

ing that area, endorsed this view in his statement in the Lok Sabha. So, Sir, may I ask the hon. Minister what is the total number of posts having a salary of less than Rs. 500 per month in the refinery and how many of them have been filled by the local people? If he does not have the figures available, may I ask him to take some time and do something so that justice is done to the local people?

SHRI H. N. BAHUGUNA: Again, Sir, since the refinery is still under construction and it is not in existence in the sense that it is expected to go into production on the dates mentioned by me in my statement, I can only assure the hon. Member that the basic policy pronounced by me in the matter of employment on the date when I moved the ONGC Bill here, shall be adhered to. I shall keep a perfect watch on what happen in this particular refinery at an appropriate time.

श्री इब्राहिम कलानिया : मैं यह जानना चाहता हूँ बोंगाई गांव कारखाना चालू होने से सरकार ने कौन कौन सी बाईप्रोडक्ट्स पेट्रो-कैमिकल इंडस्ट्रीज स्थापित करने के लिए क्या कोई सूची तैयार की है और उसका ब्योरा क्या है ? मैं यह भी जानना चाहूंगा कि पब्लिक तथा प्राइवेट सेक्टर में कौन कौन से पेट्रो-कैमिकल्स रिजर्व किए गए हैं ?

SHRI H. N. BAHUGUNA: This question is restricted to the Bongaigaon Refinery and I cannot go beyond that. Whatever is within the scope of this Refinery has been stated in my statement. For the rest, I require a fresh notice.

MR. DEPUTY CHAIRMAN: Next Question.

Expert Committee on Company Law

*154. SHRI S. KUMARAN :
SHRI DEVENDRA NATH
DWIVEDI; SHRI
VITHAL GADGIL;

f The question was actually asked on the floor of the House by Shri S. Kumaran.

SHRI MULKA GOVINDA
REDDY : SHRI SARDAR
AMJAD ALI :

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to refer to the answer to Unstarred Question No. 345 given in the Rajya Sabha on the 20th June, 1977 and state:

(a) whether Government have since constituted the high-power Committee to review the Companies Act 1956 and the Monopolies and Restrictive Trade Practices Act, 1969; and

(b) if so, what are the terms of reference of the Committee?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN): (a) Yes, Sir.

(b) An extract of the Government Resolution dated the 23rd June, 1977 since published in the Gazette Extraordinary of that date containing the terms of reference referred to the Committee is reproduced in the statement.

Statement

Extract of the Government Resolution

3. Government, accordingly hereby appoints a Committee to consider and report on what changes are necessary in the Companies Act, 1956 and the Monopolies and Restrictive Trade Practices Act, 1969, with particular reference to the modifications which are required to be made in the form and structure of the Companies Act, 1956 and the Monopolies and Restrictive Trade Practices Act, 1969, so as to simplify them and to make them more effective, wherever necessary.

4. The Committee will also consider the provisions of the Companies Act, 1956, and report, *inter alia* on:

(a) classification and formation of companies and the constitution of board of directors with special reference to protection of the interests

of the shareholders who are in a minority;

(b) exercise of managerial powers and protection of shareholders and creditors' interests and their relations, inter se;

(c) measures by which workers' participation in the share capital and management of companies could be brought about;

(d) provisions which are required to be made to prevent mismanagement with special reference to safe guarding of company's own interest and the public interest;

(e) measures necessary to promote professionalisation of management and regulation of managerial and executive remuneration commensurate with their responsibilities; and

(f) measures by which reorientation of managerial outlook in the corporate sector could be brought about so as to ensure the discharge of social responsibilities by companies.

5. The Committee is also requested to consider and report on:

(i) what changes are required to be made in the Companies Act, 1956 to streamline the winding up procedures so as to expedite the realisation and distribution of assets to the creditors and contributories;

(ii) whether it is desirable to en. act special provisions applicable to the Government companies as a class so as to exclude the provisions of the Companies Act, 1956, generally in their applicability to such companies;

(iii) what adaptations and modifications are necessary in the provisions of the Companies Act, 1956, in their

application to entrepreneurs in medium and small scale sectors carrying on business as joint stock companies ;

(iv) what further changes are required to be made in the Companies Act, 1956, regarding the establishment of places of business and operation of foreign companies in India;

(v) what improvement, if any, are required to be made in the present administrative structure and procedures regarding the enforcement of the provisions of the Companies Act, 1956, and the Monopolies and Restrictive Trade Practices Act, 1969;

(vi) what changes are required to be made in the Monopolies and Restrictive Trade Practices Act, 1969, in the light of the experience gained in the Administration and operation of the said Act; and (vii) any other matter incidental or ancillary to the administration of the Companies Act, 1956, and the Monopolies and Restrictive Trade Practices Act, 1969, having regard to the growth and development of trade, commerce and industry.

