses Controller" means an officer appointed as such by a State Government for the purposes of this Order and includes any person empowered by a State Government to exercise all or any of the functions of the Molasses Controller under this Order.

(d) "State Government" in the case of Union Territory means the Administrator of the Union Territory.

3. *Restrictions on Sale*:

Every owner of a sugar factory shall, notwithstanding any contract to the contrary, sell the entire quantity or such portion thereof, of molasses produced by him or held in stock by him to any person or persons as may be specified by general or special order in each case by the Molasses Controller and shall not dispose of such molasses in any other manner.

4. *Restrictions on Removal*:

No owner of a sugar factory shall remove or permit the removal of any molasses, whether sold or unsold, from any part of his factory to any place outside such factory except with the written permission of the Molasses Controller.

5. *Storage of Molasses*:

Every owner of a sugar factory shall provide:—

(i) One or more covered storage tanks within the premises of sugar factory for the safe preservation of molasses in stock with him;

(ii) adequate safeguards against leakage or any other accident likely to damage the quality of molasses stored in the tanks;

(iii) adequate arrangements to prevent the mixing of old and deteriorated molasses with fresh molasses;

(iv) adequate facilities for handling of molasses including taking out of samples and the pumping and loading of molasses into tank wagons, tank lorries or other containers.

6. *Grading of Molasses*:

Molasses shall be classified into three grades as specified under the Indian Standards Specifications for cane molasses No. IS:1162-1958.

7. *Maximum Price at which molasses may be sold*:

(1) No molasses of the grades specified in column 1 of the Schedule appended hereto other than molasses which may be specifically released by the Molasses Controller for purposes of export, shall be sold at a price higher than that specified in column 2 thereof.

(2) No molases specifically released by the Mollasses Controller for the purposes of export shall be sold to any exporter of molasses at a price higher than Rs. 650 per 100 kgs. F.O.B. Indian Port.

NOTE.—The price fixed in the Schedule is exclusive of any excise duty or cess that may be levied under any law but includes cost of loading the molasses in tank wagons or tank lorries as may be arranged between the owner of a sugar factory and the purchaser.

8. *Additional functions of the Molasses Controller*:

In addition to the powers specified in other clauses of this Order, the Molasses Controller may also:

(a) prescribe the procedure for ascertaining annual requirements of molasses by different consumers or industrial undertakings and for allocating supplies to them from sugar factories;

(b) prescribe conditions for despatch of molasses and for payment of price thereof;

(c) nominate officers subordinate to him to supervise arrangements for storage and sale of molasses and to inspect the premises;

(d) prescribe the procedure for testing and fixing the price of molasses.

9. *Maintenance of Accounts etc.*:

Every owner of a sugar factory and every industrial undertaking receiving or using molasses shall maintain such books, accounts and records relating to the production of molasses and its disposal as the Mollasses Controller may prescribe and furnish such returns or other information relating thereto as may, from time to time, be called for by the Molasses Controller.

10. *Powers of Entry, Search and Seizure etc.*:

(1) Any person authorised in this behalf by the Central Government or a State Government may, with a view to securing compliance with this Order or to satisfying himself that this Order has been complied with;

(a) stop and search, or authorise any person to stop and search any person, boat, motor or any vehicle or receptacle used or capable of being used for the transport of molasses;

(b) enter and search and authorise any person to enter and search any place;

(c) seize or authorise the seizure of any molasses in respect of which he suspects that any provision of this Order has been, is being or is about to be contravened, along with the packages, coverings or receptacles in which such molasses is found or the animals, vehicles, vessels, boats or conveyances used in carrying such molasses and thereafter take or authorise the taking of all measures necessary for securing the production of the packages, coverings, receptackles, animals, vehicles, vessels, boats or conveyances so seized, in a court and for their safe custody pending such production.

(2) The provisions of Section 102 and 103 of the Code of Criminal Procedure, 1898 relating to search and seizure shall, so far as may be, apply to searches and seizures under this clause.

SCHEDULE

Grade of Molasses	*Price*
Grade 1	67 naye paise per 100 kilograms
Grade 2	53 naye paise per 100 kilograms.
Grade 3	40 naye paise per 100 kilograms.

NOTE.—For quality of molasses below Grade 3, the price will be 40 naye paise for every 40 kilograms reducing sugar contained therein.

APPENDIX V

(*See* para 2.4 of the Report)

[*Molasses Control (Amendment) Order*, 1968]

[To be published in Part II Section 3, Sub-section (ii) of the next issue of Gazette of India.]

GOVERNMENT OF INDIA

MINISTRY OF PETROLEUM AND CHEMICALS

(DEPARTMENT OF CHEMICALS)

New Delhi, the 26th March, 1968.

ORDER

S.O. 1274.—In exercise of the powers conferred by section 18C of the Industries (Development and Regulation) Act, 1951 (65 of 1951), the Central Government hereby makes the following Order to amend the Molasses Control Order, 1961, namely:—

1. This Order may be called the Molasses Control (Amendment) Order, 1968.

2. In the Molasses Control Order, 1961, after clause 10, the following clause shall be inserted, namely:—

"11. *Application of provisions of the Order to molasses prepared by open pan process.*

(1) The provisions of this Order shall apply to and in relation to molasses prepared by the open pan process (that is to say, mother liquor produced in the final stage of the manufacture of khandsari sugar by the open pan process) from sugarcane or gur with the aid of power as they apply to and in relation to mother liquor produced in the final stage of the manufacture of sugar by the vacuum pan process from sugarcane or gur with the aid of power:

Provided that in such application, the Schedule to this Order shall have effect as if for that Schedule, the following Schedule had been substituted, namely:—

THE SCHEDULE

Grade of Molasses	*Price*
Grade I	67 paise per 100 kilograms.

Provided that the percentage of total reducing sugar expressed as invert sugar is not less than 50 per cent.

(2) Notwithstanding that the provisions of this Order have come into force in any State, the provisions of sub-clause (1) shall not come into force in that State unless the Central Government, by notification in the Official Gazette, otherwise directs."

Sd.|- M. RAMAKRISHNAYYA,
Joint Secretary to the Government of India.

(4|1080|64|Ch.I)

To

The Manager,
Government of India Press,
New Delhi.

APPENDIX VI

(*See* para 3.1 of the Report)

PETITION NO. 24

(Presented to Lok Sabha by Shri Srinibas Mishra, M.P. on 1-4-1970)

[Considered by the Committee on Petitions, Lok Sabha at their sitting held on the 17th April, 1970, and circulated in pursuance of the Committee's direction under Rule 307 of the Rules of Procedure and Conduct of Business in Lok Sabha].

To

LOK SABHA
NEW DELHI

The humble petition of Shri Kartick Samal and others.

SHEWETH

1. That the petitioners are poor labourers of the town of Cuttack who live by preparing tin boxes for keeping tobacco paste. The boxes are prepared out of rejected and waste tins.

2. That the petitioners work with their own hands in their houses without using power or machinery.

3. That some of the petitioners are *paradanashin* women and some are young boys and old men who prepare these boxes and earn their living.

4. That the boxes are prepared in the cottages of the petitioners with the help of their family members and they prepare at the maximum about 10 boxes which are sold at Rs. 0.55 Paise each.

5. That recently the Central Excise Officials have started demanding that the petitioners should take out licences for preparing the boxes, by depositing Rs. 50|- each and pay duty at the rate of 10 per cent.

6. That the boxes are meant for keeping tobacco paste which is not food.

7. That the boxes cannot also be called tin containers in the strict sense.

8. That the petitioners have been compelled to stop their work as a result of such demand by the local Central Excise staff, and they are going without any work at present. This has led to the starvation of the petitioners and their dependents.

9. That the petitioners have reasons to believe that the boxes prepared by the petitioners were not meant to be dutiable. If it is not meant to be dutiable, the matter requires to be clarified and the local officers be directed not to interpret the provisions to authorise levy of duty on such boxes.

10. That if, according to the provisions, such boxes are liable to payment of Excise duty, it hits the petitioners very hard. It is impossible on the part of the petitioners to take out licences and to pay duties before selling the boxes.

11. That the petitioners will be ruined and be turned into beggers instead of honest labourers, if these boxes are not exempted from duty and the provision be either amended or clarified accordingly.

and accordingly your petitioners pray that:

The provision for levying Excise duty on the tin boxes prepared by the petitioners be clarified or amended to exempt those boxes from duty.

and your petitioner(s) as in duty bound will ever pray.

Name of Petitioner	Address	Signature or Thumb impression
Shri Kartick Samal	Upper Telengana Bazar, Cuttack (Orissa). and others	Sd/-

Countersigned by: Shri Srinibas Mishra, M. P.

APPENDIX VII

(*See* para 4.1 of the Report)

लोक-सभा

याचिका संख्या 25

(श्री कंवर लाल गुप्ता संसद सदस्य द्वारा 14-4-1970 को लोक सभा में पेश की गई)

(लोक सभा की याचिका समिति ने अपनी 17 अप्रैल 1970 की बैठक में इस पर विचार किया तथा लोक सभा के प्रक्रिया तथा कार्य संचालन सम्बन्धी नियमों के नियम 307 के अन्तर्गत समिति द्वारा दिये गये निदेश के अनुसरण में इसे परिचालित किया गया।)

सेवा में

लोक सभा,

नई दिल्ली।

डा० भाई महावीर, प्रधान दिल्ली प्रदेश जनसंघ, 12 पंत मार्ग, नई दिल्ली तथा दिल्ली के लगभग 96183 अन्य नागरिकों की विनम्र याचिका दर्शाती है :

(1) हम दिल्ली के नागरिक इस याचिका द्वारा इस वर्ष के बजट के बारे में अपना तीव्र क्षोभ प्रकट करना चाहते हैं और मांग करना चाहते हैं कि गत 28 फरवरी को प्रधान मंत्री ने जो वित्त विधेयक पेश किया है उसमें आमूलचूल परिवर्तन किया जाए।

(2) जनसाधारण की दृष्टि से 1970-71 का बजट 1963-64 के बाद का सबसे क्रूर बजट है। 1963-64 का बजट चीनी आक्रमण की पृष्ठभूमि में तैयार किया गया था। अतएव उसके द्वारा लादे गए कर-भार को सकारण माना जा सकता था। किन्तु इस साल की क्रूरता का कोई औचित्य नहीं है।

(3) श्रीमती गांधी के नए बजट में कुल मिला कर 170 करोड़ रुपए के अतिरिक्त कर लगाने का प्रस्ताव है। इनमें से 155 करोड़ रूपए के अप्रत्यक्ष कर हैं जो स्पष्टतया उपभोक्ताओं पर ही पड़ेंगे। दैनिक जीवन के उपयोग की अनेक वस्तुओं पर उत्पादन शुल्क में भारी बढ़ोत्तरी करने का प्रस्ताव रखा गया है। बढ़े हुए उत्पादन शुल्क द्वारा सरकार चीनी से 28.40 करोड़ रूपए, चाय से 7.90 करोड़ रुपए, मिट्टी के तेल से 9.20 करोड़ रुपए, एल्युमुनियम बर्तनों आदि से 4.70 करोड़ रुपए सिगरेट से 13.50 करोड़ रुपये, पैट्रोल से 21.36 करोड़ रुपए तथा रेयान तन्तुओं से 12.18 करोड़ रुपए प्राप्त करना चाहती है। इसके अतिरिक्त खाद्य पदार्थों, वाति-पयों और डिब्बों पर शुल्क बढ़ा कर उससे 13.50 करोड़ रुपए वसूल करने का सुझाव है। इन करों के अतिरिक्त बजट में 225 करोड़ रुपए का घाटा दिखाया गया जो प्रत्यक्ष में इससे कहीं अधिक होगा और मुद्रा स्फीति को जन्म देगा। सरकारी आंकड़ों के अनुसार गत वर्ष मूल्यों में 7 प्रतिशत वृद्धि हुई हैं। उपरोक्त प्रस्ताव यदि स्वीकार किए गए तो कीमतों में भयंकर वृद्धि होगी और महंगाई के बोझ के नीचे झुका हुआ सामान्य जन पूर्णतया पिस जाएगा। हमारी मांग है कि ये प्रस्ताव वापस लिए जाएं।

876 LS—4

(4) हम समझते हैं कि आय कर में सामान्य नागरिक को छूट देने की जो बात कही गई है वह एक निरा धोखा है। वर्तमान आयकर दर के अनुसार दो बच्चों वाले एक विवाहित व्यक्ति के लिए आय कर छूट की मर्यादा 4800 रुपए है। इस छूट को बढ़ा कर 5000 रुपए करने से सरकार जनता को राहत नहीं दे रही है उसके साथ मजाक मात्र कर रही है। इस विषय में स्वयं केन्द्रीय सरकार द्वारा गठित भूतलिंगम समिति का भी सुझाव था कि 7500 रुपए की वार्षिक आय तक को आय कर से छूट होनी चाहिए।

