

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

Shake up in the Administrative set up of National Thermal Power Corporation

5827. PROF. K.K. TEWARI : Will the Minister of ENERGY be pleased to state :

(a) whether a major shake up in the administrative set up in the N.T.P.C. is in the offing ; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF ENERGY (SHRI VIKRAM MAHAJAN) :

(a) There is no proposal for a major shake up in the administrative set up in the National Thermal Power Corporation.

(b) Does not arise.

Pending cases of appointment of Directors

5828. SHRI R. PRABHU : Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) how many cases of appointment/re-appointment of Managing Directors or whole time Directors of companies were pending with Government as on 1st February, 1981 ;

(b) how many of these cases are pending over six months ; and

(c) the reasons for delay and what steps Government propose to take to settle these cases quickly ?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIV SHANKAR) : (a) to (c). As on 1-2-81, 435 such applications were pending, including 166 applications which were pending for more than six months. Of these 166 applications, 109 were pending on account of

non-receipt of complete information/documents from the concerned companies, and 29 applications on account of complaints received against the Management and/or on account of the irregularities thrown up by inspection/investigation of the books of accounts of the company, which needed to be probed before the proposed appointee could be considered 'fit and proper' to hold the office in question, and the Government satisfied itself that the appointment of such a person would not be against 'public interest' as enjoined under statutory provisions.

There is one more reason for delays. The Delhi High Court has recently struck down the 1978 Administrative guidelines on managerial remuneration and the Supreme Court, on appeal while granting ad-interim, stay of the Delhi High Court's order, has directed that the Central Government shall not proceed to sanction remuneration in respect of the managerial personnel of such of the companies as object to their applications being processed under the aforesaid guidelines. In the light of this position, companies have to be requested to indicate their written willingness or otherwise to the processing of the applications in terms of the 1978 guidelines.

While, therefore, there are no serious delays in processing these cases no efforts are spared to ensure that all avoidable delays are eliminated.

Increase in remuneration to Directors

5829. SHRI R. PRABHU : Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that companies have to approach Government even for small increase in remuneration of Directors ;

(b) if so, how many cases of a value of rupees one thousand or less

per month are pending with Government ; and

(c) whether Government propose to streamline the mechanism with a view to avoid companies coming to Government for approval for such a small increase in the remuneration of Directors ?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIV SHANKAR) :

(a) Under the existing statutory provisions companies have to do so, except where as a result of such increase, the sitting fee payable for attending each meeting of the Board or a Committee thereof, does not exceed Rs. 250/-

(b) As on 1st March, 1981, there were 10 applications pending.

(c) The Sachar Committee has made certain recommendations in this regard which are presently under Government's consideration.

Guidelines for remuneration to Directors

5830. **SHRI R. PRABHU :**
Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) whether Government have laid down any guidelines on the remuneration payable to Managing/whole-time Directors;

(b) whether the legal validity of these guidelines has been questioned in any court of law ;

(c) if so, the present position of these legal proceedings ;

(d) whether Government are contemplating any change in the legislation in this regard ;

(e) if so, the details thereof ?

(f) whether a final decision in several cases has been held up for want of court decision ; and

(g) if so, what steps Government propose to take to expedite decision making process ?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIV SHANKAR) :

(a) Yes Sir. (b) and (c). The Central Government had initially laid down certain guidelines on this subject in November, 69. These were followed by the second set of guidelines in November 78. The November 69 guidelines were challenged by M/s. Cibatul Limited in the Gujarat High Court, who struck down the guidelines in April, 1980. Government have gone in appeal to the Supreme Court against this decision. The November 78 guidelines were also challenged by M/s. Mahindra & Mahindra Limited in the Delhi High Court which found them to be violative of the provisions of Section 637/AA of the Companies Act. This matter was also carried in appeal by the Government to the Supreme Court which, while granting *ad-in-erim* stay of the High Court's Order has directed that the Central Government shall not proceed to sanction the remuneration in respect of such managerial personnel of the companies as object to their applications being processed under the November 1978 guidelines. In the light of this, the companies have been requested to indicate their willingness to the processing of their applications for the approval of managerial remuneration in terms of the said guidelines. Where such willingness is given, the applications have been, and are being, processed.

(d) and (e). The Sachar Committee has made certain recommendations regarding managerial remuneration. They are under consideration of the Government.

(f) and (g). As mentioned earlier, only the proposals of those companies which have indicated their consent for the guidelines are being processed in terms of the Supreme Court's order. These cases are being processed as expeditiously as possible.