

**Delimitation of Council Constituencies
(Madras) Second Amendment
Order, 1985**

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H. R. BHARDWAJ) : I beg to lay on the Table a copy of the Delimitation of Council Constituencies (Madras) Second Amendment Order, 1985 (Hindi and English versions) published in Notification No. G. S. R. 868 (E) in Gazette of India dated the 25th November, 1985 under sub-section (3) of section 13 of the Representation of the People Act, 1950.

[Placed in Library. See No. LT-2195/86]

Review on the working of Cycle Corporation of India Ltd. Calcutta for 1984-85, Annual Report, Annual Accounts and Review on the working of Khadi and Village Industries Commission for 1984-85 and Statement for delay in laying these papers

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) : I beg to lay on the Table :

(1) A copy each of the following papers (Hindi and English versions) under sub-section (1) of section 619A of the Companies Act, 1956 :

- (i) Review by the Government on the working of the Cycle Corporation of India Limited, Calcutta, for the year 1984-85.
- (ii) Annual Report of the Cycle Corporation of India Limited, Calcutta, for the year 1984-85 along with Audited Accounts and the comments of the Comptroller and Auditor General hereon.

[Placed in Library. See No. LT-2196/86]

(2) A copy of the Annual Report (Hindi and English versions) on the working and Administration of the Companies Act, 1956 for the year ended 31st March, 1985 under section 638 of the said act.

[Placed in Library. See No. LT-2197/86].

(3)(i) A copy of the Annual Accounts (Hindi and English versions) of the Khadi and Village Industries Commission, Bombay, for the year 1984-85 together with Audit Report thereon, under sub-section (4) of section 23 of the Khadi and Village Industries Commission Act, 1956.

(ii) A statement (Hindi and English versions) regarding Review by the Government on the Accounts of the Khadi and Village Industries Commission for the year 1984-85.

(4) A statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. See No. LT-2198/86]

12.07 hrs.

STATEMENT RE : FORMATION OF A CORPORATION FOR BOMBAY AND DELHI TELEPHONE SYSTEMS AND ANOTHER CORPORATION FOR OVERSEAS COMMUNICATION SERVICE

[English]

THE MINISTER OF STATE OF THE MINISTRY OF COMMUNICATIONS (SHRI RAM NIWAS MIRDHA) :

I. Telephone Corporation for Bombay and Delhi/Mahanagar Telephone Nigam, Limited.

The Government have decided to entrust the management, control and operation of telephones, telex and other Telecommunication Services (excluding Public Telegraph Service) in the Union Territory of Delhi and in the areas falling in the Bombay Municipal Corporation, the new Bombay Corporation and the Thane Municipal Corporation to a Public Sector Company under the administrative control of the Telecommunication Board. This Company has been incorporated under the Companies Act, 1956 and is expected to start functioning w. e. f. 1-4-1986. This new Corporation is designated as "Mahanagar Telephone Nigam Limited."

2. Two of the main objectives of the Corporation will be :

- (a) To establish, develop, provide, operate and maintain all types of telecommunication services including telephone, telex, telematics etc. but excluding the Public Telegraph Services.
- (b) To raise necessary financial resources for development needs for telecommunication services in the areas managed by the Company and also for the other parts of the telecommunication network in the country managed by the Telecom. Board.

3. By the close of the year 1985-86, the Bombay and Delhi Telephone Districts will have assets of the order of about Rs. 1200 crores. Rs. 600 crores will be treated as 'equity' and the balance as "loan".

It will have the authority to accept fixed deposits and resort to market borrowings through bonds etc. on terms and conditions and subject to annual limits as may be prescribed in consultation with the Government.

4. The telecom. services are a network service. A subscriber may make a call from a part of the network to any other part of the network as at present. A suitable formula will be formulated for sharing the revenue between the Corporation and the DOT, which will be reviewed from time to time according to the needs of the situation. The tariffs for various services including the new services, shall be fixed by the Corporation with specific prior approval of the Telecommunications Board. Similarly, the broad policy for introduction of new telecom. services and/or withdrawal of any existing service, will be subject to the approval of the Telecom. Board.

5. At present the Department of Telecom. is the sole authority for the operation of Telecom. Services in the country. The new Corporation will, therefore, be granted a licence under the Indian Telegraph Act for carrying out the business being entrusted to them. Under the Indian Telegraph Act and with suitable conditions in the licence, it would be ensured that the

operations can be taken control of by the Govt. in emergency conditions and also that the regulatory powers in the emergency conditions or in the interest of public safety now available to the Govt. will remain applicable to the network of the new Corporation.