(5) हमें इस बात पर खेद है कि सरकार अपने कर्मचारियों के लिए यह सिद्धान्त भी स्वीकार करने को तैयार नहीं है कि उनका महंगाई भत्ता मूल्य वृद्धि के अनुपात में बढ़ता रहेगा। हमारी मांग है कि यह सिद्धान्त स्वीकार किया जाए और इस बजट में प्रावधन करके तृतीय वेतन आयोग का प्रतिवेदन आने तक केन्द्रीय कर्मचारियों को वेतन में अन्तरिम राहत दी जाय।

(6) हमारा मत है कि स वर्ष के बजट में दिल्ली के साथ भारी अन्याय किया गया है। दिल्ली की अल्पतम आवश्यकताओं की पूर्ति के लिए प्रशासन ने केन्द्रीय सरकार से 104.99 करोड़ रुपए की राशि की मांग की थी किन्तु केन्द्र ने केवल 82.21 करोड़ पए का प्रावाधान किया है जो योजना आयोग द्वारा स्वीकृत राशि से भी कम है। यदि इस अन्याय का परिमार्जन नहीं किया गया तो जनसाधारण की इस धारणा की पुष्टि होगी कि दिल्ली के साथ किया जा रहा सौतेला व्यवहार राजनैतिक कारणों से प्रेरित है।

और तदनुसार आपको याचिका देने वाले प्रार्थना करते हैं कि:—

(1) गत 28 फरवरी को प्रधान मंत्री ने जो वित्त विधेयक पेश किया है उसमें आमूल परिवर्तन किया जाए।

(2) उपभोक्ताओं के दैनिक जीवन के उपयोग की अनेक वस्तुओं पर उत्पादन-शुल्क के प्रस्ताव को वापस लिया जाए जैसे चीनी, चाय, मिट्टी का तेल, एल्यूमीनियम के बर्तन, सिगरेट, पैट्रोल आदि पर अधिक कर लगाने की योजना है।

(3) 7500 रुपए की वार्षिक आय तक को आय-कर से छूट देनी चाहिए।

(4) यह सिद्धांत स्वीकार किया जाए कि इसी बजट में प्रावधान करके तृतीय वेतन आयोग का प्रावधान आने तक केन्द्रीय कर्मचारियों को वेतन में अंतरिम राहत दी जाए।

(5) दिल्ली की अल्पतम आवश्यकताओं की पूर्ति के लिए दिल्ली प्रशासन को 104.99 करोड़ पए की राशि दी जाय।

और आपको—याचिका देने वाले कर्तव्यबद्ध हो कर सदा प्रार्थना करेंगे।

याचिका देने वाले का नाम	पता . हस्ताक्षर या अंगूठे का निशान
महावीर तथा लगभग 96,183 अन्य	12, पंत मार्ग, नई दिल्ली।

प्रतिहस्ताक्षर:
श्री कंवर लाल गुप्ता, संसद सदस्य

English translation of Petition No. 25

PETITION NO. 25*

(Presented to Lok Sabha by Shri Kanwar Lal Gupta, M.P. on 14-4-1970)

[Considered by the Committee on Petitions, Lok Sabha, at their sitting held on the 17th April, 1970, and circulated in pursuance of the Committee's direction under Rule 307 of the Rules of Procedure and Conduct of Business in Lok Sabha].

To

Lok Sabha,

NEW DELHI.

The humble petition of Dr. Bhai Mahavir, President, Delhi Pradesh Jan Sangh, 12, Pandit Pant Marg, New Delhi and about 96183 other citizens of Delhi.

SHEWETH

(1) We, the residents of Delhi want to express, through this petition, our strong resentment against the Budget for the year 1970-71 and demand that radical changes should be made in the Finance Bill introduced by the Prime Minister on the 28th February, 1970;

(2) From the common man's point of view, the Budget for 1970-71 is the most cruel Budget presented since 1963-64. The Budget for 1963-64 was prepared in the background of the Chinese attack. As such, the burdens imposed by it could be considered purposeful. But there is no justification for the harshness of this year's Budget;

(3) In the new Budget of Shrimati Indira Gandhi, it is proposed to levy additional taxes to the tune of Rs. 170 crores. Out of this, Rs. 155 crores are accounted for by indirect taxes which would evidently have to be borne by the consumers. There is a proposal for heavy increase in the Excise duty on several articles of daily use. From enhanced Excise duty, Government wants to realise Rs. 28.40 crores from sugar, Rs. 7.90 crores from tea, Rs. 9.20 crores from kerosene oil, Rs. 4.70 crores from aluminium utensils etc., Rs. 13.50 crores from cigarettes, Rs. 21.36 crores from petrol and Rs. 12.18 crores from

*Original in Hindi.

rayon yarn. Besides, Government propose to realise Rs. 13.50 crores by enhancing duty on food articles, cold drinks and containers. Besides these taxes, a deficit of Rs. 225 crores has been shown in the Budget which in fact would be much more and would give rise to inflation. According to official figures, there was a 7 per cent increase in prices last year. In case the above mentioned proposals are accepted, there would be a spurt in the prices and the common man who is already suffering from the burden of high cost of living, would be completely crushed. We demand that these proposals be withdrawn.

(4) We feel that the concession in Income-tax stated to be given to the common man is only an illusion. According to the present rates of Income-tax, a married person with two children is exempted from Income-tax upto an annual income of Rs. 4,800|-. Government is not providing relief to the public by raising this limit to Rs. 5,000|- but is only making a mockery of it. The Boothalingam Committee, constituted by the Central Government itself for the purpose, had recommended that annual income upto Rs. 7,500|- should be exempted from Income-tax.

(5) We regret that the Government is also not prepared to accept the principle for its own employees that their dearness allowance should be increased in proportion to the increase in the cost of living. We demand that this principle be accepted and interim relief should be provided for to the Central Government employees in this very Budget till the report of the Third Pay Commission is presented.

(6) We are of opinion that grave injustice has been done to Delhi in the Budget for this year. The Delhi Administration had demanded Rs. 104.99 crores for meeting the minimum requirements of Delhi but the Central Government has made a provision of Rs. 82.21 crores which is even less than that sanctioned by the Planning Commission. If this injustice is not remedied then this view of the public would be confirmed that the step-motherly treatment being meted out to Delhi is motivated by political reasons.

and accordingly your petitioners pray that

(1) Radical changes may be made in the Finance Bill presented by the Prime Minister on the 28th February, 1970;

(2) The proposal for enhancing Excise duty on articles of daily use *i.e.* sugar, tea, kerosene oil, aluminium utensils, cigarettes, petrol etc. be withdrawn;

(3) Annual income upto Rs. 7,500|- should be exempted from Income-tax;

(4) The principle that interim relief should be provided to the Central Government employees by making provision in this year's Budget, till the report of the Third Pay Commission is presented, should be accepted; and

(5) Rs. 104.99 crores may be provided to the Delhi Administration for meeting the minimum requirements of Delhi.

and your petitioners as in duty bound will ever pray.

Name of Petitioner	Address	Signature or thumb impression
Dr. Bhai Mahavir	12, Pandit Pant Marg, New Delhi.	Sd/-
	and about 96183 others.	

Countersigned by : Shri Kanwar Lal Gupta, M. P.

APPENDIX VIII

(*See* Para 6.3 of the Report)

IMMEDIATE

[Comments of the Ministry of Home Affairs on the representation regarding inadequate punishment for the offence of kidnapping under the Indian Penal Code.]

No. 8|95|69-P.I.

GOVERNMENT OF INDIA

MINISTRY OF HOME AFFAIRS

NEW DELHI-1, *the December,* 1969|*Agrahayana,* 1891

OFFICE MEMORANDUM

SUBJECT:—Inadequate punishment for the crime of kidnapping under I.P.C.

The undersigned is directed to refer to Lok Sabha Secretariat U.O. No. 53|CI|69|R-45, dated the 25th September, 1969 on the subject mentioned above, and to forward herewith two statements showing the incidence of kidnapping and abduction from the year 1964 to 1968 in the country as well as its break-up State-wise. From these statements it may be seen that although there has been a slight increase in the incidence of this crime it is more or less in step with the increase in population.

From paragraph 2 of Shri Aggarwal's petition it appears that he is chiefly concerned about kidnapping for ransom. Since this is not a specific offence, statistics are not available about it. It could be generally stated, however, that kidnapping for ransom is a part of the larger problem of dacoity in some parts of Madhya Pradesh, Uttar Pradesh and Rajasthan. The Police forces of these States are, constantly carrying out operation to curb dacoits activities. The question of kidnapping for ransom was also discussed in the Conference of Inspectors General of Police held in 1966 and it was recommended by the Conference that an offence u|s 365 IPC when kidnapping was for ransom should be exclusively triable by the Court of Sessions. This recommendation is under consideration of the Law Commission.

As regards the suggestion made by Shri Aggarwal to enhance punishment for kidnapping, it may be mentioned that there does not seem to be any justification for raising maximum punishment at the present stage because the sentences normally imposed by the

Courts are only a fraction of the maximum sentences already provided under the law. The Government of India are, however, already considering a Bill to provide for minimum punishment for cerain types of offences of Kidnapping U|s 363 and 363-A(I) IPC. It is also proposed to broadbase the definition of "begging" given u|s 363-A on the analogy of the corresponding provision of Bombay Prevention of Begging Act, 1959.

Last year, the question of kidnapping of children and deforming and using them for purposes of begging was also examined by the Cabinet who had decided as under:—

> "That a programme should be drawn up and implemented for taking child-beggars away from the streets to homes and orphanages where they should be properly looked after. The possibility of making increased funds available to the Department of Social Welfare to enable them to provide shelter and give proper care to these child-beggars should be examined in consultation with the Ministry of Finance. Punishment should be made more severe for those kidnapping children and also for those using children for purposes of begging."

Consequent on the above decision of the Cabinet, the Department of Social Welfare set up an Expert Committee under the Chairmanship of Dr. (Smt.) Jyotsna H. Shah, Director, Central Bureau of Correctional Services, to go into details of all the problems relating to kidnapping of children for purposes of begging and suggest measures for its satisfactory solution. The Committee have since submitted its report. The relevant extracts from the Report were sent to all State Governments/Union Territories for taking necessary action in the matter vide this Ministry's letter No. F. 8|65|69-P.I. dated 31st July, 1969 (copy enclosed).

It may please be seen from the foregoing note that the Government is very much alive to the problem of kidnapping and are taking all possible measures to curb this crime which is anti-social in nature.

The representation of Shri Chandra Prakash Aggarwal in original is returned herewith as desired.

Sd|-
(C. B. Budgujar)
Under Secretary to the Government of India

To

The Lok Sabha Secretariat
(Committee Branch-I),
Shri J. R. Kapur, Under Secretary,
New Delhi.

Annexure I to Appendix VIII

Statement showing the incidence of kidnapping and abduction from 1964 to 1968 is shown below

Year	1964	1965	1966	1967	1968
1. Total congnizable crime .	759013	751615	794733	881981	862602*
2. Total cases of kidnapping and abduction . .	8050	7927	7874	8192	8528*
3. Percentage of offences kidnapping to total crime	1·1%	1·0%	1.0%	0·9%	1·0%
4. Volume of kidnapping offences to one lakhs of population . . .	1·7	1·6	1·6	1·6	1·6

Source : Crime in India Report.

*These figures are based on quarterly crime reports and are provisional.

Annexure II to Appendix VIII

Statement showing state-wise break-up of cases of kidnapping and abduction

States/U. Ts.	1964	1965	1966	1967	1968
1	2	3	4	5	6
1. Andhra Pradesh . .	118	114	131	122	77
2. Assam	446	495	374	356	394
3. Bihar	519	436	640	482	395
4. Gujarat . . .	305	285	267	256	256
5. Haryana . . .	..	..	134	140	146
6. Jammu and Kashmir .	99	108	142	165	161
7. Kerala	49	53	63	79	13
8. Madhya Pradesh . .	829	734	716	772	863
9. Maharashtra . . .	520	564	515	585	589
10. Mysore . . .	140	116	120	127	106
11. Nagaland . . .	7	2	3	12	7
12. Orissa	110	114	89	109	86
13. Punjab	484	447	268	316	351
14. Rajasthan . . .	957	1004	956	994	1325
15. Tamil Nadu . .	483	448	473	417	370
16. Uttar Pradesh . .	1716	1808	1636	1906	1927
17. West Bengal . . .	696	705	768	810	910
	7478	7433	7295	7648	7986

1	2	3	4	5	6
18. A. & N. Islands . .	..	1	3	..	3
19. Chandigarh . . .	..	..	4	15	13
20. Dadra and Nagar Haveli	..	..	..	..	..
21. Delhi . . .	257	283	249	260	267
22. Goa, Daman & Diu .	17	14	6	8	6
23. Himachal Pradesh . .	45	37	61	70	45
24. Laccadive . .	..	..	..	..	..
25. Manipur . .	153	131	196	165	179
26. Pondicherry . .	5	3	15	1	5
27. Tripura . . .	95	25	45	25	25
TOTAL .	572	494	579	544	542
Grand Total . . .	8050	7927	7874	8192	8528

Source : Crime in India

*These figures are taken from quarterly crime reports and are provisional.

