

LOK SABHA

Thursday, March 25, 1965/Chaitra 4,
1887 (Saka)

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Managing Agency System

+

- *567. { Shri Yashpal Singh:
Shri P. C. Borooah:
Shri Bhagwat Jha Azad:
Shri P. R. Chakraverti:
Shri Heda:
Maharajkumar Vijya
Ananda:
Dr. L. M. Singhvi:
Shri Vishram Prasad:
Shri Bade:
Shri Onkar Lal Berwa:
Shri D. J. Naik:
Shri Bibhuti Mishra
Shrimati Renuka Barkataki:
Shri K. N. Tiwary:
Shrimati Renuka Ray
Shri R. S. Pandey:
Shri R. Barua:
Shri Ravindra Varma
Shri M. P. Swamy:
Shri M. Malaichami:
Shri Kasinatha Dorai:
Shri Arunachalam:

Will the Minister of Finance be
pleased to state:

(a) the steps taken in pursuance of
the decision to eliminate the Manag-
ing Agency System in the corporate
industrial sector; and

(b) the precautions being taken to
ensure that the system does not revive
in some other form?

2584 (Ai) LS—1.

The Minister of Planning (Shri B. R. Bhagat): (a) Government has not yet taken a decision that the Manag- ing Agency system in the corporate industrial sector as a whole or in any particular industry or industries should be eliminated. The matter is at present under enquiry by a com- mittee of five officials, set up by Gov- ernment on the 4th January, 1965 in pursuance of the provisions of section 324 (1) of the Companies Act, 1956. The Committee is expected to submit its recommendations within the next few months. Thereafter, Government will take a final decision as to the policy to be followed in regard to ap- pointment or re-appointment of managing agents; and

(b) These precautions will also be decided along with a decision as in (a) above. Meanwhile, however, the Com- pany Law Board ensures while consid- ering proposals for approval of the appointment of managerial personnel, that in cases the Managing Agents are not considered in the public inter- est, the companies do not adopt a system closely resembling that of Managing Agents.

श्री यशपाल सिंह : क्या सरकार के ध्यान में यह बात है कि फेडरेशन आफ कमर्स एंड इंडस्ट्रीज ने इस की सख्त मुख-लिफत की है, और क्या उस का सरकार पर प्रसर हुआ है ?

श्री ब० रा० भगत : प्रसर के बारे में तो मैंने बताया। कमेटी के सामने ये सब बातें रखी जाएंगी और वह उन पर विचार करेगी।

श्री यशपाल सिंह : क्या मैं जान सकता हूँ कि इस समय कितनी फर्म ऐसी हैं जो इस अधिकरण के मातहत काम कर रही हैं ?

श्री ब० रा० भगत : इस की संख्या के लिए तो मुझे नोटिस चाहिए।

Shri P. R. Chakraverti: May I know whether Government appreciate the fact that the interlocking management system of only 25 business-houses in India has created complications to the extent of monopolising the entire corporate sector, and if so, what steps Government have taken against that pernicious practice?

Shri B. R. Bhagat: We do appreciate all these facts, and we have taken measures to prevent them to the extent possible. This matter also will be looked into by the committee.

Shri Heda: May I know whether Government have decided upon certain spheres of industries, what may be termed as established industries, wherein to abolish the managing agency system, and if so, what those industries are?

Shri B. R. Bhagat: The committee will go into this question and examine in which categories of industries it should be done away with. Let us await the decision of the committee.

Shri Heda: Have any guiding principles been decided upon?

The Minister of Finance (Shri T. T. Krishnamachari): The whole matter has been referred to the committee. I had made a statement some time back that it is for Government to determine whether the established industries need this assistance, if that assistance is needed at all. The committee is now seized of the whole matter.

श्री बड़े : ये मैनेजिंग एजेंट अपने धन्धे में एक्सपर्ट होते हैं। अगर कमेटी ने इनको निकाल देने की सिफारिश की, तो क्या शासन का इरादा इनको फिर सेने का है ?

