

शीघ्रताशीघ्र चालू किया जाय और वहाँ की योजनाओं को पूरा किया जाय स्पेशल ट्रीटमेंट जो बैकवर्ड एरियाज को देने की नीति है उस के मुताबिक ?

DR. K. L. RAO : I agree with the hon. Member that special attention has to be paid to Bihar both for power generation and for rural electrification and that is what exactly we are trying to do and as I have submitted, the Rural Electrification Corporation has made a very good gesture by sanctioning as many as Rs. 18 crores. The work has got to be done and if implementation is done more money will be forthcoming from the Rural Electrification Corporation for the electrification of villages.

SHRI KOTA PUNNAIAH : May I know from the hon. Minister whether he would advise the Rural Electrification Corporation to open regional offices, one for the south, one for the east and one for western India to enable them to clear the schemes submitted by the States without delay ?

DR. K. L. RAO : That is exactly what, is being done but these regional offices will be in the areas which are backward, not in the rest of the country but in areas of the eastern sector like Bihar, Orissa, West Bengal and Assam.

श्रीमती प्रतिभा सिंह : सरकार ने एक पावर स्टेशन सैंक्शन किया था कटिहार में जिसको कि वेस्ट बंगाल में शिफ्ट कर दिया गया है तो क्या सरकार सोच रही है कि उसके स्थान पर एक दूसरा पावर स्टेशन बिहार में—बिहार के पिछड़ेपन को देखते हुए—करे ! और अगली पंचवर्षीय योजना में पांच पावर स्टेशन समस्त भारत में लिए गए हैं जो कि केन्द्र द्वारा चालू होंगे तो मैं जानना चाहती हूँ कि उनमें से कोई बिहार में भी स्थित किया गया है या नहीं ।

DR. K. L. RAO : No generation project has been sanctioned for Katihar. It is very unfortunate that as an emotional issue has been raised but any way if the Bihar State Government wants to have a power

generation project at Katihar the Government of India will have no objection to that. At the moment we are thinking that probably quicker power generation will be possible by expanding the power generation at Barauni.

SHRI HARSH DEO MALAVIYA : According to the reply given in this House on 26th February 1973, the various power systems in the eastern region comprising Bihar, Orissa, West Bengal and Damodar Valley Corporation are inter connected by 132 kw. lines. I would like to know from the hon. Minister what is the order of power which Bihar is allowed to draw from this eastern region ?

DR. K. L. RAO : Bihar is surplus at the moment and it is feeding power to other sectors; it is not drawing any power from other sectors.

**PROFESSIONAL QUALIFICATIONS OF
DIRECTORS OF
PRIVATE COMPANIES**

268. SHRI KOTA PUNNAIAH : SHRI A. G. KULKARNI : SHRI BRAHMANANDA PANDA : SHRI KRISHAN KANT : SHRI CHANDRA SHEKHAR : DR. Z. A. AHMAD :

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) whether the Company Law Board or his Ministry take into consideration the professional qualifications of the persons while approving their names for the Board of Directors in private companies ; and

(b) if not, on what other considerations they are selected to ensure effective management of a company ?

THE DEPUTY MINISTER IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI BEDABRATA BARUA) : (a) and (b) Under the Companies Act, the approval of the Central Government is required only to the appointment of Managing

†The question was actually asked on the floor of the House by Shri Kota Punnaiah.

Directors and Whole-time Directors in public companies or in private companies which are subsidiaries of public companies. While according approval, the qualifications and experience of the individuals concerned are taken into account.

For private companies which are not subsidiaries of public companies, such appointments do not require the approval of the Central Government.

No powers have been delegated to the Company Law Board in this respect.

SHRI KOTA PUNNAIAH : May I know whether the Government is aware that in many private companies all the Directors are really members of the same family and would Government consider imposing a rule that at least half the number of Directors should be those who are not related to the Managing Director ?

SHRI BEDABRATA BARUA : So far as the appointment of Directors is concerned, no approval is necessary and it is governed by certain sections of the Companies Act but I do not think that all directors are relations. So far as the private companies are concerned that does not come under any of the provisions regarding appointment of Directors but we are looking into these matters to see that at least professional Managing Directors are appointed as far as possible.

SHRI A. G. KULKARNI : May I know whether the Ministry is aware of the rampant criticism particularly of mismanagement in private sector limited companies, not only private companies which are under the purview of the Company Law, and of money power in the appointment of Managing Director and stranglehold of big vested interests due to their money power, with its inevitable effect on the fate of the companies ? The Government has rightly imposed various laws and obligations on the companies that in the light of social obligations to the community there should be professional management. May I know "specifically whether the Government has taken sufficient care in approving the recent proposals of the National Yarn, parti: slarly the appointment

of Mr. Kapadia and some other unscrupulous elements taking hold of the company ? What is the specific action Government proposes to take for debarring such persons like Kapadias and Tulsis from getting hold of companies ?

SHRI BEDABRATA BARUA : It is the usual practice in the early stages of industrialisation in any country that the management of the company is conducted by the shareholders but we have now been trying to introduce professional management in to these companies. It is the companies which appoint Managing Directors and not the Government. The Government has to give prior approval for these appointments. Presently the Companies Act only provides for the disqualification of one on the ground that he is an undischarged insolvent, that he has suspended payment to creditors or that he has committed moral turpitude.