APPENDIX IX

(*See* Para 7.1 of the Report)

Representation from Shri C. Kesaviah Naidu, Distt, Chittor.

re *introduction of* Giro *system in Post Offices*

To

LOK SABHA,
NEW DELHI.

The humble petition of Shri C. Kesaviah Naidu, Chittor District, A.P.,

SHEWETH

The Post Office Savings Banks serve most of the Villages in rural parts. Here, the villagers have to pay—

(1) Electricity Bills—monthly.
(2) Telephone Bills—monthly.
(3) Local taxes—yearly.
(4) Land Revenue—yearly and so on.

2. Electricity bills are paid to the Bill Colletcors on the due dates, when they visit the village. If the consumer forgets to pay on that particular day, then he has to send it by M.O.

3. A paper famine in mid-seventies has been forecast by the "Economic and Scientific Research Foundation" in a study of "*Pulp and paper prospects for* 1975". Therefore our object should be to turn out more work with less paper. Anyhow, the Government of India is spending a lot of amount on "thick M.O. forms". Instead of that, if thin cheque books are supplied to Savings Bank deposit holders, they will issue them to the payees, which will be economical.

4. In foreign Countries, everything is transacted by cheque system through Banks, whereas in India, it is always by cash payment with attendant evils of looting on the way. Even heavy Railway Cash Chests (round in shape and red in colour) are thrown down in mid-forests from running trains.

5. "Giro" system is prevalent in several foreign countries, where the remitter and the payee should hold Savings Bank Accounts in Post Offices and there need not be hard and fast rule that every cheque book holder should have a minimum of Rs. 500 as deposit and all that. Before issuing a cheque, if he puts so much amount in the Savings Bank, it will serve the needy purpose and the number of drawals need not be rationed or the amount of withdrawals in Naya Paise need not be controlled as in Commercial Banks.

6. In the cheques, a small portion may be left to the remitter to write the purpose to avoid covering letter and waste of paper.

and accordingly your petitioner prays that—

(1) "Giro" system may be introduced in Post Office Savings Banks, without minimum deposit and without restriction of number of withdrawals and amounts in Naya Paisa

(2) a small portion may be left in some corner of the cheque to write the purpose

(3) the revenue of Railway Stations may be deposited with the nearest Savings Banks and the Head Office intimated

and your petitioner as in duty bound will ever pray.

Name of Petitioner	Address	Signature with date
C. KESAVIAH NAIDU,	Sarpanch, Bheemavaram Gram Panchayat, Narasingapuram Post, Chittoor District (A.P.)	(sd) C. KESAVIAH NAIDU, 17-9-1969

APPENDIX X

(*See* para 8.2 of the Report)

Comments of the Department of Health on the further from the Retail Grain dealer's Federation, Bombay

Point raised by the Retail Grain Dealers' Federation, Bombay in Petition No. 11	Comments of the Ministry of Health and Family Planning and Works, Housing and U.D. on the points raised in Petition No. 11	Further points raised by the Retail Grain Dealers' Federation on the comments of the Ministry on Petition No. 11	Comments of the Ministry of Health and F.P. & Works, Housing and U.D. on points raised in Column No. 3
1	2	3	4
1. Adulteration is defined in such a way that though there is no admixture and though the food article is as it is when produced yet it is considered to be adulterated.	Legal meaning need not always coincide with dictionary meaning. The legal definition in this case is clear and is meant to cover even sub-standard articles.	It is not sufficient to have clear definition. The definition should be such so as to put honest traders into unnecessary hardships. Because of the present definition, the honest traders will have no alternative but to close the business. Adulteration and sub-standard should be separated and viewed differently. Actual wilful adulteration by admixture cannotbe treated on par with sub-standard. In sub-standard quality there is no admixture. It means it has natural deficiencies but there is not wilful admixture.	The question of differentiating "adulterated" food from "sub-standard" food was raised by some of the Asociations who gave evidence before the Joint Committee of Parliament on Prevention of Food Adulteration Bill in 1964 but the Committee did not make any recommendation in this respect. This question was recently referred to C.C.F.S. who have set up a sub-committee to examine the matter. Further action will be taken on receipt of their report.

2. The vendor is not in a position to find the quality and standards of the articles he is selling as the standards fixed are of technical nature.	Wherever possible standards have been laid down in general terms like limits of extraneous matter, so that a vendor is in a position to find the amount of the same. In some food products (e.g. ghee, oils, fats) there can be no simple test and the standards have to be fixed in technical terms.	In fact out of 161 products of which standards have been laid down only in 7 following cases, standards have been laid down in general items. Such item are only (1) Caraway (shiajeera) (2) chillies (lal mirchi) whole, (3) coriander (dhania) whole, (4) cummin (jeera) whole (5) fennel (sauf) (6) Fenugreek (methi) (7) Turmeric (haldi) whole. In restof the commodities the standards are of a technical nature requiring special knowledge. Our inquiry has revealed that even in England such standards are not prescri - bed.	It is not always possible to detect that quality and adulteration of a food on the basis of physical appearance and refraction. The highest food standard laying body in the world Codex Alimentarius Commission-has also the same practice of laying down chemical standards for most of the foods. This is a practice in almost all countries of the world.
3. The vendor is not aware of the process of manufacture, etc. which affects injuriously the nature, substance or quality thereof and hence he should not be prosecuted.	Under Section 14 of the P.F. A. Act 1954 every manufacturer distributor or dealer is required to give a warranty to the vendor about the nature and quality of the articles and a person who contravenes these provisions is punishable with imprisonment for term extending to six months and with fine of	Even in case of packed articles and whose warranty is also there, the authorities prosecute the ratailers, allowing the manufacturers to go scot free. Our point is that if the article is sealed and packed, irrespective of the fact whether there is any warranty or not, if the contents are found to be adulterated, only the	Where food articles taken out to sealed packets/tins are sold in loose form the State Govt. have been told to advise the Food Inspectors to draw samples of the same article from a sealed package/tin from that very manufacturer if available and send both these samples simultaneously to the Public Analyst for

1	2	3	4
	not less than Rs. 500/- vide clause (ICI) under section 16.1 of the Act. The vendor can therefore, proceed legally against the manufacturer or the wholesaler if he does not give a warranty. It is appreciated that there may be a genuine difficulty in respect of agricultural produce. This is receiving consideration.	manufacturer should be prosecuted. The Ministry, it appears, has side-tracked the main issue.	analysis. In case the results of the two samples taken are found to be identical but not conforming to the standards as laid down under the P.F.A. Rules then prosecution should be launched against the manufacturers alone and not against the retail dealers etc. for adulteration of the article at the stage of manufacture even though the said manufactured article is drawn from the retailer.
4. The standards prescribed under the Act are not suitable to Indian condition and should be revised region-wise.	The standards for various food articles have been laid down after taking into consideration the facts like climate, soil, etc. which affect the composition of a food-article. The standards of certain products like milk, ghee which vary in composition depending upon the region have been fixed on	This we agree and will follow from time to time.	No comments.

	the region or State basis. Processed articles like fruit products, edible oils etc. can conform to one all India Standard and it is therefore not necessary to prescribe regional standards for such articles. In case the Retail Grain Dealers' Federation feels that standards for any particular article is not attainable, they can submit their suggestions to the Director General of Health Services along with necessary data. The standards are not static but can always be reviewed and modified, if foundnecessary. In fact thestandards of various articles of food under the P.F.A. Rules are amended as and when necessary.		
5. The report from the Central Food Laboratory is not submitted in time and the vendor has to wait for a very long time.	The reports from the Central Food Laboratory have to be submitted to the Court with in 30 days of the receipt of the sample in the Laboratory as provided under Section 13(2) of the Act.	This should be made applicable to all Govt. andMunicipal Laboratories.	The Public Analysis are already required under the P.F.A. Rules to send the report of the result of analysis within a period of sixty days of the receipt of the sample.

1	2	3	4
6. The vendores are not in position to judge by appearance of an article of food as to whether it is adulterated or misbranded.	As explained under item 3 above, the warrantly clause has been provided to safeguard the interests of the vendor.	It appears that the retailers' grievances have not been understood in right perspectivee. Even in cases where article is packed and warrantly is also there, retailerisprosecuted. Secondly, retailer is one who sells in loose. Once he opens a packed article, warrantly has no value. Hence when Inspector takes sample of loose stock, he must, if available with the shopkeeper, take sample of the same product from the packed and sealed container and if both samples agree in all respects, it is proved beyond doubt that the retailer has sold it in the same condition in which he received from the manufacturer and hence only the manufacturer should be prosecuted and not retailer. If this is done, then only the purpose of the Act would be achieved, and that too without much delay.	Where food articles taken out of sealed packets/tins are sold in loose for , th State Govts have been told to advise the Food Inspectors to draw samples of the same article from a sealed package/tin that very manufacturer, i available and send both these samples simultaneously to the Public Analyst for analysis. In case the results of the two samples taken are found to be identical but not conforming to the standards as laid down under the P.F.A. Rules then prosecution should be launched against the manufacturers alone and not against the retail dealers etc. for adulteration of the article at the stage of manufacture even though the said manufactured article is drawn from the retailer.

7. Chillies cannot be preserved with salt and oils.	The matter is being considered in consultation with technical experts.	Till the matter is finalised, traders should not be prosecuted for following their old custom which is not in any way harmful to health.	This matter is still under consideration in consultation with technical expert and is likely to be decided shortly.
8. Besan has been defined as the product obtained from Bengal Gram (Cicerarietinum)	It is the botanical name that matters and not a regional name.	It will enable the public to understand the law easily if the word "Gram" is used instead of botanical and regional names.	'Bengal Gram' is the English version of 'citerarietinum' the listanical name. As such no change is considered necessary.
9. The articles should bear the date of its validity and time.	This has been discussed a number of time in various meetings of the Central Committee for Food Standards but an acceptable procedure has not been found possible.	We have nothing more at present to add to this point.	
10. Colours should absolutely be prohibited.	This has also been considered. Complete prohibition of colours is not possible as certain products like sweets, etc. have to meet the accepted standards even in the matter of colour, aesthetic sense of the general public. In all countries of the world certain colours have been permitted. Our list includes	Pulses cannot be coloured. Yet looking to the number of prosecutions on this account it is clear that manufactures continue to colour dals. Even the Maharashtra State Co-op. Marketin Federation Ltd. which is financed and controlled by State Govt. is prosecuted for selling colour dals. It	Action has been taken and the State Govts. concerned have already been informed about the desirability of looking carefully into this matter and to stop this harmful practice. The State Govts. have been requested to see that coloured dals are not allowed to come into the market.

1	2	3	4
	only 8 coal-tar-dyes which can be used only on certain food products like bakery, confectionery, fruit products etc.	is necessary that wide publicity is given in the news papers that colouring of pulses is totally prohibited when colour is considered very harmful. Govt. should give wide publicity. Secondly, for process of colouring dals which can be undertaken by the millers only the retailers should not be prosecuted. Coloured dals should not be allowed to come in market.	
11. The vendor should be allowed to lead his defence which is prohibited under Section 19 of the Act.	Section 19 states that it shall be no defence for a vendor to show his ignorance of the nature, substance or quality of the food sold by him. The same Section further provides that in case a vendor can produce a warranty, he shall not be deemed to have committed an offience. It has no-	The difficulty is that the retailer is one who sells in small quantity. The momment a packed container is open, warranty loses its value. In practice warranty is useless. Even when for selling packed article which has warranty, if only retailers are to be prosecuted, what is the use of warranty.	It involves a general question of legal practice. The Ministry has no further comments to offer.

	where been laid down that vendor cannot lead his defence.	In case of sub-standard quality, it is impossible for the retailer to know the ingredients of the product. In case of articles, where there is no admixture of foreign material, ignorance should be allowed in defence.	
12. The samples of whole articles should only be taken from the manufacturers as the vendor cannot adulterate them.	It cannot be said that whole articles like foodgrains, spices etc. cannot be adulterated by vendor. Adulteration can take place at any stage and hence it is very difficult to exempt the vendors from the purview of the Act. The State Govts. have already been requested to draw a large number of samples from the manufacturers, but this does not mean that the vendor can be absolved of his responsibility towards the consumers.	Wholesalers and manufacturers are able to pay big sun by way of 'instalments' to inspectors consequently samples are rarely drawn from them. Even in rare case, where sample is taken it is done as per the choice of the wholesaler or manufacturer & not of Inspector. We have never read in the newspaper the name of wholesalers or manufacturer being prosecuted and convicted. The tendency is to draw samples from the retailers who do not pay instalements. In case of whole articles like spices no ratailer can under-	At present the inforcement is in the hand of inspectors appointed mostly by the local bodies and the possibility of corruption cannot be ruled out. In any case a Central Unit for P.F.A. in the Dte. G. H. S. is being set up. This unit will *inter-alia* inspect big food processing units, draw sample and prosecute the offenders.

