

(b) Representations for reduction of taxes have been received from the Tea Association of India.

(c) Yes, Sir.

(d) The export duty on tea was scaled down with effect from 25-5-1967. Concessions have also been granted for export of package tea with effect from 7-8-1967. Instant tea has been exempted from payment of export duty with effect from 22-7-1967.

#### CHANGE OVER FROM MANAGING AGENCY TO MANAGING DIRECTORSHIP

5548. SHRI R. K. AMIN : Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether Government have made any study of the change over from Managing Agency to Managing Directorship;

(b) the manner in which the Managing Directorship is different from Managing Agency system particularly in regard to emoluments, economic powers and promotional and developmental interests shown by entrepreneurs; and

(c) whether these differences have been realised wherever change over has taken place?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) : (a) A limited study of the finances of companies managed by managing agents before and after abolition of the managing agencies of those companies made by the Research & Statistics Division of the Department was published in the 1st October 1965 issue of the 'Company News & Notes', the fortnightly Journal published by the Department. Certain other aspects of the change over from the managing agency form of management to other forms of management of companies are under study. When the studies are complete the results will be similarly published in the aforementioned journal.

(b) and (c). According to the scheme of the Companies Act, a managing director is an individual vested with substantial powers of management and his term of

appointment should not exceed 5 years at a time, whereas a managing agent may be an individual, a firm or a body corporate entitled to the management of the whole or substantially the whole of the affairs of the company and the term of appointment of a managing agent may be for a period of 15 years in the case of first appointment and for a period of 10 years in the case of re-appointment. The Act makes numerous differential provisions in respect of managing directors and managing agents. For example, a managing director may not draw remuneration in excess of 5% of the net profits of the company or where there is more than one managing director in a company not more than 10% for all the managing directors together, whereas a managing agent may draw up to 10% of the net profits; a managing director cannot be appointed as such in more than two companies at one point of time; whereas, in the case of the managing agent, the limit is 10. Since a managing director is debarred from managing more than two companies at a time, whereas a managing agent may manage as many as 10 and in addition act as Secretaries & Treasurers of an indefinite number of companies, management of companies by managing directors instead of by managing agents is likely to make for lesser concentration of economic power. The Act does not lay down any restrictions against a managing director participating in promotional and developmental activities in relation to a company to the same extent as a managing agent can. The limited study made by the Research & Statistics Division of the Department, referred to above, indicate that the financial position of the companies as represented in the study improved after the abolition of the managing agencies of those companies.

#### MANAGING AGENCIES

5549. SHRI R. K. AMIN : Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) the number of Managing Agencies existing at present;

(b) whether Government have fixed any time limit for their abolition; and

(c) if so, the details thereof.

**THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) :** (a) The number of Managing Agencies as on 15th December, 1967, was 699.

(b) and (c). Government has decided to abolish the Managing Agency System. No date has yet been fixed for such abolition.

**INDUSTRIAL ESTABLISHMENTS IN  
FARIDABAD**

**5550. SHRI K. P. SINGH DEO :** Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that most of the industrial establishments in Faridabad are facing closure;

(b) if so, whether Government have taken any steps to find out the cause of the crisis in these industrial establishments; and

(c) the details thereof?

**THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) :** Information in regard to large and medium scale industries is being collected and will be laid on the Table of the House in due course. However the information in regard to the Small Scale Industries is as follows :—

(a) No, Sir.

(b) and (c). Do not arise.

**RAIL LINK BETWEEN HARIHAR  
AND KOTTUR**

**5551. SHRI M. N. NAGHNOOR :** Will the Minister of RAILWAYS be pleased to state :

(a) whether Government received any representation for connecting Harihar on the Bangalore-Poona line with Kottur on Hospet Kottur line; and

(b) if so, the action taken thereon?

**THE MINISTER OF RAILWAYS (SHRI C. M. POONACHA) :** (a) Yes.

(b) Due to the present difficult financial position, and the present pattern of ore movement which does not necessitate such a link, this line is not under consideration for the present.

**UPGRADATION OF RAILWAY SCHOOLS  
ON SOUTH CENTRAL RAILWAY  
ZONE**

**5552. SHRI ATAL BIHARI VAJ-PAYEE :** Will the Minister of RAILWAYS be pleased to state :

(a) the number of Telugu and Marathi Schools upgraded into Middle and Higher Secondary Schools in the South Central Zone;

(b) whether it is a fact that Marathi Schools have not been up-graded in contravention of the Maharashtra Government Resolution No. S68/84(15), dated the 15th February, 1964; and

(c) if so, the reasons therefor?

**THE MINISTER OF RAILWAYS (SHRI C. M. POONACHA) :** (a) 4 Primary Schools (Telugu Medium) were upgraded to Middle Schools but none was upgraded to Higher Secondary standard. No Marathi School was upgraded either to Middle or to Higher Secondary standard.

(b) No.

(c) Does not arise.

**CHANGE OF NAME OF DALMIAPURAM  
STATION**

**5553. SHRI MURASOLI MARAN :**  
**SHRI SEZHIYAN :**

Will the Minister of RAILWAYS be pleased to state :

(a) whether he received any request for the change in the name of the railway station from Dalmiapuram (Tiruchchirappalli District, Tamilnad) to Kallakkudi; and

(b) if so, the action proposed to be taken in the matter?

**THE MINISTER OF RAILWAYS (SHRI C. M. POONACHA) :** (a) Yes.

(b) It has not been found feasible to change the name of 'Dalmiapuram' railway station to 'Kallakkudi' because there is already another railway station by the name of 'Kalligudi' on the Madurai-Virudungar Section of the Southern Railway. The two names being so similar it was decided not to introduce the station name Kallakkudi to avoid confusion arising.