SHRI A. G. KULKARNI : Money-fixers.

SHRI BEDABRATA BARUA : In other cases we go into the record of each case we try to do whatever is possible. If there is anything serious against a person, we do not approve of such companies. In regard to money-power the company's elections are held on the basis of shareholdings and proxy. It is not possible as such to prevent the most powerful man from coming into the management. Regarding National Rayon I should like to have notice.

SHRI KRISHAN KANT : May I know whether this question of appointment of professional managers has been brought to the notice of the Government for the last eight or ten years"? It has been seen that racketeers in money, and speculators somehow or other manage the companies and the economic development of the company's industries does not take place. Their personal development takes place. May I know whether the Government have given any serious thought to the problem as to how they want to rectify it by managing the company law properly ? In how many cases have the wives of the owners been made directors and the only qualification given

is that she has experience in interior decoration? May I know whether the Government propose to see that 50 per cent of the directors should be professionally qualified, so that the companies can be run on modern lines, they can 'give better production and you can streamline the administration?

SHRI BEDABRATA BARUA : There is a little confusion in this matter, so far as the directors are concerned. They are on the board of directors. That does not require any approval. The companies are usually managed by a number of executives and I think it is at this level it has come to the notice of the Government that sometimes even wives or relations are appointed to this type of offices. The Government is discouraging it and taking action wherever possible.

SHRI A. G. KULKARNI : How?

SHRI BEDABRATA BARUA : Government have to go according to the provisions of the Companies Act. Regarding professional managers, it is true that this House has been pressing for it for the last several years and the Government has laid down definite guidelines with regard to such appointments. Whenever a company appoints professional managers who have no shareholding in the company, but who have got technical competence to manage the affairs of the company, the Ministry has taken always a lenient view regarding their salary and emoluments. They have always persuaded the companies to appoint from among professional managers. Regarding racketeers, there are certain institutions which have come under the control of racketeers and people who have no interests except mismanaging the company. Under the Companies Act powers are available to prevent it and the Government are using such powers to see that it is stopped.

SHRI KRISHAN KANT : May I know whether the Government propose to amend the Companies Act?

SHRI BEDABRATA BARUA : The hon. Member knows that there is a whole set of amendments coming before the House

and it is in the hands of a Joint Select Committee. A number of proposals have been made to see that this type of action like the use of Benamis to control companies, midnight takeovers and all these things are being provided for. The Government propose to see that these amendments are before the House.

SHRI P. K. KUNJACHEN : Do the Government feel that some more restrictions are needed to be put on them and for that purpose do the Government propose that the company law must be amended?

SHRI BEDABRATA BARUA : Yes, Sir. I have already said that a whole set of amendments will be coming before the House.

श्री नागेश्वर प्रसाद शाही : श्रीमन्, प्राइवेट कम्पनीज भी अपना कारोबार और व्यवसाय पब्लिक सैक्टर के फाइनेन्सियल एजेंसीज से रूपया लेकर करती हैं और ज्यादातर प्राइवेट कम्पनीज अपना व्यवसाय राष्ट्रीयकृत बैंकों से रूपया लेकर करती हैं? इस तौर पर अगर वे अपने मैनेजमेंट में गोलमाल करके लाखों-करोड़ों रुपये का घोटाला करते हैं, देश के पैसे का घोटाला करते हैं तो अक्सर देखा गया है कि राष्ट्रीयकृत बैंकों से रूपया लेकर कंपनियां . . .

श्री सभापति : सवाल है प्रोफेशनल क्वाली-फिकेशन का। आप एक जनरल टीका कर रहे हैं।

श्री नागेश्वर प्रसाद शाही : मैं यही पूछ रहा हूँ कि चूंकि वे प्राइवेट कम्पनीज राष्ट्रीयकृत बैंकों से पैसा लेकर व्यवसाय और उद्योग चलाती हैं इसलिए उनके ऊपर भी सरकार का कंट्रोल होना चाहिए। इस नजरिये से और यह भी जानते हुए कि इन प्राइवेट कम्पनीज के जो मालिक होते हैं वे अपने रिश्तेदारों को संचालक और मैनेजर नियुक्त करते हैं और इस तौर पर

पूरे परिवार का खर्चा कंपनी पर डाल देते हैं। इस चीज को ध्यान में रखते हुए...

श्री सभापति : आप सवाल करेंगे या नहीं करेंगे ?

श्री नगेश्वर प्रसाद शाही : क्या सरकार कंपनी ऐक्ट में इस तरह का तरमीम लाने जा रही है जिससे कि कंपनी के मालिक अपने रिश्तेदारों को और अपने संबंधियों को डायरेक्टर या मैनेजर नियुक्त न कर सकें ?

SHRI BEDABRATA BARUA : We have proposed amendments under the Companies Act. Under section 43A every company which takes or receives investments of more than 10 per cent will be *ipso-jacto* considered public limited companies; they will come under the description of public limited companies.

