

है, जब कि बिहार की विधान परिषद् में वहाँ के मंत्री महोदय की ओर से कहा गया था कि उस पर दो साल से नेपाल का कब्जा है। इस सम्बन्ध में वास्तविक स्थिति क्या है, क्या इस पर प्रकाश डाला जायेगा ?

**श्री जवाहरलाल नेहरू :** मेरा खयाल है—ठीक मालूम नहीं है —कि कब्जा उन का नहीं है, लेकिन नेपाली लोगों ने आ कर उस जंगल से दरख्त काट लिये थे और इस पर बिहार सरकार ने एतराज किया था।

**Shri Hem Barua:** In view of the fact that the border between Nepal and our country is an intangible frontier, like US-Canada border, may I know whether Government propose to define this border so that Nepal cannot make this kind of claims any more?

**Shri Lakshmi Menon:** The border has been demarcated except in this portion of about fifteen miles of territory where it is a riverine border. There is negotiation going on between the two countries and there is likelihood of the problem being solved very soon.

**Shri Nath Pai:** Partially what she has stated toward the end has covered my question. Because of the impression that one country is trying to spread abroad that India can never solve her border disputes with any country and also in view of the fact that our relations with Nepal are very cordial, may I know what the Government is going to do to settle this, not through correspondence alone but perhaps by offering negotiations at a higher level?

**Shri Jawaharlal Nehru:** It is well known that we expect to solve it peacefully to the satisfaction of both parties. It is not quite correct to say that we have not solved any border disputes. We have solved any number of disputes with Pakistan.

भारत के बीच में कुछ जमीन के सम्बन्ध में झगड़ा शुरू हुआ था कि वह नेपाल में है या भारत में। जैसा कि बिहार विधान सभा में बताया गया है, अभी नेपाल ने नरशाही वन पर दो वर्षों से कब्जा कर लिया है। मैं यह जानना चाहता हूँ क्या नेपाल और भारत के बीच सीमा पर जमीन को ले कर इस तरह के और झगड़े हैं और अगर हैं, तो कितने हैं।

**श्री जवाहरलाल नेहरू :** मुझे मालूम नहीं कि सीमा पर कहीं कोई और झगड़ा हमारा नेपाल से हो। यह भी कोई लम्बा-चौड़ा झगड़ा नहीं है। कुछ बहस है थोड़ी बहुत।

**Shri Tyagi:** The hon. Minister has just now stated that the Government of India has not sent any reply to Nepal. I want to know the reason for this delay in sending a final reply when this quarrel or dispute has been going on for so many years in the past.

**Shri Jawaharlal Nehru:** The very fact that the dispute has been going on for generations shows that there is something complicated about it. It requires surveys and other things and, I believe, some efforts are being made for a proper survey.

**Shri Tyagi:** Are we quite definite that the territory is ours? If so, why have we not communicated that?

**Shri Jawaharlal Nehru:** The hon. Member should know that sometimes it is not very easy to do that. We think that it is our territory, a little bit here or a little bit there. It will depend upon surveys, revenue records and other things.

#### Appointment of Relatives of Directors in Companies

\*1546. **Shri A. K. Gopalan:** Will the Minister of Commerce and Industry be pleased to state:

**श्री योगेन्द्र झा :** कोसी योजना के अन्तर्गत जहाँ बैराज बन रहा है, वहाँ भी नेपाल और

(a) Whether it is a fact that the Department of Company Law Administration has issued a press-note calling for strict compliance with the provisions of the Companies Act, prohibiting relatives of directors from being appointed to offices or places of profit without a special resolution of the company;

(b) if so, whether a copy of it will be laid on the Table;

(c) whether in some Private Limited Companies relatives of directors have been appointed to offices or places of profit; and

(d) if so, the details thereof?

**The Minister of Industry in the Ministry of Commerce and Industry (Shri Kanungo):** (a) Yes; the press-note also dealt with cases of appointment of directors to offices or places of profit in their companies without a special resolution.