SHRI S. KUMARAN: Sir, in this extract of the Government Resolution, no details about this Committee are given; only the terms of reference are given. May I know from the hon. Minister as to what the composition of the Committee is, the names of the Chairman and Members of the Committee? Who are the people representing the industrial interests on the Committee? In the terms of reference, the workers' participation in management is also included. Is there any intention to have the workers' organisations represented on the Committee? Sir, there is no mention about the date by which this Committee's report will be ready. I would like to know from the hon. Minister about the progress of the functioning of the Committee so far and also by what date they are expecting the report from this Committee.

SHRI SHANTI BHUSHAN: So far as the composition of the Committee is concerned, when the Committee was constituted, Shri K. S. Hegde, a former Judge of the Supreme Court and a Member of the Lok Sabha was appointed Chairman of the Committee. Since he has been elected as the Speaker of the Lok Sabha, he has sent in his resignation of the office of the Chairmanship of this Committee and a new Chairman will have to be appointed and the matter will have to be considered. So far as the other members are concerned, first of all, the hon. Member wanted to know as to whether there is a representative of labour in view of the fact that one of the terms of reference is relating to the participation of labour in management. I am happy to state that there is a labour representative, a labour leader on this Committee, Shri K. P. Tripathi who was also a former Minister in the Assam Government. With regard to the other members of the Committee, there are other eminent people on the Committee. One of them is Shri R. D. Gattani, who is a Member of the Lok Sabha and a retired Judge of the Rajasthan High Court. Then there is another Member of Parliament from the Opposition, namely, Shri Bedabrata Barua. Then there is an eminent counsel, a former Additional Solicitor-General of India, Shri F. S. Nariman. Then there is Shri Santanu Desai, who is the President of the Merchants Chamber of Commerce. Formerly, he was the President of the Institute of Chartered Accountants of India. Therefore, he has been put on the Committee so as to represent the Institute of Chartered Accountants and, as the hon. Member knows, chartered accountants are intimately connected with the working of the Companies Act. Then we have Shri M. Srinivasa Rao. He is a professional accountant and a former President of the Institute of Costs and Works Accountants. Now the modern concept of professional management involves the cost accounting also in a big way and, therefore, it was considered appropriate to put a member on the Committee who could represent this profession of Costs and

Works accountants. He has also been a member of the Institute of Company Secretaries and, therefore, he can represent the point of view of the company secretaries also in the context of the professionalisation of corporation management. Then we have another eminent member on this Committee, a Member of Parliament belonging to this House, Shri S. Ranganathan, who was a former Comptroller and Auditor-General of India. Then we have two industrialists to represent the point of view of the industrialists. One is Shri D. C. Kothari of Madras. He has been a President of the Federation of Indian Chambers of Commerce and Industry and also the President of the Asian Chamber of Commerce. The other industrialist on this Committee is Shri Keshav Mahindra. He is an industrialist of Bombay. Of course, the Member-Secretary of this Committee is Shri K. K. Ray. He is a Barrister of Law and is at present the Secretary of the Department of Company Affairs. The other point which the hon. Member has raised is regarding the date by which this Committee is expected to submit its recommendations. The time which has been given to this Committee is till December this year. Therefore, it is expected that by the end of this year the Committee should be able to submit its report.

SHRI S. KUMARAN: The Minister has enumerated a long list of names from the Chambers of Commerce and Institute of Chartered Accountants who are represented on this Committee. There are eight recognised all-India trade union organisations and none of their representatives finds a place on this Committee. May I know what is the reason for that? No representative from the A.I.T.U.C., the I.N.T.U.C, the C.I.T.U. is included on this Committee. What is the reason for that?

SHRI SHANTI BHUSHAN: I have already told the hon. Member that a trade unionist, Shri K. P. Tripathi—I believe he has been intimately associated with the trade union movement in this country—has been put on this