1	2	3	4
		take the process of extracting volatile oil or either extract. If he is capable of doing this he will not be in retail gain and grocery trade. The issue should be considered from practical view point.	
13 Govt. should draw samples regularly from the manufacturers and after analysis stamp them to be of standard.	This will need a large machinery and laboratory services and it is not feasible to venture upon such a project at present. However, if the Federation or other Co-op. Societies establish the laboratories jointly, the Govt. should be willing to provide them any technical guidance which they may need.	The Federation is prepared to establish laboratory as per directives of Government provided the laboratory is recognised by the Govt.	The Federation is welcome to establish food laboratories in order to help the trade to get the samples analysed. However, the report of such laboratories will not be binding on the court. If necessary, the D.G.H.S. can offer technical assistance for the establishment of such laboratories.
14. All the Products should be compulsorily Agmarked.	'Agmark' deals with only the agricultural products and moreover it is voluntary scheme. The trade itself should show interest in	We have no comments to make.	

	getting their food articles Agmarked to a large extent and thus provide tested food articles to the consumer.		
15. Mills should be prohibited from colouring Dals.	Colouring of dals is not permitted under the provision of the Act and the State Govts. have already been intimated about the same.	If the Union Govt. has intimated State Govt. about the fact that the dals cannot be coloured, then how the Maharashtra State Co-op. Marketing Federation Ltd., a Society controlled and financed by the Govt. sold coloured dals. The said society is prosecuted for having sold colour dals. It is necessary that the Govt. should give a wide publicity to the fact that dals cannot be coloured.	Action has been taken and the State Govts. concerned have already been informed about the desirability of looking carefully into this matter and to stop this harmful practice. The State Govts. have been requested to see that coloured dals are not allowed to come into the market.

16. If the articles are fit for human consumption there should be no prosecution.	It is not a question of more fitness for human consumption but of the maintenance of nutritional standards.	In a country like India which is not a developed country, it will be uneconomical if we destroy things which are fit for human consumption. It will be a national waste, which we at present, cannot afford. Things fit for human consumption should not be treated as adulterated or else the Govt. should see that the sub-standard goods are destroyed at the source of production.	The foods which are found to be contaminated with harmful substances and which are not in a fit position to be reclaimed either as human or animal food have to be destroyed. If, however, an article of food is found as not fit for human consumption but suitable for use as cattle feeder in industrial or agriculturals suitable action is taken in that respect by the concerned authorities.
17. For packed food-stuffs only the manufacturers should be prosecuted.	The provision of the Act provide that a manufacturer can be impleaded in the trial if the court is satisfied that he is also involved in the commitment of the offence. The prosecuting authorities have the discretion to decide whether the vendor or the manufacturer is to be prosecuted.	Though the prosecution authorities have the discretion whether the vender or the manufacturer is to be prosecuted, unfortunately the local authorities deny of having any such power. They say that only the Court has the power. Consequently the prosecuting authorities without applying mind as to who should be prosecuted,	Where food articles taken out of sealed packets/tins are sold in loose form the State Govts. have been told to advise the Food Inspectors to draw samples of the same article from a sealed package/tin from that very manufacturer if available, and send both these samples simultaneously to the Public Analyst for analysis. In case

		only prosecutes the retailer and thereby cause unnecessary inconvenience.	the results of the two samples taken are found to be identical but not conforming to the standards as laid down under the P.F.A. Rules then prosecutions should be launched against the manufacturers alone and not against their retail dealers etc. for adulteration of the article at the stage of manufacture even though the said manufactured article is drawn from the retailer.
18. Use of preservative does not adulterate food articles and render it unfit for human consumption. Hence there should be no prosecution.	Preservative beyond a certain limit are injurious to health.	We have nothing to comment on this score.	
19. The grades of quality should be left out of the purview of the Act.	P.F.A. Act lays down on the minimum standard.	In fact it is not so. There are certain commodities like chilli powder, where the standard is high than minimum e.g. in case of chilly powder it is laid down that the percentage of ash should not be more than 8% but it generally comes upto 10%	All such cases, if indicated, will be looked into.

1	2	3	4
20. One vendors rep resentative should be appointed on the Central Committee for Food Standards.	The Central Committee for Food Standards is a technical statutory body to advise the Central and State Govts. on matters arising out of the implementation of the P.F.A. Act. A representative from each State, a representative each from most of the Ministries of Govt. of India, a representative of Indian Council of Medical Research, and a representative of Indian Standard Institution have been nominated on this committee. In addition, two representatives are also nominated to represent the interests of agriculture, commerce a. d industry. In case they like to represent on any of the sub-committees their request should be considered if a list of such nominees with particular interests is sent to the Director General of Health Services.	If the representative of the vendor is taken on the said Committee than the practical difficulties of the trade could be better explained so that the purpose of the Act is achieved in a better way without causing unnecessary hardships to the traders.	The composition of the C.C.F.S. is prescribed under Section 3 of the P.F.A. Act according to which the representatives are nominated by the Govt. of India to represent the agricultural, commercial and industrial interests. These representatives are non-officials. The interests of the traders can be looked after by their representatives.

21. A sample of food article from the wholesaler or manufacturer should be taken simultaneously while drawing a sample from the vendor.	This is not practicable as the manufacturer or the wholesaler may be residing at a different place and in different States. The local food inspectors do not have a jurisdiction beyond their local areas which are mostly the municipal areas.	In case of Bombay, all the wholesaler are situated within the Municipal area hence question of jurisdiction does not arise.	The local Government would be suitably advised.
22. An inspector should take sample from a sealed container simultaneously when he is drawing sample of the loose article.	This will be done whenever possible.	The Central Government should give instructions to the State Government to follow this procedure unscrupulously.	No further comments.
23. Laboratories should be specified by the Central Government in each and every local area.	The implementation of the provisions of the Act is done through Sate Govt. and Local Bodies. Each State Govt. has set up at least one State Food Laboratory for the analysis of the Food articles. Some of the State like Rajasthan, Maharashtra and West Bengal have set up more than one laboratory in their States for the Analysis of the food articles. In addition some of the local bodies have also	In Bombay Municipal Laboratory takes nearly 20 days to give a report. Now if a retailer who wants to buy from wholesaler and get sample tested will find it impossible to get that stock after 20 days. Such report must be furnished within 24 hours, as is done by Poona Laboratory.	It is not possible for a sample to be analysed by any laboratory within 24 hours in most of the cases. Most often, the analysis requires certain chemicals procedures which might take more than 2 to 3 days. Moreover, all the laboratories of the public analysts have their normal quota of work to do and it is not always possible for them to test the sample of a retailer on a priority basis The State Govts. would be

1	2	3	4
	established their laboratories for the analysis of the food articles. A list of the same is enclosed. However, the Central Government have not set up any laboratory for the testing of the food articles at the first stage as the implementation of the Act is responsibility of State Governments.		requested to curtail the period required.

APPENDIX XI

(*See* Para 11.4 of the Report)

Factual comments of the Ministries of Labour Employment and Rehabilitation & Education and Youth Services on the representation re. inclusion of non-teaching employees of universities and other eduactional institutions within the purview of Industrial Legislation.

(*a*) *Ministry of Labour, Employment and Rehabilitation*

(Deptt of Labour and Employment)

GOVERNMENT OF INDIA

Most Immediate

Parliament Paper

MINISTRY OF LABOUR, EMPLOYMENT & REHABILITATION
(DEPARTMENT OF LABOUR & EMPLOYMENT)

SUBJECT:—Petition before the Committee on Petitions, Lok Sabha—Inclusion of employees of Universities and other educational institutions within the purview of labour legislations.

Will the Lok Sabha Secretariat kindly refer to their U.O. No. F 51|C-I|69, dated the 25th February, 1969 on the above subject.

2. The Supreme Court in its judgment of the 1st April, 1963 (Labour Law Journal—1963—Vol. II—page 335), in the case between University of Delhi and another and Ramnath and others, considered the question whether educational institutions would be 'industry' for the purposes of the Industrial Disputes Act, 1947. While going into the core of the question, the learned Judge held that the whole body of employees with whose co-operation the work of imparting education was carried on by educational institutions did not fall within the definition of 'workmen'. Any dispute between the teachers and the institutions which employed them would be outside the scope of the Industrial Disputes Act, 1947. It was emphasised in the judgment that it could not be said that education should be treated as 'industry' for the benefit of a very minor and insignificant number of persons who might be employed by educational institutions to carry on the duties of subordinate staff. In the case under reference, it was held that the University of Delhi and the Miranda College for Women could not be regarded as industry.

3. In May, 1963, representations were received from various workers' unions that either the Industrial Disputes Act, 1947 should be amended so as to cover educational institutions, or a new legislation should be passed providing some security of service for non-teaching employees of such institutions. The matter was examined in consultation with the Ministry of Education and the State Governments. The Ministry of Education and most of the State Governments were opposed to the move to amend the Industrial Disputes Act, 1947. The question of amending the said Act had therefore, to be dropped.

4. Recently in December, 1968, some representatives of the All India College Employees' Federation, Calcutta, saw the Union Labour Minister and presented a memorandum seeking redress of their grievances *inter-alia* requesting that the Industrial Disputes Act, 1947 be suitably amended so as to bring employees of educational institutions within its purview. It was explained to them that all these matters would have to await the report of the National Commission on Labour.

BALWANT SINGH,
Under Secretary.

Lok Sabha Secretariat with 30 extra copies.

Deptt. of Labour & Employment U.O. No. 59|22|69-LRI dated the 6th March, 1969.

(b) *Ministry of Education and Youth Services*

GOVERNMENT OF INDIA

MINISTRY OF EDUCATION AND YOUTH SERVICES

SUBJECT:—Petition presented to the Lok Sabha by the Secretary-General, All India University Employees Federation regarding inclusion of employees of universities and other educational institutions within the purview of Industrial Legislation.

Will the Lok Sabha Secretariat (Committee Branch) kindly refer to their U.O. No. F. 51|C-I|69 dated the 25th February, 1969? The position in so far as the Ministry of Education and Youth Services is considered is as follows:—

The universities, except the Central Universities, are set up by the Acts passed by the legislatures of the respective State Governments. The universities accordingly function as autonomous organisations and the power for determining the service conditions of the employees of the universities and the other educational institutions under the universities rest solely with the various bodies of the uni-

versities. The same is the position in respect of the Central Universities also, which are set up by Acts of the Parliament. The Central Government cannot, therefore, intervene in this matter.

2. As regards the question of bringing the employees of the universities and their affiliate educational institutions within the purview of Industrial Legislation, it is stated that on receipt of a representation from the General Secretary, University Workers' Union, Delhi (not recognised), the Ministry of Labour, Employment and Rehabilitation (Deptt. of Labour & Employment) had considered the matter in consultation with this Ministry and had informed the General Secretary—*vide* that Ministry letter No. 1|70|65-LRI dated the 7th November, 1966, COPY ENCLOSED—that it was not considered advisable either to amend the Industrial Disputes Act, 1947 or to have a separate legislation for the purpose of safeguarding the security of service of the non-teaching staff of the educational institutions.

3. However, at the instance of this Ministry, the University Grants Commission examined the matter in consultation with the Inter-University Board of India and Ceylon and, in its meeting held on the 6th July, 1966, had considered the question of framing model rules for regulating the service conditions of the non-teaching employees of the universities etc. in the same manner as for the academic staff. A committee was subsequently appointed in March, 1968 by the University Grants Commission to examine the existing rules prevalent in the universities and frame draft rules for the guidence of the universities. The Committee has met a number of times and considered the draft rules on such subjects as pay and allowances, leave, retirement, conduct, penalties and appeals. While preparing the draft rules, the Committee has also considered whether it would be desirable to frame the rules on the lines of Government rules or whether it would be more convenient to the concerned universities to have slightly different set of rules guaranteeing the security provided by Government rules, but at the same time avoiding the elaborate procedures involved in such rules. The Committee has not yet finalized its report.

4. It may be added that the final decision regarding acceptance of the draft model rules that may be framed by the Committee will rest entirely with the universities.

(H. D. GULATI)
Assistant Educational Adviser.

Lok Sabha Secretariat (Committee I Branch) with 30 spare copies

---

Ministry of Education & Youth Services U. O. No. 19-44|69-U.1 dated the 7th April, 1969.

Enclosure to Appendix XI

No. 1|70|65-LRI

GOVERNMENT OF INDIA

MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION

(DEPARTMENT OF LABOUR AND EMPLOYMENT)

To

The General Secretary,
University Workers' Union,
152 Dhaka, Delhi.

Dated New Delhi, the 7 Nov. 1966.

SUBJECT:—Industrial Disputes Act, 1947—Applicability to non-teaching employees of educational institutions—proposal for amendment of the Act.

Sir,

I am directed to refer to your letter No. UWU|SS|66 dated the 8th October, 1966 addressed to the Minister of Labour, Employment and Rehabilitation on the above subject and to say that the question of amending the Industrial Disputes Act, 1947 so as to include the non-teaching staff of Universities and other educational institutions under its purview was very carefully examined by the Central Government, but it was not considered advisable either to amend the Act for the purpose or, as an alternative, to have a separate legislation to safequard the security of service of the non-teaching staff of the educational institutions. However, the question of providing some security of service to the non-teaching staff of educational institutions is being separately examined in the Ministry of Education. Further enquiries, if any, in this connection may kindly be made from the Ministry of Education direct.