(b) Yes; a copy is laid on the Table of the House. [See Appendix IV, annexure No. 82.]

(c) Yes.

(d) The effort involved in the compilation of the details from the records of thousands of private companies will be hardly commensurate with the result likely to be achieved.

**Shri A. K. Gopalan:** May I know what prompted the Department of Company Law Administration to issue this note?

**Shri Kanungo:** Usually, the Company Law Administration believes in persuading the companies to observe the law. When the first lot of returns were received after the recent amendment of the Companies Act, it was found that there has been non-compliance with the law, which is of recent origin. Then the Company Law Administration issued a press-note so that the companies will take precautions.

**Shri A. K. Gopalan:** May I know how many violations of this law have come to their notice and what actions have been taken against them?

**Shri Kanungo:** As I have said, I cannot say it at present because there are thousands of companies. In course of time, when all the returns are analysed, we will know whether there are violations and, if so, to what extent.

**Shri Nath Pai:** Thousands of companies.... (Interruption)?

**Shrimati Renu Chakravarty:** Thousands of companies.... (Interruption.)

**Mr. Speaker:** Order, order. There ought to be a definite question. Is the hon. Minister in a position to answer that question?

**Shri Nath Pai:** Are there thousands of companies or have there been thousands of violations of this regulation?

**Shri Kanungo:** There are thousands of companies.

**Shri Nath Pai:** What is the number of violations?

**Shri Kanungo:** About the violations, as I have tried to explain, we have got the statement by virtue of the law which was passed last year. The first lot has come and the analysis of it will take a long time. There have been very few cases which have come to our notice.... (Interruption).

**Mr. Speaker:** Order, order.

**Shri Bade:** That is a wrong statement.... (Interruption).

**Shri Nath Pai:** The preliminary impression is there.... (Interruption).

**Mr. Speaker:** I am coming to him again. He should sit down now.

**Shri Bade** rose—

**Mr. Speaker:** He must kindly resume his seat. I will give him an opportunity.

**Shri Daji:** I would like to know what action the Government is proposing to take, apart from this press note, against those companies which have evidently violated the Companies Act?

**Shri Kanungo:** Wherever we are satisfied that it is not due to *bona fide* rules, we will take to prosecution, that is, the normal course.

**Shri Bade:** Under section 340 of the Companies Act there are 8,400 directors who have employed 88,000 relatives of theirs. Why is Government not taking action under section 340 of the Companies Act?

**Shri Kanungo:** I am sorry that I have not got the figures which the hon. Member has mentioned because the figures will not be available until the whole lot of returns are put in.

**Shri Tyagi:** Will the same rule apply to public sector projects where the directors are nominated by the Government and will it apply to other ministries as well?

**Shri Kanungo:** The question may not arise because though they are legally private companies the composition is such that the situation will not arise.

**Shri Bhagwat Jha Azad:** In part (d) of the answer the hon. Minister has said that efforts will hardly commensurate with the result. May I know what other methods are open to the Government to know this when it is widely known that this rule is followed more in its breach than in its observance?

**Shri Kanungo:** I might say that it is not widely violated....

**Shri Bhagwat Jha Azad:** On what basis does he say that?

**Shri Kanungo:** ...because the law has come into force only for the past one year. The Government will get the figures when the whole lot of returns are turned in. They are bound to be turned in.

**Mr. Speaker:** Shri Tyagi.

**Shri Bhagwat Jha Azad:** When no enquiry is made, how does he say so?

**Mr. Speaker:** I have requested so many times that when I call a particular hon. Member, other hon. Members should not continue asking questions. **Shri Tyagi.**

**Shri Tyagi:** My question has not been amply replied to. My argument was that those public sector projects also are covered.

**Shri Bhagwat Jha Azad:** Under the Companies Act every firm is compelled to send the return in which they have to furnish this information. I would like to know whether these companies are not submitting the returns to the Government so that they are not knowing these facts and are not telling them to us.