6. The long Distance transmission systems will continue to be developed and managed by the DOT as part of the nationwide telecommunication network. Similarly, the planning and circuit allotment of Trunk Automatic Exchanges in Delhi and Bombay Metrocities shall remain under the control of the DOT.

7. The funds required for the proposed Corporation have been included in the Budget/Demands of the Department of Telecom. as per prescribed procedure. It is also proposed to give ways and means advances upto Rs. 25 crores to the Corporation to meet its immediate financial requirements.

II. Videsh Sanchar Nigam Limited.

The Government have since decided to convert the Overseas Communications Service, which is at present functioning as a Department of the Government of India, under the Ministry of Communications, into a wholly Government owned Public Limited Company. It will be called Videsh Sanchar Nigam Limited, under the administrative control of the Department of Telecommunications. This Company is being incorporated under the Companies Act, 1956 with its registered office at Bombay and is to start functioning with effect from 1-4-1986.

2. The main objectives of the Videsh Sanchar Nigam Limited will be :

- (i) to plan, provide, operate and maintain overseas telephone, telex and other telecommunication services to all parts of the World and from all parts of the country, through the national network wherever available according to its requirements; and
- (ii) to raise necessary financial resources for the development of overseas communications services of the country.

[Shri Ram Niwas Mirdha]

3. Since at present, the external tele-communications of the country are operated upon by Overseas Communication Service as a Department of the Government of India, the Company will be given a licence, under the Indian Telegraph Act for carrying on its business, with suitable conditions, on the pattern of Mahanagar Telephone Nigam. These would ensure that the operations remain under the overall control of the Government in emergency conditions and also that the regulatory powers in the interest of public safety now available to the Government remain intact.

4. By the end of Financial Year 1985-86, the approximate value of the assets of Overseas Communication Services will be Rs. 120 crores. Out of this, Rs. 60 crores will be treated as equity and the balances as loan to the new Company viz Videsh Sanchar Nigam Limited.

5. The proposed Vote on Account for 1986-87 contains a provision of Rs. 6 crores for loan under Demand No. 13—Ministry of Communications (Capital Section) and Rs. 60.25 lakhs under Demand No. 14—Overseas Communications Service. The requirement of Rs. 6 crores is to meet the day-to-day working capital needs of the company for the initial months till they start generating their own revenues. This will form a part of the total working capital loan of Rs. 15 crores to be provided to the Company during the year 1986-87.

6. Vote on Account for Rs. 60.25 lakhs has been sought under Demand No. 14 of Overseas Communications Services for payment of salaries etc. to the employees of the Organisation for the month of March, 1986, payable on 1st April, 1986, from which date the conversion is to take place.

12.12 hrs.

STATEMENT RE : GRANT OF
CERTAIN CONCESSIONS TO
PENSIONERS

[English]

THE MINISTER OF STATE IN THE
MINISTRY OF PERSONNEL, PUBLIC
GRIEVANCES AND PENSIONS (SHRI
P. CHIDAMBARAM) : Sir, on the intro-

duction of the Liberalised Pension Rules, 1950, the Government servants, who were in permanent pensionable service on September 30, 1938, were allowed the following options :

- (a) coming on the new pension schemes *i.e.* to receive pension at 30/80 of emoluments plus death-cum-retirement gratuity; or
- (b) continuing under the rules in force on the 16th April, 1950 *i.e.* to receive pension at 30/60 of the emoluments; or
- (c) drawing pension under the rules in force on the 16th April, 1950 reduced by the Pension equivalent of the gratuity admissible under the new scheme and receiving in lieu of this reduction the death-cum-retirement gratuity as provided under this scheme.

2. In brief, the employees who chose (c) above, received the pension @ 30/60 (*i.e.* 50% of the emoluments) subject to having rendered the requisite qualifying service plus the death-cum-retirement gratuity, which was introduced for the first time under the Liberalised Pension Rules, 1950 with effect from 17 April 1950. They were however to receive pension reduced by the pensionary equivalent of the gratuity. This was a life-time commitment.

On the introduction of slab formula for computation of pension with effect from 1st April, 1979, the pension admissible to the employees has been increased for the first slab of Rs. 1000 to 50%, for the next slab of Rs. 500 to 45% and to 40% thereafter of the emoluments in addition to the facility of death-cum-retirement gratuity. The pre-1938 entrants who were low paid and are now very old—have been representing for discontinuance of the reduction in their pension by pensionary equivalent of the gratuity.

3. The Government have considered the matter sympathetically. I am glad to inform the House that the Government have now decided that the reduction of pension by the pensionary equivalent of the gratuity in such cases may be discontinued from the month of March, 1986 payable in April 1986 purely