Yours faithfully,
Sd.|- H. C. MANGHANI
Under Secretary.

Copy; with a copy of letter under reference, forwarded for information to the Ministry of Education.

Sd.|-
for Under Secretary.

APPENDIX XII

[*See* Para 17.2 of the Report]

Representations inadmissible as petitions,—List of representations on which the Committee's intervention has procured speedy, partial or complete relief, or elicited replies from the Ministries concerned meeting adequately the petitioners' points.

PART I—*Cases pertaining to the Ministry of Labour, Employment & Rehabilitation (Deptt. of Rehabilitation)*

Sl. No.	Name of Petitioner	Brief Subject	Facts perused by the Committee
1	2	3	4
		FOURTH LOK SABHA	
1	Shri Gellaram Dhanumal, Amravati.	Payment of balance cost of E.P. No. 32 of Dhar.	Regional Settlement Commissioner, Bombay has reported that the claimant is entitled to receive refund of Rs. 2896·77 which was adjusted in excess from his compensation for which the correspondence with the Administrator, Sardarnagar, requesting for 'No Refund Certificate' is going on by the Processing Officer and the detailed particulars have been supplied to Administrator, Sardarnagar, by the Regional Police Office, Bombay. This amount will also be adjusted after receipt of 'No Refund Certificate' from the authority concerned. The claimant

1	2	3	4
			in his earlier representation has also represented for payment of compensation for agricultural land claim for 3 SA 13·217/312 Units which was verified in his favour on 19·2·55 *vide* Index No. S/DD-1/27. But the record does not indicate that he has applied for inclusion of claim within the prescribed period. He has, however, been asked by the Regional Office Bombay to send the documentary evidence of his having applied within the prescribed time limit. Since he has not given any satisfactory proof, the payment of agricultural land claim cannot be made to him unless he gives satisfactory proof that he had applied within time. However, action for adjustment towards the aforesaid property will be taken by the Processing Officer as soon as 'No Refund Certificate' is received.
2	Shri Harish Chandra Aggarwal C/o Ram-Kishan Harishchandra, Kaimganj (U.P.)	Payment of Decretal amount.	The case of applicant is to be considered by the Custodian of Evacuee Property, Punjab, Jullundur, judicially under Section 10 (2) (n) of the Administration of E.P. Act, 1950. Accordingly a copy of the representation is being sent to the Custodian of E.P., Jullundur for taking necessary action in the matter.

1	2	3	4
3	Shrimati Haribai Hundomal, C/O Shri Kishinchand, H. No. 42/326, Bilochpura Lohamandi, Agra.	Verification of agricultural land claim in Deh. Sandhki Claim bearing index number S/HB-6/895.	The claim in respect of agricultural land in Deh. Sandhki was rejected by the Claims Officer, Shri Bhojraj L. Radhakrishnani on 23·12·52. The order was passed exparte as the claimant failed to appear on the appointed date. For the reopening of such cases an application before 1-11-56 is necessary and if Claimant's widow is able to adduce documentary proof that her husband actually filed an application before 1-11-56 for the reopening of the case the case can be considered.
4	Smt. Bhagwani Bai Sajandas, Achaldpur, Dist. Amravati.	Payment of Compensation.	R.S.C. Bombay has Reported that the case has now been finalised for cash payment of Rs. 1000/- and Rs. 270 N.D.S.C. The bill has been passed by the Pay and Accounts Office and the payment will be disbursed to the claimant shortly.
5	Shri Nathu Mal Goman Das.Hawkar, Kacha Block No. 11, Jari Patka Colony, Nagpur-4.	Disposal of appeal.	The Rehabilitation Grant application was rejected by the Settlement Officer, Nagpur for want of documentary evidence and the same was returned to the petitioner. If the petitioner was aggrieved of the above rejection order, the proper remedy under the law was that an appeal should have been filed before the Regional Settlement Com-

1	2	3	4
			missioner, concerned. Since the appeal was not filed before the proper forum, it was regretted that nothing could be done at this stage.
6	Shri Tekchand Wadhumal, Dastur, Nagar Taluq, Amravati.	Payment of balance of Rs. 738·51.	Regional Settlement Commissioner, Bombay has reported that the case has since been finalised and cash payment of Rs. 738·51 was made to Shri Tek Chand Wadhumal on 16-9-69. Receipt on 10 paise Revenue Stamp was also obtained from Shri Tek Chand in token of having received the payment.
7	Shri Deo Mal Hotu-Mal,C/o Bakshmal Wadhumal, Hotelwala, Main Bazar Jaripatka Colony, Nagpur.-	Payment of Compensation in respect of left out properties in W. Pakistan.	The A.S.C.I/C, Bombay wrote to the applicant *vide* letter date17-4-69 to furnish certain documents/information so that his R. G. Application could be reconstructed. This letter was followed by two reminders but the applicant failed to comply with the Office requirements and hence A.S.C.I/C, Bombay had no alternative but to close the matter. if the applicant is still pursuing the matter, he may please be advised to furnish the documents/information as called for by A.S.C.I/C Bombay, *vide* his office letter No. RSCB/ASOB/P.C.703/16033-34/69 dated 20-5-69 so that the matter may be

1	2	3	4
			brought to some conclusion. In case there is no co-operation from the petitioner, the matter shall be treated as closed.
8	Shri Balchand Moorijmal, C/o Beauty Dry-Cleaners Niklas Mandir Road, Itwari, Nagpur.	Payment of Compensation-bearing Index CAF No. UP/F/F/RA/KKO/24/IV.NT.	Shri Balchand Moorijmal was requested by A.S.C.I/C, Bombay *vide* his leeter dated 23-2-70 to supply the correct registration No of his compensation application, but despite issue of reminders, he has not supplied the same so far. Further action will be taken by A.S.C.I/C. Bombay as soon as the requisite information is receive by him from the applicant.
9	Shri Valiram Gopaldas, C/o Shri P.K. Bakhtiani, Flat No. 5(B), Ranjit Housing Society, Muland, Bombay.	Payment of claim compensation	The case has been examined in consultation with Asstt. Settlement Commissioner I/C, Bombay. He has reported that urban claim of Rs. 2000/- has since been included and the case processed. The compensation on this claim alongwith rural claim of Rs. 500/- and agricultural land claim for 2 std.acres 14 units works out to Rs. 2528/- Out of this amount, a sum of Rs. 1303/- has already been paid to the applicant in 1963. The bill for the balance amount of Rs. 1225/- has been sent to Pay and Accounts Office. The amount will be paid to the claimant

1	2	3	4
			as soon as the bill is eceived back duly assed.
10.	Shri Ramlal S/o Shri Punjab Singh Khera, H. No. 320, Vill. Shahpur, P.O. Jhatianwala. Fazilka, Ferozepur.	Setttlement of Claims.	The matter has been examined in consultation with the Punjab Govt. They have intimated that Shri Ram Lal had left land in 8 villages of Tehsil & Distt. Montgomri West Punjab kandyal, Tibbi Jai Singh Tutwala, Kal Karam Block, Aurangabad Jorshah & Bhajan. After applying cut, he was entitled to 13-12 3/4 S.A. which has been allotted to him in village Jhatianwala, Tehsil Fazilka, Distt. Ferozepur. As regards land left by him in Chak No. 549/GD, it has been reported that there is no such village in Tehsil Samundri. However there is one chak No. 549/G.B., the records of which reveal that the applicant did not own land in that village.
11.	Shri Baldev Raj, 346, Sector 15-A, Chandigarh.	Issue of Rectification deed and Panchnama.	Properties No. 12 & 15 Masab Tank, Hyderabad, were sold by auction on 24-9-63, for Rs. 16,000/- to one Shri Baldev Raj, Sale certificate was issued to him on 30-11-64, and physical possession of the properties was handed over to Shri Baldev Raj

1	2	3	4
			on 7-6-67, after removing a hut and some pillars alleged to have been set up by one Smt. K. Ramasubhamma. After giving physical possession and issuing sale certificate, the Department of Rehabilitation became *functus officio* and nothing further remained to be done by the Department in the matter. Shri Baldev Raj had subsequently asked for the supply to him of copies of 'Panchnama' relating to handing over of possession and the 'Site Plan' of the property. According to the practice followed by Department of Rehabilitation, copies of site plans are not issued to auction-purchasers of "Compensation Pool" properties. However, in the present case, in structions have been issued to the office of the Regional Settlement Commissioner, Bombay to supply a copy of the 'line plan, to Shri Baldev Raj, as a special case. For the copy of 'Panchnama', Shri Baldev Raj should have approached the Tehsildar, Hyderabad. The Regional Settlement Commissioner, Bombay, has been asked to request the

1	2	3	4
			State Govt. Officers concerned to supply a copy of the 'Panchnama' to Shri Baldev Raj. Shri Baldev Raj, has been informed of this position by letter dated the 2nd March, 1270.
			It is true that Smt. Sajida Khatoon, W/o Shri Mohd. Yunus claims to have purchased these properties from one Smt. Putli Begum, and subsequently to have sold it to Smt. Rajaratnamma and Smt. K. Ramasubhamma, but this claim in itself would not affect the right and title of the auction-purchaser, Shri Baldev Raj, so far as the Department of Rehabilitation is concerned.
			In reply to a Unstarred Question No. 1360 in Rajya Sabha, the Minister of State in the Ministry of Labour, Employment & Rehabilitation, Shri Bhagwat Jha Azad, had stated as follows :—
			"Copy of the 'Panchnama' was to have been obtained from the local Tehsildar's office. However, the Regional Settlement Commissioner's Office in Bombay has been asked to request the concerned local officer of the State Government to give

1	2	3	4
			a copy to the auction purchaser. Shri M. Yunus Saleem's reportd interest in the property has not in any way affected the action taken by Government in the matter".

Sl. No.	Name of Petitioner	Brief Subject	Facts perused by the Committee
1	2	3	4
Fourth Lok Sabha			
1	Shri Mohanlal Bhatt, Secretary, Rashtrabhasha Prachar Samiti, Hindi Nagar, Wardha.	Alleged disturbance in the meeting of Rashtrabhasha Prachar Samiti held on 12—14 October, 1968 by the Governing body of Hindi Sahitya Sammelan.	According to the rules & regulations of Sahitya Sammelan, Rashtrabhasha Prachar Samiti is a Committee of the Sammelan. Rashtrabhasha Prachar Samiti is free to conduct its own activities and frame its own reaction. But the orders issued by the governing body of Hindi Sahitya Sammelan are binding on Rashtrabhasha Prachar Samiti. For some time past the office-bearers of Rashtrabhasha Prachar Samiti have been trying to make the Samiti completely independent from Sammelan. They had got the Samiti registered as an independent organisation without the permission of the Governing body of the Sammelan. In October 1968 they called a

1	2	3	4
			meeting of Rashtrabhasha Prachar Samiti in which they neither invited the members nominated by the Sammelan nor the Chairman of the Sammelan who is also the Chairman of the Samiti. As this meeting was called illegally, the Sammelan moved the court in Allahabad to issue injunction to stop this meeting and the court issued it. The Secretary of Rashtrabhasha Prachar Samiti has sent several representations against this injunction.
			This Ministry of Education & Youth Services have come to know that sometimes back the Chairman and Secretary of the Sammelan had held talks with the office bearers of Rashtrabhasha Prachar Samiti to resolve mutual differences. As a result of this discussion an agreement was reached between the two parties and the Sammelan withdrew the injunction. Sammelan has accepted the independent status of Rashtrabhasha Prachar Samiti and necessary amendments in the Rules & Regulations of the Sammelan are being made. Now there is no quarrel between the two parties.

1	2	3	4
2	Smt. L. A. Bullock, 86-Perambur, Barracks Road, Vepery, Madras-7.	Restoration of commuted portions of pension of petitioner's husband as well as denial of emigration facilities to them.	The Petitioner's husband, Shri W. O. B. Bullock, formerly Telegraphist, C.T.O. Cuttack retired on invalid pension on 9-1-54. His pensionary claim has been settled but the pensioner as well as his wife have been submitting representations to the Posts and Telegraphs Deptt. and higher dignitaries quite frequently. The representations were often written in unintelligible language and it was seldom clear what exactly the grievances were. The matter was therefore referred to the Postmaster General, Madras who deputed an Inspector of Post Offices to contact Shri Bullock regarding his representations. It was then learnt that Shri Bullock had the following grievances : (i) Reimbursement of medical charges and travelling expenses for certain periods of his services ; (ii) Restoration of commuted value of pension ; (iii) Grant of pension without reduction of pension equivalent of D.C.R.G. ; and

1	2	3	4
			(iv) Payment of pension in sterling in the U.K. and transfer of certain funds out of India. 2. Replies on items(i), (ii) and (iii) were issued to Shri Bullock and his wife vide Posts Telegraphs Deptt. letters No. 27/64-67-Pen (Pt.) dated 5-12-67 and 15-4-68 Regarding item (iv) Ministry of Finance (Budget Dn) were requested to consider the issue and directly reply to the petitioner. In spite of this they continue to write on the subject.
3	M/s Tinsukia Flour Mills, Tinsukia, Assam.	Short Supply of Wheat by Regional Director (Food), Calcutta against full payment.	The Railway wagons loaded with foodgrains at Calcutta Port are generally got weighed over the Port Commissioner's Railway weigh-bridge before they are despatched to various destinations. The weight so recorded at the weigh-bridge is indicated in the relevant R.R. and it forms the basis of recovery of cost of grain froms the consignees namely the State Governments, Flour Mills etc. It sometimes happens that the Railway weigh-bridge of the Port Commissioner go out of commission due to water logging etc. At other times, the Port Commissioners refuse to weigh wagons due to operational difficulties.