SHRI BHUPESH GUPTA : In view of the fact that persons heavily in tax arrears, retired Government officials belonging to the IAS, the ICS, etc. ex-Judges, wives of Ministers and high officials, who are also better-halves in business, persons against whom investigations are pending under the Companies Act, are appointed on the board of directors, may I know whether the Government has considered the advisability of excluding all these categories from becoming directors of any company board whether it is a private limited concern or a public limited concern ?

SHRI BEDABRATA BARUA : So far as the present Companies Act is concerned, once a man is appointed as managing director, his approval continues unless the salary is increased. Therefore, those people who have been involved in tax arrears ...

SHRI BHUPESH GUPTA : I have not asked that question.

MR. CHAIRMAN : Let him answer it. If it is not answered, I will ask him again.

SHRI BEDABRATA BARUA : So, when a man is guilty of tax arrears or such type of investigations are pending against him,

we cannot remove him from the managing directorship of the company under the present Act. But Government at present have some powers to move the High Court for his removal. Even in those cases there has been conviction and that type of thing. Government has proposed some amendments to have more powers in this matter.

About the point that the hon. Member has raised regarding the retired IAS and ICS officials, they are not disqualified from becoming managing directors. Of course, when their wives do not have the qualifications and all that, the matter is being looked into.

So far as directors are concerned, I have said that there is no provision under the Companies Act for the approval of the directors because they are not paid salaries under the Company Law. That is the position.

SHRI BHUPESH GUPTA : Sir, will you kindly help me ? I have not asked for the removal of anybody, I have asked whether the Government has considered the advisability of amending the law so as to exclude these categories from ever becoming a director.

SHRI BEDABRATA BARUA : Yes, Sir, such amendments are being proposed which will make it difficult for some of these categories at present to become managing directors.

SHRI BHUPESH GUPTA : What is the answer, Sir ?

MR. CHAIRMAN : Yes. Shri Kumbhare. Last question.

SHRI N. H. KUMBHARE : In view of the Government's policy to secure participation of the workers in the management, have they issued instructions to have the representatives of the workers on the board of directors ?

SHRI BEDABRATA BARUA : It does not concern this Ministry.

MR. CHAIRMAN : It does not arise

Regarding Question No. 269

MR. CHAIRMAN : Shri Tyagi. ext question.

SHRI O.P. TYAGI : Question No. 269.

SHRI SARDAR AMJAD ALI : On a point of order.

MR. CHAIRMAN : I have called him. Your point of order has come too late. I have called the next question. Mr. Tyagi, have you put your question ?

SHRI O. P. TYAGI : Yes, Sir. I have put my question.

SHRI SARDAR AMJAD ALI : He has not put it, Sir.

MR. CHAIRMAN : No, please. Your point of order is too late. I have called the next question. Is it a point of order on this question Then, yes.

SHRI SARDAR AMJAD ALI : Sir, my point of order is that questions are put in this House to elucidate information which is not known to the House or to the individual Members or to the country as such. Sir, this Maruti issue has time and again come up for discussion in this House as well as in the other House —

SHRI JAGDISH PRASAD MATHUR : It will come again and again.

SHRI SARDAR AMJAD ALI : It is my submission to the Chair, not to you. At least have regard for my rights. My point is this. This question has been discussed both in this House as well as in the other House..

MR. CHAIRMAN : This particular question ?

SHRI SARDAR AMJAD ALI: Yes, and everything is known to all the Members of this House as well as to the country. Then what is the utility of putting this question ? The entire country is fed up with this question. I believe this is a degradation on the art of certain Members of this House.

मारुति लिमिटेड में लगाई गई पूंजी

*269. श्री ओउम् प्रकाश त्यागी :†

डा० भाई महावीर :

श्री जगदीश प्रसाद माथुर :

श्री प्रेम मनोहर :

श्री डाह्याभाई व० पटेल :

श्री वीरेन्द्र कुमार सखलेचा :

क्या विधि न्याय तथा कम्पनी कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) मारुति लिमिटेड में 10 हजार रुपये अथवा इससे अधिक की पूंजी लगाने वाले व्यक्तियों अथवा कंपनियों के नाम क्या हैं; और

(ख) उनमें से कौन-कौन सी कंपनियां किन किन अन्य कंपनियों की अंशधारी हैं ?

1]INVESTMENT IN MARUTI LIMITED

♦269. SHRI O . P. TYAGI : DR. BHA1 MAHAVIR : SHRI JAGDISH PRASAD

MATHUR: SHRI PREM MANOHAR : SHRI DHYABHAI V. PATEL : SHRI V. K. SAKHLECHA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) the names of the persons or companies as are shareholders of Rupees ten thousand or more in Maruti Limited; and

(b) the names of such of these companies investing an amount of other companies together with the "names of those companies ?]

THE DEPUTY MINISTER IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI BEDA-BRATA BARUA) : (a) As on 25-1-73, there were 90 shareholders who had invested an amount of Rupees ten thousand or more in M/s. Maruti Ltd. Their names given in the statement annexed. Of those 28 are bodies corporate.

•†The question was actually asked on the floor of the House by Shri O.P. Tyagi. *†] English translation.