श्री ब० रा० भगत: कमेटी इस पर विचार करेगी कि मैनेजिंग एजेंट्स के जाने से या उनको वापस लेने से पबलिक का हित होगा।

श्री श्रींकार लाल बरबा : मैं यह जानना चाहता हूँ कि इस समिति के कितने सदस्य हैं, और इन में कितने सरकार के हैं और प्राइवेट कितने हैं।

श्री ब० रा० भगत : यह तो पांच म्याफिशियल्स की कमेटी है।

श्री श्रींकार लाल बरबा : उनके नाम क्या हैं ?

अध्यक्ष महोदय : सरकारी नामों का आप क्या करेंगे ?

श्री श्रींकार लाल बरबा : मैं जानना चाहता हूँ कि दूसरी फर्मों के एजेंट बुलाए गए हैं या नहीं।

श्री क० ना० तिवारी : जो यह जांच के लिए कमेटी बनायी गयी है क्या इसके बारे में स्टेट्स का रिप्लेशन भी मालूम कर लिया गया है ?

श्री ब० रा० भगत : स्टेट्स का इस से कोई वास्ता नहीं है।

Shrimati Renuka Ray: May I know the precise terms of reference of the committee that has been appointed and whether they include the question of a selective application at the outset or whether the committee is free to report whether the whole system should be done away with?

Shri T. T. Krishnamachari: The broad indications of Government view are whether the established industries need this support, but the committee is free to make any recommendations it likes.

Shri Malaichami: May I know whether there is any restriction on retired Government officials or politicians being appointed as managing agents of these companies?

Shri B. R. Bhagat: There are only Government officials on the committee.

Shri Malaichami: I am talking of the retired Government officials and politicians. I want to know whether there is any restriction on their appointment as managing agents.

Shri B. R. Bhagat: The question, I suppose is, whether politicians and Government officials are to be part of the managing agency system. There are no Government officials in it.

Shri R. Ramanathan Chettiar: May I know whether the four industrialists who met the Prime Minister and the Finance Minister early in January brought to the notice of both the Prime Minister and the Finance Minister that established industries like textiles, cement, sugar and paper where the managing agency system is being continued now should also be considered by Government for the continuance of the managing agency system, and if so, whether that also will be considered by the committee?

Shri T. T. Krishnamachari: It is very difficult for me to say what people said in an interview of about an hour with the Prime Minister; but I do not think that the managing agency question was referred to by them.

Shri Narendra Singh Mahida: Can Government give us an assurance that within a stipulated period of time they will end this managing agency system?

Mr. Speaker: No assurances can be asked for during the Question Hour.

Shri Bade: When will the report come?

Shri Daji: The hon. Minister has said that pending the finalisation of the recommendations of this committee, Government will decide upon the managing agency applications that come before them, taking into consideration public interest. Is it Government's decision that while

granting managing agency, concentration shall be absolutely avoided, that is to say, one firm which has already one managing agency shall not be given any other?

Shri T. T. Krishnamachari: The question will depend upon the continuance of the managing agencies and in what sector they will continue. Naturally, these ideas that have been given expression to by the hon. Member are taken into account.

Deaths Due to Cold Wave in Union Territories

+
 Shri D. N. Tiwary:
 Shri Rameshwar Tantia:
 Shri Yashpal Singh:
 Shri M. L. Dwivedi:
 Shri Bhagwat Jha Azad:
 Shri Onkar Lal Berwa:
 Shri P. C. Borooah:
 Shri P. R. Chakraverti:
 Dr. P. Srinivasan:
 Shri Paramasivan:
 Shri Mohan Swarup:
 Shri R. G. Dubey:
 Shrimati Savitri Nigam:
 Shri K. N. Tiwary:
 Shri Bade:
 Shri Hukam Chand
 Kachhavalya:
 Shri Heda:
 Shrimati Laxmi Bai:

Will the Minister of Works and Housing be pleased to state:

(a) whether Government have received full reports on the deaths due to cold wave in the Union Territories;

(b) if so, the number of deaths due to cold wave of 1964-65 in the Union Territories; and

(c) the measures taken to protect people from this phenomenon?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) and (b). Union Territories are not required to send to the Ministry of Works and Housing reports about deaths due to the cold wave. However, according