1	3	3	4
			From 8th June, 1966 to 24th January, 1967, due to heavy rush of imported foodgrains & consequential operational difficulties, the Port Commissioners suspended wighment of wagons. During that period, despatches of wheat were made to a number of flour mills in the Eastern Region, including the petitioner, M/s Tinsukia Flour Mills, Tinsukia The petitioner submitted certain bills for short receipt of wheat. The Pay & Accounts Officer has returned their bills amounting to Rs. 2.89 lakhs. In the past, when such occasions of non-weighment arose for short periods, the weight despatched used to be computed on the basis of the average weight of despatches by lorry *ex* the same vessel. Since the period between 8th June, 1966 to 24th January, 1967 was of a long duration and the amounts claimed by the flour mills situated in the Eastern Region are large, the procedure for examination and settlement of the claims has been referred to a special Committee consisting of the Chief Pay & Accounts Officer & the senior Officers of the Food Department & Minist y of Finance. It would take about a couple of months to decide the matter. I

1	2	3	4
			this connection, it may also be mentioned that during the period in question it was open to the flour mills to depute a representative to supervise the loading.
4	Smt. Prem Narang H-9/9, Malviya-Nagar, New Delhi-17.	Expiry of panel for the post of T. G. T. (Home-Science).	Smt. Prem Narang reported for interview on 29-6-68 for appointment to the post of Domestic Science teacher and her name was included at S. No. 20 of the panel drawn by the Directorate of Education. In accordance with the existing rules of procedure when some selected candidates were called to the office of the Directorate of Education, Delhi for checking the certificates etc. she could not be considered for appointment on account of her advanced stage of pregnancy. She had also been informed that she would be considered for appointment after six weeks of the date of her confinement in case any post of Senior Domestic Science teacher existed then. On 22-4-69 Smt. Narang went to the Directorate of Education to enquire about her appointment but at that time no post was offered to her as no vacancy existed at that time. Even six candidates above her name

1	2	3	4
			in the panel also could not be offered any post as the life of that panel (which is usually one year from the date of interview) had expired. Later Smt. Narang again came for interview for the post of Domestic Science teacher and she had been appointed as a teacher.
5	Shri C.P. Aggarwal Kaimgang (U.P.)	Working of State Bank of India.	The petitioner made allegations of corruption & bribery in the matter of appointments of the children of the Bank employees in the State Bank of India. He also made certain allegations regarding grant of over-draft limits. It has been reported by the Ministry of Finance that the State Bank of India, on receipt of a similar petition from the complainant (Shri C.P. Aggarwal), deputed a senior official of the Bank for investigation. The reports submitted by the official revealed that the allegations made by Shri Aggarwal are not based on facts and that he had confirmed to the officer that the allegations were made by him out of sheer disgust. From the extracts of the report furnished

1	2	3	4
			by the Kanpur Local Head Office, it is seen that Shri C.P. Aggarwal was requested by them to quote specific cases in support of the charges he had levelled & the evidence, he had which Shri C.P. Aggrawal failed to do.
6	M/s Bhojumal Sons 175, Samuel Street Bombay.	Claim for damage & shortage ex. Salt Cotaurs to Wadi Bunder Inv. No. 366 RR No. 134766 of 22-6-68.	The matter has been examined in consultation with the Central Raodway Administration. The facts of the case are that one consignment of 275 bags of groundnut seeds booked from Salt Cotaurs to Wadi Bunder under Inv. No. 366 RR No. 134766 dated 22-6-68 was received at destination on 4-7-68 and was made available for delivery on 5-7-68. The consignees effected delivery of 252 bags and demanded assessment of damages to the remaining 23 bags. The damages to 23 bags of groundnut seeds was assessed in the presence of the consignees' representative and the loss assessed was 201.69 kgs and not 327 kgs as alleged by the claimants. Since the consignee did not produce the original beejuck or a certified copy thereof in support of the claim, a sum of Rs. 199.05 was paid in settlement of the claim

1	2	3	4
			for compensation on the basis of reasonable assessment of losses and present market rate. Having regard to the fact that in the absence of the original beejuck or a certified copy thereof, the claim was settled on a reasonable basis, there does not appear to be sufficient justification for Ministry of Railways (Railway Board)'s intervention in the matter.
7. Shri B. B. Wadhwani Retd. Deputy Conservator of Forest, Bombay.		Payment of arrears of pay.	Shri B.B. Wadhwani, originally a Forest Officer in Sind Forest Department, Officiating as Deputy Conservator of Forests there in the scale of Rs. 600-1250 resigned & retired from Pakistan service on 23-1-1950. On migration to India he was appointed on contract basis as Deputy Conservator of Forests in the scale of Rs.600-1000 by the erstwhile Hyderabad State with effect from 18-7-1951. On the reorganisation of the States, he was allotted to Andhra Pradesh and was drawing Rs. 800/- p.m as officiating Deputy Conservator of Forests. Shri Wadhwani was appointed as an Instructor in a tenure post at

1	2	3	4
			the F.R.I.&C., Dehra-Dun, w.e.f. 28-9-1957 in the scale of pay Rs. 600-1150. As he was only an officiating Gazetted Officer in Pakistan, the AGCR insisted on his medical examination by a Medical Board before he could be authorised to draw any pay. The urgent question that was to be decided, therefore, was about the medical examination. As this took sometime, the authority for provisional payment at the minimum of the scale of pay, *viz.* Rs. 600/- had to be issued, so that he could draw some pay. The question of medical examination was finally decided by the Ministry of Home Affairs in consultation with the Ministry of Finance only in September, 1958. Immediately thereafter, the question of his pay fixation was taken up with the Ministry of Finance on 11-9-58. As he was drawing Rs. 800/- p.m. in Andhra Pradesh at the time of his appointment in the scale of Rs. 600-1000, the Ministry of Food, Agriculture, C.D. & Cooperation recommended to the Ministry of Finance that he might be allowed an initial pay of Rs.

1	2	3	4
			800/- p.m. with effect from 28-9-1957, i.e. the date of his appointment at the Forest College. While the fixation of initial pay as proposed was accepted by the Ministry of Finance in February, 1959, they decided that as the pay was being fixed on *ad hoc* considerations, arrears of pay prior to the issue of formal orders should not be allowed. Formal orders were issued on the 5th March, 1959, fixing Shri Wadhwani's pay at Rs. 800/- p.m.w.e.f.28-9-57 without allowing arrears for the period from 28-9-57 to 4-3-1959. As this decision was very hard on the officer, the Ministry of Food, Agriculture, C.D. & Cooperation took up the matter again with the Ministry of Finance on the following grounds: (i) The officer should not suffer on account of delay in issuing formal orders. As pointed out above, the delay was not due to any fault on the part of the officer. It was due to the fact that first of all his medical examination question had to be decided. If that question had not to be considered, the ques-

1	2	3	4
			tion of pay fixation would have been taken up immediately after his joining the post. To that extent the delay was unavoidable. (ii) Though technically Shri Wadhwani was not a displaced Govt. servant (on account of his migration to India in 1950), he was in fact a permanent Govt. servant of Sind and as such he should be allowed the arrears. (iii) If he had joined the FRI only after orders about his initial pay were available, the Forest College would have been without an Instructor from 28-9-57 to 5-3-1959. (iv) In view of the difficulty in getting a sufficient number of Forest Officers from States, some special consideration should be shown in their cases. The Ministry of Finance however, did not agree to the proposal. On that decision, Shri Wadhwani had submitted a memorial to the President on the basis of which the case was re-examined and the Ministry of Finance were requested that a

1	2	3	4
			re-consideration of the decision was justified on the following grounds :— (i) The higher initial pay in this case was allowed in pursuance of a general principle that if an officer had rendered earlier service in a lower scale of pay, which runs concurrently with the higher one upto a certain stage, the benefit of completed years of service in the lower post could be admitted for increment in the higher post. Therefore, the higher initial pay was granted to Shri Wadhwani not as an ex-gratia concession, but in pursuance of an existing principle. Had the case regarding fixation of his pay been taken up with the Ministry of Finance before making an offer of appointment or immediately thereafter, his pay would have been fixed on the same principle as adopted now and the officer would have got the benefit of higher pay, right from the date of his appointment or at least for a considerable portion of the period for which

1	2	3	4
			arrears are now being denied. In any case, he should not be denied what was due to him merely because of delays for which he was in no way responsible. (ii) There was a precedent in the case of one Shri R.S. Choudhury, Technical Officer in this Department, who was allowed arrears of pay and whose case is similar to that of Shri Wadhwani. (iii) The Ministry of Finance had been generally allowing arrears of pay and allowances in cases in which the service that counts for increment was rendered in a wholly identical scale of pay. The proposal was turned down by the Ministry of Finance on the following grounds :— (i) The case of Shri Wadhwani was attempted to be dealt with under the 'Guiding principles' of Ministry of Finance according to which the pay of officers whose cases are not ordinarily covered by the normal rules or a strict application of the

1	2	3	4
			rules would result in hardship, but his case was not covered by those principles;
			(ii) Considering the hardship involved in this case, they gave him the benefit of service under the Govt. of Andhra Pradesh as an *ad-hoc* measure. That was in the nature of an *ex-gratia* concession and not an an entitlement.
			(iii) The case of Shri R.S. Chaudhuri quoted by this Ministry was not an identical one; Shri Chaudhuri was holding a post under the Central Govt. prior to his appointment under the Ministry of Food & Agriculture whereas Shri Wadhwani was appointed on contract basis under a State Govt.
			(iv) He did not come under the Central Govt. on transfer from the State Govt. but he came because his service with the Govt. of Andhra Pradesh had expired.
			(v) The post held by him under the Andhra Pradesh Govt. was a lower one and he was not

1	2	3	4
			holding the same in a substantive capacity. (vi) The delay in the fixation of his pay did not occur due to any prolonged discussions in the Ministry of Food & Agriculture or in the Ministry of Finance. It was delayed due to the application for the concession made by the Govt. servant after 11 months of his taking up the post.
			The contractual period of the services of Shri Wadhwani under the Govt. of Andhra Pradesh was due to expire on 30-9-57. He, however, joined the post of Instructor, Northern Forest Rangers College, Dehradun w.e.f. 28-9-57 i.e. before the expiry of his services under the Govt. of Andhra Pradesh. In his petition, Shri Wadhwani has stated that he was selected for a post of Forestry Expert under the Govt. of Ethiopia on a salary of Rs. 2,250/- p.m. To substantiate his statement, he has quoted from a D.O. letter No. 18-9/57-FA, dt. 17-9-57 from Shri P.N. Suri. The D.O. letter in question was received by him at a time when he was employed under the Govt.

1	2	3	4
			of Andhra Pradesh and not under the Govt. of India. He could, therefore, decide independently whether to join the service under the Govt. of India or under the Govt. of Ethiopia. Relevant records containing the D.O. letter dated 17-9-57 are not available. Therefore, it is not possible to indicate the actual reason for his not accepting the offer under the Govt. of Ethiopia. The cases of Sarvashri S.S Harisinghani, L.S. Khanna and Jaswant Singh quoted by Shri Wadhwani are not at par with that of the petitioner.
8	Smt. K.R. Rajammal, 2/3, Nageswara Iyer Road, Nungambakkam, Madras-34.	Grant of Family Pension as further relief to that already granted from 10-1-62 to 11-9-63.	Smt. K.R. Rajammal was granted family pension under the Liberalised Pension Rules, 1950. Under these rules the family pension is limited to a maximum period of ten years after the death of the officer, not extending beyond a period of 5 years from the date the officer retired, or would have retired on a superannuation pension in the normal course but for his death. However, with the introduction of the new Family Pension Scheme, 1964, which is applicable to Government servants in service on the 31-12-1963 and

1	2	3	4
			those recruited thereafter, the question of extending benefits thereunder to the widows/minor children of employees who retired or died prior to 1-1-1964 and who were governed under the Liberalised Pension Rules, 1950 was considered in consultation with the Committee on Social Security and it was decided to extend the period of eligibility for family pension under the Liberalised Pension Rules, 1950 upto the date of death or remarriage, whichever is earlier, in the case of widows and until majority in the case of children (until marriage, if earlier, in the case of daughters) in respect of families who were actually in receipt of family pension on 31-12-63 or to those who become entitled to it subsequent to that date. The rate of family pension for the extended period was kept at half the family pension previously admissible and no reduction of two months' pay from the pension or gratuity was enjoined. As it will lead to re-opening of a large number of closed cases, besides having indefinite financial implications, it was not extended to widows or minor children who had ceased to draw family pension on 31-12-63.

