

do agree to nominate ten members from Rajya Sabha to associate with the Committee on the Welfare of Scheduled Castes and Scheduled Tribes of the House for the term beginning of the 1st May, 1979 and ending on the 30th April, 1980, and do communicate to this House the names of the members so nominated by Rajya Sabha."

The motion was adopted.

14.32 hrs.

#### MATTERS UNDER RULE 377

##### (1) REPORTED FABULOUS SALARIES DRAWN BY TOP EXECUTIVES OF COMPANIES

**SHRI K. LAKKAPPA** (Tumkur)  
During last November certain guidelines were issued by the Ministry of Company Affairs to limit the salaries drawn by the top executives of big companies to Rs. 1.32 lakhs per annum. However, according to a report appearing in the *Economic Times* of March 7, 1979 the big companies are circumventing these guidelines and continue to pay fabulous salaries to the top executives. An idea of the fabulous salaries and allowances drawn by the top executives of companies is provided by the following proposals of emoluments for the manager of a limited company which were being discussed at meeting of the share-holders of that company

(A) Consolidated salary of Rs 5,000 per month;

(B) Commission at one per cent of the net profit of the company for each financial year, computed in the manner laid down in section 349 of the Companies Act, 1956 subject to a ceiling of Rs. 12,000 per annum or half of the annual salary, whichever is less;

(C) Rent-free furnished residential accommodation or in case he is occupying accommodation of his own, then reimbursement to him of a sum which would be calculated as fair and reasonable rental of

such premises, with all amenities such as gas, water, electricity, air-conditioners, geysers, refrigerators fully provided for and maintained by the company and with the services of watchman, gardener and domestic servants;

(D) Free use of a car fully maintained by the company, including running expenses and driver for the exclusive use in the business of the company as well as for his own personal use;

(E) Full travelling expenses on holidays to and from any place within the country once a year for self and family (wife and dependent children) at the cost of the company subject to the condition that only actual fares will be allowed;

(F) Telephone at his residence, all telephone bills including hire charges to be paid by the company in full;

(G) Fully paid privilege leave for one month for 11 months' service in each year with liberty to accumulate such leave for a period of four months but the encashment of leave due shall not be allowed;

(H) Medical benefits for self and family (wife and dependent children) including hospitalisation, nursing home charges, treatment expenses, surgical charges, travelling charges, at the entire cost of the company not exceeding one month's salary per annum with power to him to allow the said sum to be accumulated for a period of three years only;

(I) Benefit of provident fund, superannuation and retirement benefits as may be fixed by the board of directors from time to time subject to the condition that the company's contribution to the said funds shall not together exceed the limit stipulated under the Income-tax Act, 1961, and the rules thereunder;

(J) Gratuity as per the company's rules provided it shall not exceed one month's salary for each completed year of service, subject to a maximum of Rs. 30,000 or 15 months' salary, whichever is less;

(K) Personal accident insurance policy for his benefit at the cost of the company, the insurance premium not to exceed Rs. 100 per annum;

(L) The remuneration aforesaid including perquisites, benefits and amenities shall nevertheless be paid and allowed as the minimum remuneration for any year in case of absence of inadequacy of profits for such year;

(M) If his tenure of office is terminated by any reason whatsoever before the expiration of the agreement, he shall be entitled to compensation for loss of office for the unexpired residue of his term or three years whichever is shorter, calculated on the basis of average remuneration actually earned by him during the immediate preceding three years or lesser period from the date on which he ceases to hold office.

In a country which aims at establishing the socialist pattern of society and where a huge percentage of the people live below the poverty line, such fantastically huge amounts are still being drawn by the top executives of companies.

I urge upon the Government to apply themselves seriously to this problem and evolve some concrete steps to compel the companies to at least abide by the guidelines issued by them during last November.

(ii) INCREASE IN PRICE OF MATCHES PRODUCED IN THE NON-MECHANISED SECTOR AND THE NEED TO SET UP COTTAGE UNITS FOR PRODUCTION OF MATCHES IN RAJASTHAN

SHRI S. S. LAL (Bayana): Ninety-five per cent of production of matches in the non-mechanised sector, both

middle and cottage industries, is located in Tamil Nadu. Fifty-five per cent of its labour force is children below the age of 12 years. All these companies are either proprietary or partnership concerns.

Sixty-eight per cent of the total demand of matches in the country is met by the non-mechanised sector in Tamil Nadu, and the 2,700 cottage units are also at the mercy of these middle sector units, which cater to 10 per cent of the demand.

This sector pays a daily wage of Rs. 3 to Rs. 6 to the individual child labour and this is proved to the hilt by the fact that the wage bill of this sector meeting 68 per cent of the demand is just Rs. 6 crores, while the wage bill of the mechanised sector meeting 28 per cent of the demand is Rs. 8 crores.

In 1979-80, the non-mechanised sector has not been affected by any enhancement of excise levy. Yet this sector has increased the price of match boxes which would fetch them Rs. 15 crores additional revenue in a year. They not only deny the legitimate accretion of funds to the public exchequer, but also fleece the common people, particularly in the rural areas for whom a match stick is the only source of lighting. It must be mentioned here that only 30 per cent of the rural areas in the country has got electricity.

The non-mechanised sector is in the iron grip of 17 affluent families of kith and kin. Their wealth has been built on the sweat and blood of innocent blossoming buds of humanity, who get exploited by these people on account of excruciating poverty stalking this area. They have built an industrial empire of their own, building a statutory wall of 5 kilometres around, within which none can enter. I demand a statement from the hon. Minister of Industry as to what he proposes to do for breaking the monopoly stranglehold of these people on the match industry in the country.