

[English]

Indianisation of top Management of Industries with Foreign Share Holdings

1482. SHRI S. JAIPAL REDDY : Will the Minister of INDUSTRY be pleased to state :

(a) the steps being taken to Indianise top management of industries with substantial foreign share holdings; and

(b) the name of non-FERA companies that still continue to have foreign chief executives ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) : (a) and (b). The appointment of non-whole-time Directors is made by its shareholders in terms of the Articles of Association and Section 255 of the Companies Act, 1956. No approval of the Central Government is required for this purpose. The Central Government, however, approves the appointment of and remuneration to the Managing Director/Whole-time Director/Manager of a public company or a private company, which is a subsidiary of a public company, under Sections 269, 198/309, 388 and 637AA. Normally, companies having more than 40 percent foreign equity holding (FERA-Companies) may be allowed to have expatriates as Whole-time Directors in proportion to the foreign equity holding. Besides, the Central Government keeps certain other factors in view such as, nature of activity in the company and level of technical knowhow involved. In the case of companies having foreign equity participation of less than 40 percent (non-FERA Companies), the appointment of expatriate Whole-time Director is evaluated taking into account the facts whether a specific provision exists in Articles of Association of a company or in the collaboration agreement for appointment of such expatriate as a Whole-time Director; whether the appointment will facilitate induction of high level technology resulting in import substitution and/or export promotion and whether the activity in the company is related to production of life saving drugs. Generally speaking the policy is to discourage appointment of expatriate Wholetime Directors in companies

in which foreign equity holding is in minority and the activity in the company does not involve sophisticated technical knowhow. No survey of Non-FERA Companies that continue to have expatriates of Chief Executives/Whole-time Directors has been done.

Import of machining line by Maruti Company

1483. SHRI S. JAIPAL REDDY :
SHRI C. P. THAKUR :
DR. A. K. PATEL :
SHRI C. JANGA REDDY :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the Director General, Technical Development recommended that the machining line for Maruti Company be entrusted to HMT-led consortium; and

(b) whether Maruti Company has imported machining line disregarding the advise of DGTD at a cost of about Rs. 200 crores ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) : (a) and (b). In view of the commitment to indigenise the car to 95 within the stipulated period, Maruti Udyog Limited cannot wait for indigenous development of the machining lines and as such has arranged imports at a cost of about Rs. 16 crores.

Discontinuance of Home Delivery of L.P.G. in Kerala

1484. SHRI K. P. UNNIKRISHAN : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether LPG agents in many towns in Kerala are discontinuing home delivery of the cooking gas;

(b) whether the Oil companies have permitted this departure from earlier procedure;

(c) whether commission of LPG agents would be proportionately reduced;