1	2	3	4
			In extending the concession sanctioned therein, a line had to be drawn at the appropriate stage. Obviously widows and minor children who were not in receipt of family pension on the eve of introduction of the Family Pension Scheme, 1964 cannot in fairness be given the concession. It was accordingly decided that the concession should be admissible only to widows and children who were in receipt of family pension on 31-12-63 or were entitled to it after that date under the Liberalised Pension Rules, 1950.
9	Shri Dharamdas, F.13-Gaffar Market, Arya Samaj Road New Delhi-5.	Eviction of residents of Prasad Nagar, Amrit Kaur puri and Bapa Nagar, etc.	The position now is that the area known as Prasad Nagar and the area partly under Amrit Kaur puri, Gobind Garh, Ramesh Nagar, etc. have already been cleared and alternative accommodation has been provided to the evictees. During the consideration of objections to the draft zonal development plan for Karol Bagh, the Screening Board has recommended that for the area called Bapa Nagar, a comprehensive redevelopment Scheme be prepared by

1	2	3	4
			the local body concerned. the Board has further recommended that, to the extent possible, the eligible squatters covered under the Gadgil Assurance be given alternative accommodation nearest to the present site. The recommendations of the Board on the Zonal plan are under consideration of the Delhi Development Authority.
10	M/s. Ganesh Flour Mills Co. Ltd., Subzi Mandi, Delhi.	Loss of Rs.62·61 lakhs reportedly incurred due to inadequate supply of soyabean oil.	The representation seeks compensation from the Government for losses totalling Rs. 62·61 lakh reportedly suffered by M/s. Ganesh Flour Mills Co. Ltd., Delhi, due to short supply of soyabean oil to its vanaspati factories at Kanpur and Delhi during March, 1965—November, 1967 and consequent uneconomics working vis-a-vis prices fixed for vansapati. The loss has been estimated as under :—

Name of factory	Period	Amount
		(Rs. lakhs)
(i) Kanpur factory	March '65-February '66	29·96
(ii) Kanpur factory	May-November, 1967.	22·93
(iii) Delhi factory	November '66-September '67	9·72
		62·61

1	2	3	4
			It may be pointed out that during the period covered by item (i), imports and distribution of soyabean oil were effected by the factories themselves through the Vanaspati Manufacturers' Association of India. Hence, any shortfall in receipts of soybean oil by the factories of M/s Ganesh Flour Mills Co. Ltd., or any other factory, during the said period is a matter which falls within the purview of the industry alone and Government will not ordinarily be concerned with the same. Further, during the said period, prices of Vanaspati were not being fixed by the Government but by the individual factories themselves on the basis of an agreed formula linked to the respective factory's purchase price of raw oils.
			As stated by the firm despatches of some quantity of soyabean oil from Calcutta allocated to certain factories in the North and East zones including the Kanpur factory of M/s Ganesh Flour Mills Co. Ltd., were withheld in November 1965 for a few months to meet the anticipated requirements of the West Bengal Government

1	2	3	4
			This oil was later released and was received by the factory during June-September 1966. The indigenous oil prices were ruling around Rs. 3000-3700 per tonne during November, 1965 to February, 1966 when the soyabean oil was to be supplied. These rose to Rs. 4500-5200 per tonne during June-September, 1966 during which period the factory received the oil. Therefore, the factory derived considerable monetary advantage by the use of soybean oil when the prices of indigenous oils (and therefore of vanaspati) were considerably higher. Any loss that it might have suffered during the earlier period was more than offset by the profit earned by it during the later period.
			As regards (ii), which covers supplies to the Kanpur factory during the period May-November, 1967, it has been stated that as against an allotment of 1,239 tonnes of soybean oil made to the factory on 20th May, it did not make any payment arrangements for 467 tonnes, while even for the balance 778 tonnes, payment formalities were completed only on the 26th June, and that just about this time the Railways suspended all

1	2	3	4
			bookings of oil for Kanpur because of prolonged delay on the part of this factory in unloading groundnut oil tank wagons and the resultant congestion at that station. The suspension of rail bookings continued until September, when it was lifted at the instance of the STC and hence despatches against the allocation of 20th May could commence only in October.
			In the meanwhile, another six allocations totalling 3,344 tonnes of soyabean oil were made to this factory between July and October but the firm did not make payment arrangements for any of these allocations until the 9th November when a revolving letter of credit for Rs. 5·6 lakhs was opened. Even at this stage, the factory was slow in retiring documents against the revolving letter of credit; but despite this, 1,212 tonnes of the allotted oil were despatched to the factory during November-January, after which no further oil was lifted by the factory.
			As regards (iii), which covers supplies to the Delhi factory during the period November 1966—September 1967, it has been stated that the relevant letters of credit

1	2	3	4
			in respect of the various allocations made to this factory until July, 1967 were being invariably received 3-6 weeks after the issue of the allocation, which naturally resulted in delayed despatches. It will also be observed that by August the financial position of the factory had deteriorated still further, and it was unable to establish fresh letters of credit against the subsequent allocations. The S.T.C. had, therefore, to extend special payment facilities to the factory for enabling it to receive regular supplies. Thus, any loss that might have been suffered by the factories due to delayed receipts of soyabean oil was wholly due to the financial difficulties of the firm and its inability to lift the allocated oil in time. In view of this, no responsibility attaches either to the Government or to the State Trading Corporation in the matter of compensating it for the same.
11	Shri Mohammad Rafi, 704, Phatak Dhobiyan Farash Khana, Delhi-6.	Alleged demolition of old Masjids and Mandirs by Delhi Administration.	It was alleged by some persons that during the clearance drive between 19th January, 1969 and 12th February, 1969, when the Delhi Development Authority removed unauthorised structures and slums in

1	2	3	4
			and around Basti Nizamuddin, they also demolished some mosques. The Lt. Governor himself inquired into the matter and came to the conclusion that no mosque had been demolished during the clearance operations. Matters relating to the Sikandria mosque (as mentioned in answer to the Lok Sabha Unstarred question No. 4680) are subjudice. The Administration have no information about any temples having been demolished during clearance operations in Jamna Bazar Karampura or any other localities. [Railways (Railway Board)]
12	Shri B. Chakrapani Naidu, 57, Annamalai Chetty Nagar, Mettupalayam, Mambalam, Madras-33.	Alleged non-payment of Provident Fund Gratuity & Pension after retirement as Khalasi from S. E. Railway, Madras.	NOTE containing factual comments regarding Shri B. Chakrapani Naidu, ex-Khalasi, Southern Railway. (i) Date of Birth · · 16-3-1908 (ii) First appointed as C. W. Lascar 16-3-1940 (iii) Discharged for unauthorised absence 24-9-1945 (iv) Re-appointed as temporary Carriage Cleaner. · 11-1-1954

1	2	3	4
			(v) Deemed to have resigned from service as his absence exceeded 3 months, under note 2 to Exception II to Rule 732 RI. 3-3-1959
			(xi) Again re-appointed as a temporary carriage Cleaner. 2-9-1960
			(vii) Retired from service under age limit. 15-3-1966
			The ex-employee was due provident fund amount of Rs. 186·42 only for the second spell of his service from 11-1-1954 to 3-3-1959 which was paid to him on 25-1-1960. He was not eligible for SC to PF as he had not completed 15 years of service.
			As regards his last spell from 2-9-1960 to 15-3-1966, his contribution to Provident Fund amounting to Rs. 95/- was paid to him on 29-3-1966. Being a pensionable Railway Servant, he was paid on 6-6-66, the terminal Gratuity of Rs. 145·80 withholdings Rs. 25/- for anticipated debits. The withheld amount of Rs. 25/- less Rs. 2·03 adjusted against overpayment was refunded to him on 27-3-68. He was, however, not entitled to any pension under the rules.

1	2	3	4
			In regard to the allegation that the ex-employee was not paid salary for the period from 16-3-66 to 24-3-66, the wages amounting to Rs 36·75 was drawn on 5-4-68 but was lodged as unpaid. This was subsequently paid to the employee on 13-12-68. No further amount is due to the ex-employee.
13	M/s. Shah Damji Champshi & Co, 227, Bhatt Bazar Bombay-9	Compensation in respect of non-delivery of consignment of 230 bags gulabi gram booked ex-Bilaspur to Wadi Bunder	The disposal of the case by the Central Railway was not considered correct and the railway was asked to review the matter. As a resu lt, additional compensation to the tune of Rs 540·45 has been paid to the complaining firm in full and final settlement of the matter.
14	Shri D. Chinna-Babu, Retd. P. W. M., S.E. Rly. Village ; Booragam, Post: Booragam Dist. : Srikakulam (A.P.)	Payment of dues etc.	The petitioner, Shri D. Chinna Babu, Retd. P.W.M., S. E. Rly. in his representation had represented about the non-payment of arrears on account of re-fixation of pay; non-refund of Rs. 600/-retained out of special Contribution to Provident Fund dues to meet railway dues; option for pension; short paymnt of Provident Fund and Bonus etc. The Ministry of Railways have stated the position as follows:— (i) *Non payment of arrears on account of re-fixation of pay in* authorised

1	2	3	4
			scale Rs. 150-240. An amount of Rs. 702·28 on account of difference of his pay has since been passed for payment. (ii) *Non-refund of Rs. 600/- retained out of Special Contribution to Provident Fund dues to meet railway dues* : Special contribution to Provident Fund dues were paid to Shri Chinna Babu after keeping Rs. 600/- in deposit to meet railway dues arising out of excess leave salary drawn and unauthorised occupation of railway quarter. Subsequently, the balance of this was released on 8-3-68 After recovering Rs. 523·21 (Rs. 368·66 being excess leave salary and Rs. 154·55 towards charges for unauthorised occupation of quarters from 13-3-67 to 17-6-67. The ex-employee was advised by the Railway Administration concerned to receive the balance of Rs. 76·79 from the Pay Clerk No. 69. (iii) *Option for Pension dated 15-10-68 not accepted* : Shri Chinna Babu applied to come over to Pensionary benefit on 16-10-68 *i.e.* long after his retirement on 15-7-67. His application was turned down as the date for exercise of the option by him was already over. (iv) *Short Payment of Provident Fund and Bonus*:

1	2	3	4
			All his Provident Fund assets amounting to Rs. 4,302/- (Provident Fund Rs. 1979/- and Bonus Rs. 2323/- was paid to Shri Chinna Babu.
			(v) *Non receipt of Provident Fund slip* : Provident Fund slips are issued every year. Since there is no practice to take acknowledgement for these slips, it is difficult to ascertain the exact position.
			(vi) *Non-drawal of Travelling Allowance Bill from April, 1965 to Jan. 1967*: Shri Chinna Babu had not submitted any journal for is travelling Allowance for the period April, 1965 to January, 1967 to the Permanent Way Inspector concerned.
			(vii) *Non payment of supplementary Bill No. DPO/WA/BU/III/115 LPS Suppl. dated* 2-4-69 by *Accounts* : This is being checked up by the Railway Administration concerned, and action as necessaty will be taken on finalisation of this case.
			(viii) *Non payment of Rs.* 35/-: The amount was deposited in the court on 4-8-69 as Shri Chinna Babu refused to take payment of the same.

1	2	3	4
			(ix) *Leave Preparatory to Retirement not allowed*: He was granted leave preparatory to retirement for the following periods : 107 days leave on average pay from 13-1-67 to 29-4-67. 77 days leave on half average pay from 30-4-67 to 15-7-67. (x) *Improper adjustment of share CMTD etc. of South Eastern Railway employees' Co-op Urban Bank.* Since the matter, concerns South Eastern Railway Employee's Co-operative Urban Bank, Calcutta, Secretary of the said Organisation is being requested by the Railway Administration concerned to send Shri Chinna Babu a direct reply.
15	M/s R. N. K. Annamallai Mudaliar Ekambarakuppam, Chittor.	Pilferages in Sambalpur of S. E. Rly ; and Inattention to correspondence of the party.	Regarding the general complaint of the party about pilferage/theft, the enquiries made by the Security Department of South Eastern Railway did not indicate high incidences of pilferage at Sambalpur as alleged by the party. In respect of three specific cases of shortages mentioned by the party in concluding para of their letter and which have been attributed to pilferage, the allegations had not been proved correct.

