

(d) whether the Government are aware that in those Public Sector Undertakings where such Grievance Panel have not been set up, large scale irregularities have been taking place in appointments and promotions of senior level officers; and

(e) if so, the steps being taken by the Government for setting up of such panels in those Public Sector Undertakings where the same have not been set up so far?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL) : (a) Yes, Sir. The Law Commission headed by Justice D.A. Desai had submitted 126th Report on "Government and Public Sector Undertaking Litigation Policy and Strategies" on May 12, 1988, in which it was recommended for setting up of Grievance Cell by every public sector undertaking.

(b) Salient features of the recommendations are given in para 8.11 of the Report, the extracts of which are given in the statement attached.

(c) to (e) This recommendation was examined. It was decided that there was no need to set up Grievance Cells presided over by the retired High Court Judges, recommended by the Law Commission, as adequate machinery for redressal of grievances for staff and officers in Central PSEs already existed in accordance with the guidelines issued in this regard in 1985.

#### **Statement**

*Salient features of the recommendations made by the Law Commission headed by Justice D.A. Desai in 126th Report on "Government and Public Sector Undertaking Litigation Policy and Strategies"*

8.11 Dealing with the disputes between the public sector underaking and its employees, every public sector undertaking must set up a Grievance Cell composed of management and Workmen's representatives not exceeding three on either side and presided over by a retired Judge who has functioned as a Judge of the Supreme Court or High Court or Chairman of the Industrial Court/Tribunal. Every dispute involving individual employee must be brought, if need be by amending the standing orders or service rules, before the Grievance Cell. The decision of the Gievance Cell shall be binding. If the dispute involves more than one employee but not all the employees of the undertaking, same procedure has to be followed. Even the disputes as to seniority, promotion

and allied issues must be brought before this Cell. Promotion has long since ceased to be a management function. Therefore, the Grievance Cell would be competent to deal with the same. In the first instance, the promotion may be decided by the management but the dispute arising out of promotions granted or refused may be brought before the Grievance Cell. The decisions of the Grievance Cell will be binding and if any one, despite this arrangement and effective implementation, takes the matter to the court, the court must decline to entertain the dispute.

#### **Revival of Burn Standard Company Limited**

1643. SHRIMATI GEETA MUKHERJEE :  
SHRI AJAY CHAKRABORTY :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have decided to revive the Burn Standard Company Limited, Calcutta; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL) : (a) Government have positively responded to the Draft Rehabilitation Scheme circulated by BIFR for revival of the Company. BIFR is yet to pass its orders on the scheme.

(b) The cost of the scheme as circulated by BIFR is Rs. 151.04 crore, out of which Rs. 132.51 crore is to be provided by Government including Rs. 34 crore for VRS for surplus manpower/employees of non-viable units. Other reliefs and concessions from GOI include conversion of Plan loan of Rs. 46.65 crore into equity, conversion of non-plan loan of Rs. 89.07 crore into zero rate debenture and waiver of outstanding GOI interest of Rs. 329.64 crore. In addition, certain reliefs and concessions have to be provided by Banks, Fis, State Governments, etc.

#### **Smuggling of Cellular Phones**

1644. SHRI K. PARYMOHAN : Will the Minister of FINANCE be pleased to state:

(a) whether the cellular phones are being smuggled to country in a large quantity;

(b) if so, the total number of cellular phones seized by the customs authorities during the last three years, as on date; and

(c) the steps taken by the Government to prevent smuggling of cellular phones?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The intelligence/reports available do indicate an increasing trend in smuggling of cellular phones into the country.

(b) The total number of cellular phones seized by the customs authorities during the last three years, are as under :

Year	No. of Cellular Phones seized	Value of seized Cellular Phones (Rs. in Lakhs)
1996-97	329	100.48
1997-98	1839	439.62
1998-99 (upto date)*	4300	608.31

\*Figures provisional

(c) All field formations of the customs department, including Directorate of Revenue Intelligence, are on high alert to detect and prevent smuggling of all contrabands including Cellular phones.

[Translation]

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#### Repayment to Investors from NBFCs

1645. SHRI BHERU LAL MEENA :  
 DR. SAROJA V. :  
 SHRI KALLAPPA AWADE :  
 SHRI MOHAN SINGH :  
 SHRI BRAJ MOHAN RAM :  
 SHRI MANIKRAO HODLYA GAVIT :  
 COL. SONA RAM CHOUDHARY :

Will the Minister of FINANCE be pleased to state:

(a) the action being taken by the Government to ensure repayment of amount of investors from various Non-Banking Financial Companies such as JVG Group of Companies, Kuber Finance and other plantation companies; and

(b) the manner in which the investors are likely to get back their money?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The Reserve Bank of India (RBI) Act as amended in 1997 empowers the Company Law Board (CLB) to adjudicate cases where the NBFCs default in repayment of principal or interest or both in respect of deposits. On receipt of a complaint from an aggrieved depositor, CLB passes appropriate orders for payment by the defaulting NBFC within a stipulated period. Where, however, there are large scale defaults and the viability/solvency of the company is in doubt, RBI takes the defaulting company to liquidation through the High Court.

The JVG Group consists of 4 finance companies viz. JVG Finance Ltd., JVG Leasing Ltd., JVG Securities Ltd. and JVG Holdings Ltd. In view of the large number of complaints against the Group Companies, a winding up application was filed by the Reserve bank of India in the High Court of Delhi against JVG Finance Ltd., JVG Leasing Ltd., JVG Securities Ltd., The Hon'ble High Court appointed the Official Liquidator as the provisional liquidator. Complainants have been advised from time to time to file their claim with the provisional liquidator.

As regards Kuber Finance Ltd. RBI has reported that the company was prohibited from acceptance of deposit in September, 1992 and from then onwards the company was functioning only to recover its dues and repay the depositors liabilities. The company is reported to have fully paid all the dues of its depositors.

In the Kuber Group, there are a few other NBFC notably Kuber Auto General Finance and Leasing Ltd. and Kuber Mutual Benefits Ltd. (KMBL) (a notified 'Nidhi' company under Section 620A of the Companies Act, 1956). The Hon'ble Delhi High Court has passed an interim order restraining all the companies including KMBL named in a public interest petition from alienating their assets and properties till the case is disposed off.