**Shri Kanungo:** The law was passed very recently.

**Shri Bhagwat Jha Azad:** It was there before also.

**Shri Kanungo:** No, it was not.

**Mr. Speaker:** The trouble, as he says, is that it was his argument. He should ask a question.

**Shri Tyagi:** This Act also applies to all registered companies. Public sector companies are also registered companies. So, how is it that they have been exempted? If so, by what order have they been exempted?

**Shri Kanungo:** They have not been exempted. It is not obvious because the 100 per cent. shareholder is the President and there is no case of any director's relatives being appointed.

**Shri Nath Pai:** The hon. Minister has been repeating that the law has been in force for just a year. Was it not the general practice before the law was promulgated to appoint relatives of directors for highly remunerative posts and was it not this fact which prompted the Company Law Administration to make this amendment?

**Shri Kanungo:** That will be obvious from the records of the debate in the House.

**Shri Heda:** From the reply of the hon. Minister it appears that he will find out the number of violations after the returns of these companies come in. If so, does the hon. Minister ex

pect that these people will mention in their returns the relations and where they have violated unless they have got very valid reasons?

**Shri Kanungo:** It is not a question of relations. There are various other factors, remuneration to directors and all that. Disclosure is one weapon which the Parliament has thought will have salutary effect on ethical management of companies.

**Shri Hari Vishnu Kamath:** The statement laid on the Table discloses a series of contraventions of Section 314 of different kinds. The directive of Government is dated the 3rd June, i.e., this month. Is the House to understand that this directive was issued after cases of so many violations of the Companies Act came to Government's notice, and if so, have some of the companies, at least, been admonished in this matter?

**Shri Kanungo:** As I mentioned earlier, the first batch of first year's returns are just coming in. When we came across these things we issued the directive so that it may serve as a warning to the companies to correct themselves. We do not believe in penal action always.

**Shrimati Sarojini Mahishi:** May I know whether this provision is made applicable even to those companies which existed prior to the introduction of this amendment to the Company law, or only to those companies which have come into existence subsequent to it?

**Shri Kanungo:** All companies.

#### Educational System in Goa

\*1547. **Shri Nath Pai:** Will the Prime Minister be pleased to refer to the reply given to Starred Question No. 737 on the 16th May, 1962 and state:

(a) whether the Committee appointed by Government to go into the Educational System in Goa has since submitted its report; and

(b) if so, what are the findings of the Committee and their recommendations?

**The Minister of State in the Ministry of External Affairs (Shrimati Lakshmi Menon):** (a) Yes, Sir.

(b) The report is still under the examination of the Government.

**Shri Nath Pai:** Has the Commission made any recommendation regarding the setting up of a separate university for Goa, and if so, what is its recommendation regarding the medium of instruction and the place of Marathi in the primary, secondary and university education?

**Shrimati Lakshmi Menon:** The whole matter is under consideration of Government. The Commission did make a number of recommendations. I do not think it made any recommendations for a separate university.

**Shri Nath Pai:** If the Government are still examining the report, till they are able to finalise their decision, what are the Government's instruction to the Lieut-Governor of Goa Administration regarding the medium of instruction in the primary schools and what place Marathi is being accorded?

**The Prime Minister and Minister of External Affairs and Minister of Atomic Energy (Shri Jawaharlal Nehru):** I do not know what special instructions have been sent except the general instruction that the mother tongue should be the medium of instruction at the primary stages. There is an indication that the Konkani language should be encouraged not at the cost of any other language, but that being the general language in Goa it should be encouraged. Although it has no particular script of its own, probably the script adopted for it will be Nagari script.

**Shri Hem Barua:** May I know, Sir, if Government propose to maintain the *status quo* in education, so far as university education is concerned and if so whether Government propose to maintain the medium of instruction in the University stage Portuguese?