1	2	3	4
			As regards the three claims cases referred to by the party, it is revealed that one claim relates to a consignment booked to Bargarh Road which was repudiated as far back as on 24-4-59 on the grounds of the claim not preferred within the time-limit prescribed under the rules. The second case relates to non-delivery of a consignment booked to Raigarh. The claim was recd. on 5-6-69, in which case the party was asked to send relevant documents, but there has been no response from the party as yet. The third case is about a consignment originally booked from Nagari Station (S. Rly) to Bargarh Road (S. E. Rly) on 28-5-64 but was mis-despatched to Bargarh (C. Rly) and later on rebooked to Nagari (forwarding station). At the time of rebooking a sum of Rs. 427·20 was indicated in the rebooking Railway Receipt to be collected as wharfage charges. The party claimed refund of this amount and an amount of Rs. 424·20 has since been refunded to the party on 2-2-1970.
			[Home Affairs]
16	Shri Galguni Basu, 139 R. N. Guha Road Calcutta-28.	Representation against order of the Govt. of India preventing the appointment of	No general orders have been issued imposing a ban as such on the ex-public sector executives joining the

1	2	3	4
		senior executives by the private sector.	private sector. However, certain instructions have been issued by the Govt. indicating certain procedures to be followed when the Public Enterprises deal with private firms where former top executives of the concerned enterprises have joined after retirement from the enterprises. A copy of this office O. M.No. 2(11)/69-BPE (GM dated 26-4-69 is enclosed in this connection. It will be noted that the decision is that if a top executive (and not only the Chief Executive) of a Public Enterprise on his retirement joins a private firm no contract should be placed with that firm without the approval of the Board of Directors of the concerned enterprise, for a period of two years following the retirement of that officer. The provisions applicable to Central Govt. officers in the case of their taking up jobs in private sector after retirement from Government have also been briefly indicated in the enclosed Office Memorandum (See Annexure). [Home Affairs]
17	Shri B. S. Paras Q. No. L-PT-317, Sarojini Nagar, New	Complaint from Shri B. S. Paras of Sarojini Nagar,	The petitioner, Shri B. S. Paras, in his representation, had alleged police

1	2	3	4
	Delhi.	against Police Station Vinay Nagar, New Delhi for showing favour to criminals.	indifference towards his case registered in the Police Station, Vinay Nagar, New Delhi, regarding alleged assault and beating of the petitioner by certain persons. The petitioner had requested that the case should be brought in the Court of Law by the Police. The Ministry of Home Affairs have stated as follows : That on 15-3-69 Babal singh reported that there was a quarrel at at Quarter No. LPT-317. The complaint was received at 7·30 P.M. S. I. R. N. Chawla of P. S. Vinay Nagar was sent for enquiry. On reaching the spot the S. I. found out that (1) Dharam Pal s/o Banwari Dass (2) Madan Mohan Lal s/o Dharam Pal (3) Shiv Kumar s/o Dharam Pal and (4) Satish Kumar s/o Dharam Pal had beaten Babal Singh and Rattan Singh. The above information was given in writing by Rattan Singh. It also came to light that this beating was sequel to a verbal deal of previous day. The injurred party was sent to hospital and on 14-4-69 MLC was received. According to the MLC the injuries were grievious

1	2	3	4
			So a case u/s 325 IPC was registered *vide* FIR No 115/69 u/s 325 IPC at P. S. Vinay Nagar. The accused were arrested on same day & released on bail. The case was challaned on 15-4-69. The challan was recd. back from P. I. Branch for compliance of certain objections on 10-5-69, and was sent back again on 10-9-69. Now the case is P. T. in the court of Shri Illango, J. MIC. Out of four accused, two were Govt. servants. Their offices have been informed abou the registration of the case. It is apparant from the above mentioned facts that the allegations are ill founded & based upon ignorance of law and police working. [Home Affairs]
18	Shri Ram Sarup & others, H. No. 53, Yusuf Sarai, New Delhi-16.	Complaint against M/s Urban Improvement Co. F. 32, Connaught Place, N. Delhi.	The Urban Improvement Co. F. 32, Connaught Place, New Delhi, had got approved the lay out plan of the Green Park Extension Colony from the Delhi Development Authority in the year 1958. It has been specifically pointed out by the colonizers to the Delhi Development Authority, in their application, that the land in occupation with other persons & existing in the midst of the proposed colony may be

1	2	3	4
			omitted from the lay out plan. These plots were also shown in the lay out plan as in occupation with persons other than the colonizers. On these plots some houses have been found constructed without any authority from the Corporation before 1958 and some of these have been found recently constructed.
			It is also correct that M/s Urban Improvement Co., at the time of submitting the lay out plan for approval had showed the plots of land as lying vacant whereas the same were occupied by other persons and some houses existed & thus got the approval of the Delhi Development Authority for constructing a school and park thereon. The disputed land exists near K-15 Q-3, and B-Block belonging to the colonizers.
			As regards the other allegation of removal of the old occupants of the land, included in the lay out plan, in paragraphs 3 and 4 of the press cutting dated 12-5-68 a report may be had from the Delhi Development Authority, if desired.
			The matter appears to be of civil nature and old occupants of the land

1	2	3	4
			may have to approach the Court of Law for removal of their grievances. [Department of Health]
19	Shri Nagendra Nath Saikia, Sibsagar.	Amendment of the Lunacy Act, 1932.	Section 31 of the Act provides for discharge from the asylum on the recommendation of the visitors. It is not desirable to discharge lunatics just after completing one year of who has been treated from 3 months to two years irrespective of the fact whether he is cured or not, for the simple reason that he will still be anuisance to himself and to others. For a patient to be discharged, he should either be declared as completley cured or it would be on the recommendation of the visitors to the asylum, one of whom, will be a medical officer. There is also a provision for the discharge of such patients on an undertaking given by a relative for due care of the person *vide* Section 33 of the Act. It is felt that each case has to be considered on merit and discharge and detention would naturally depend on the circumstances. The only way to ensure that such persons are not unnecessarily detained is by the Superintendents of the Asylums remaining vigilant and putting up cases before

1	2	3	4
			the visitors or reporting them to the authorities concerned including Magistrates. It can also be presumed that Magistrates before issuing orders satisfy themselves that relatives are not shirking their responsibility.
			[Railways (Railway Board)]
20.	Ahmedabad Railwaypura Fruit Merchants' Association, Railwaypura, Ahmedabad.	Claims for compensation on account of damages to perishable Commodity—Fresh raw mangoes.	The Ahmedabad Railwaypura Fruit Merchants' Association has represented about delays in transit to consignments of fresh raw mangoes booked from stations on Southern and South Central Railways to Ahmedabad, the carriage of certain consignments by goods trains instead of by passenger trains, hold up of some consignments at yards and over carriage to points not on the booked route. The Association has furnished figures in respect of only transit delays in certain cases. The matter has been examined in detail. The position is that on receipt by the Western Railway of a representation from the Association following repudiation of claims for damages/deterioration owing to transit delays, the matter was re-examined and an analysis was made

1	2	3	4
			which showed that out of 519 and 375 wagonloads booked during 1966 and 1967, 160 and 151 wagonloads were received and delivered in damaged condition. This analysis showed that the consignments which reached destination (Ahmedabad) within 9 days were mostly in good condition. It was, therefore, decided to re-open the cases and make payment in such cases where the transit time excluding the date of booking exceeded 9 days. As a result thereof 40 cases of 1965 booking represented by the Association were reviewed & payment was made in 11 cases. In respect of 1966 booking, 47 claims were paid out of 94 cases reviewed.
			There were no appeals against the settlement of claims relating to the year 1967. The matter was discussed by two representatives of the Association with the Dy. Chief Commercial Supdt. (Claims), Western Railway on 20-11-69 when various points were raised. As a result of this meeting, 61 cases relating to the bookings of 1968 were reviewed out of which payment was arranged in 37 cases and offers have been made in 5

1	2	3	4
			cases. 2 cases are under the process of settlement and 6 cases in which the wagons were received and placed for unloading on the 9th day of evening at 15.30 hrs. and 17.50 hrs. but delivery was taken on the 10th day within free time allowed, are still under consideration. One of the points raised at this meeting was that as to what should be treated as reasonable transit time for mangoes traffic booked from Southern Railway to Ahmedabad. It was argued on behalf of the Association that the transit time of 9 days excluding the date of booking in these cases was not realistic since the majority of consignments delivered on the 9th day were in damaged condition. It was also stated that the Central Railway settles claims for a transit period of 7 days for the same traffic booked to Bombay and on this basis the transit time for Ahmedabad should be 8 days. They also pointed out delay at Bombay by marshalling the wagons from Dadar to Parcel Depot Grant Road and suggested these wagons being attached to 131 Dn at Dadar itself which would save one day in transit. The

1	2	3	4
			Association's representatives were told that the matter would be examined. As regards the contention of the Fruit Merchants' Association that the policy of the Railway Administration to settle claims for damages whenever the consignments of fresh fruit reached destination after 9 days is not reasonable, it is pointed out that in a case filed in Court agaist the Western Railway Administration by an fruit merchant of Ahmedabad in respect of damages to a consignment of fresh raw mangoes booked ex. Bezwada to Ahmedabad which was represented by Shri S.K. Agarwal Advocate who represented the Association at the meeting held with Dy. Chief Commercial Supdt. (Claims) of the Railway on 20-11-69 wherein it was pleaded that some other consignments booked between these two stations had reached destination within 4 days the learned judge agreed with the contention of the defendant Railway that what is to be seen is what should be reasonable transit time and not the quickest transit time. In view of this, the transit time of 9 days taken as the criterion for settl-

1	2	3	4
			ing claims on such cases seems to be reasonable. However, the Western Railway is examining the possibility whether the transit time laid down can be reduced or not. Regarding carriage of the consignments by goods trains, the figures of such cases are available for 1967 only. There were in all 48 cases. Of these, claims were paid in 35 cases where in the transit time was more than 9 days. The rest were repudiated since the transit time was only 9 days. The main consideration in the movement of this traffic is the adherence to the normal transit time. Having fixed transit time of 9 days and having paid such claims in which the transit time exceeds 9 days, it does not make much difference whether the wagon-loads were carried by passenger or goods trains, although strictly speaking there was reach of contract. [Law—Legislative Deptt.]
21	Shri Chandra Prakash Aggrawal, Kaimganj (U.P.)	Making of provisions in the Code of Civil Procedure for supply of one copy of Judgement under	According to rule 20, order XX of the First Schedule to the Code of Civil Procedure, 1908 certified copies of Judgement and decree

1	2	3	4
		the signature of the Court to parties in dispute.	shall be furnished to the Parties on application to Court, and at their expense. The same is regulated by rule framed by the High Courts under section 122 of the said Code. Rules in the First Schedule are annulled or modified by the High Courts after consideration of report by a Committee constituted under section 123 of the C.P.C. The Law Commission who examined the Code of Civil Procedure recently have not made any recommendation regarding the supply of copies of Judgements or Orders to the Parties concerned free of cost. The Law Commission in its report on the Civil Procedure (Twenty-seventh report) has recommended that the existing provisions conferring the rule-making Power on the High Courts should not be disturbed.

Annexure to Item 16 of Part II, Appendix XII

No. 2(II)|68-BPE (GM)

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

(DEPARTMENT OF EXPENDITURE)

New Delhi, the 26th April, 1969.

OFFICE MEMORANDUM

SUBJECT:—*Restrictions on dealings by Public Enterprises with private firms where former top executives of the concerned enterprises have joined after retirement.*

There are at present restrictions on employment of retired officers of Government in private Commercial undertakings. Thus if a pensioner, who immediately before his retirement was holding post or a sufficiently senior level in Government, wishes to accept any commercial employment before, the expiry of the two years from the date of his retirement, he has to obtain the prior sanction of the Government to such acceptance. Pension for a specified period is not payable to the pensioner who accepts a commercial employment without such sanction. The question has been under consideration for some time whether the restrictions at present applicable to officers of Government should apply to officers of Public Enterprises also. After considering all the aspects of the question, it has been decided that if a top executive (and not only the Chief Executive) of a public Enterprises on his retirement joins a private firm, no contract should be placed with that firm, without the approval of the Board of Directors of the concerned enterprise, for a period of two years following the retirement of that officer.

2. In cases where a Government officer after retirement from Government service accepts re-employment in a commercial undertaking within a period of two years from the date of his retirement, the following procedure will be followed:

(a) As far as the retired officer is concerned, the existing procedure, under which the period of two years as laid down under Article 531-B CSRs, would commence from the date of retirement of the officer concerned, would contiune to apply; and

(b) So far as giving contracts to the private firm which employs the officer in question after his retirement

from the Public Enterprise is concerned, contracts with such firms should be entered into by the Public Sector Enterprise in question only after approval from the Board of Directors of the enterprise is obtained—this restriction will be effective for a period of two years from the date of retirement of the officer concerned from the public sector enterprise.

3. Ministry of Steel and Heavy Engineering, etc. are requested to suitably address the enterprises under their control in this regard.

Sd|- (A. N. BANERJI),

Addl. Secretary to the Government of India & Director General, Bureau of Public Enterprises.

To

All Ministries|Departments of the Govt. of India.

Copy to:

(i) Production Division|Adviser (C)|Adviser (F)|D.S. (I&R)|D.S. (BPE), Bureau of Public Enterprises.

(ii) Heads of Expenditure Divisions in the Deptt. of Expenditure (with 2 spare copies).

Sd|- (P.K. BASU),

26-4-69

Director, Bureau of Public enterprises.

GMGIPND—RS I—876(Aii) LS—9-7-70—750.