

[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;

(d) if not, the advantage of this new system; and

(e) whether home delivery is being discontinued all over the country as in Kerala ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI NAWAL KISHORE SHARMA) : (a) to (e). While home delivery of LPG refills continues to be the general rule, a cash-and-carry scheme has been introduced by the oil companies on an experimental basis in certain markets in the country, including in Kerala. Customers who opt for this scheme get a rebate of Rs. 1 per cylinder which goes out of the dealers commission.

Taking over of losing industries which obtained loans from Financial Institutions

1485. SHRI THAMPAN THOMAS : Will the Minister of INDUSTRY be pleased to state :

(a) whether there is any proposal to take over all those industries which have obtained loans/advances from the national financial institutions and which are losing concerns and are in default of over 50 per cent of the loans/losing advances to the Government;

(b) whether Government have issued guidelines to national financial institutions for taking over such sick/losing industries for default of loans or advances given to these industries; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) :

(a) No, Sir.

(b) No, Sir.

(c) Does not arise.

Memorandum by All India Tyre dealers Federations

1486. SHRI BANWARI LAL PUROHIT : Will the Minister of INDUSTRY be pleased to state :

(a) whether the All India Tyre Dealers' Federation has submitted a memorandum to Government for setting up a high level committee comprising manufacturers, dealers; consumers' representatives and officials of the concerned Government departments to monitor production and distributions of tyres and tubes in the country;

(b) if so, full details of the memorandum;

(c) whether the Union Government have taken any decision thereon;

(d) if so, the details thereof; and

(e) if not when a decision is likely to be taken ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) :

(a) Yes, Sir.

(b) The Federation have drawn the attention of the Government to various problems of the tyre industry like increase in cost, shortage of specific varieties and certain unfair practices being resorted to by the tyre manufacturing companies and have suggested some remedial measures. The Federation have also suggested the setting up of a high level committee to monitor the production and distribution of tyres.

(c) to (e). There is no control on prices or distribution of tyres. However, various expert committees have already gone into these aspects and action is being taken on their recommendations. The Development Council for Tyres and Tubes in which all the concerned interests, including consumers, are represented, also periodically reviews production, distribution and prices of tyres. Government, therefore, do not consider it necessary to constitute a Committee as suggested by the Federation.

Instructions to State Governments to make Thermal Power Units Efficient

1487. SHRI BANWARI LAL PUROHIT : Will the Minister of ENERGY be pleased to state :