

JOINT COMMITTEE ON OFFICES OF PROFIT

SECOND REPORT

(SEVENTH LOK SABHA)



Presented to Lok Sabha on 17-12-1981
Laid in Rajya Sabha on 17-12-1981

LOK SABHA SECRETARIAT
NEW DELHI

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JOINT COMMITTEE ON OFFICES OF PROFIT
(SEVENTH LOK SABHA)

COMPOSITION OF THE JOINT COMMITTEE

1. Shri Gulsher Ahmed—*Chairman*

MEMBERS

Lok Sabha

2. Shri Harish Kumar Gangwar
3. Shri Krishna Chandra Halder
4. Shri Virdhi Chander Jain
5. Shri Jagan Nath Kaushal
6. Shri Jamilur Rahman
7. Shri Rashid Masood
8. Shri S. A. Dorai Sebastian
9. Shri N. K. Shejwalkar
10. Shri Nandi Yellaiah.

Rajya Sabha

11. Shri Syed Rahmat Ali
12. Shri Dinesh Goswami
13. Shri Robin Kakati
14. Prof. N. M. Kamble
15. Shri Lakhan Singh

SECRETARIAT

- Shri S. D. Kaura—*Chief Legislative Committee Officer.*
Shri Ram Kishore—*Senior Legislative Committee Officer.*
Shri S. S. Chawla—*Senior Legislative Committee Officer.*

REPORT OF THE JOINT COMMITTEE

I

INTRODUCTION

I, the Chairman of the Joint Committee on Offices of Profit, having been authorised by the Committee to present the Report on their behalf, present this Second Report of the Committee.

1.2. The Committee held seven sittings—on 6 and 7 August, 3 and 31 October, 2 and 12 November and 11 December, 1981. Minutes of these sittings form part of the Report and are at Appendix.

1.3. The Committee considered the composition, character, functions etc. of 16 Committees/Boards/Companies/Corporations etc. constituted by the Central and State Governments and Union Territory Administration and the emoluments and allowances payable to their members.

1.4. The detailed information regarding the composition, character, functions, emoluments and allowances payable to the members of these bodies was furnished by the concerned Ministries/Departments of the Central Government and the State Governments and the Union Territory Administration.

1.5. The Committee considered and adopted the Report on 11 December, 1981.

1.6. The observations/recommendations of the Committee in respect of the matters considered by them are given in the succeeding paragraphs.

II

NOMINATION OF A MEMBER OF LOK SABHA BY THE STATE GOVERNMENT OF RAJASTHAN AS MEMBER OF THE ORPHANAGES AND OTHER CHARITABLE HOMES (SUPERVISION) CONTROL BOARD, RAJASTHAN

2.1. The Committee considered the question of nomination of a member of Lok Sabha by the State Government of Rajasthan as member of the Orphanages and other Charitable Homes (Supervision) Control Board, Rajasthan. The Committee noted that the functions of the Orphanages and other Charitable Homes (Supervision) Control Board were primarily to regulate, supervise and control the activities of the orphanages or the institutions being run in the State of Rajasthan and were engaged in the welfare of children and women. The Board of Control would be self governing Board which would have control over all such voluntary institutions. The Board would also utilise the fund for meeting the establishment charges of the staff of the Board and towards the payment of T.A. and other remuneration to members.

2.2. Considering the character and functions of the said Board, the Committee feel that the Board does not exercise powers of executive and financial nature. Further T.A./D.A. etc. payable to the members of the Board is less than the 'Compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. As such, the Committee feel that a member of the Lok Sabha on his nomination as a member of the Board as also other non-official members thereof ought not to disqualify.

III

APPOINTMENT OF A MEMBER OF LOK SABHA AS DIRECTOR OF TARAI ANUSUCHIT JANJATI VIKAS NIGAM LIMITED BY THE GOVT. OF UTTAR PRADESH:

3.1. The Committee have considered the question of appointing a Member of Lok Sabha as a Director of Tarai Anusuchit Janjati Vikas Nigam Limited by the Government of Uttar Pradesh. The Committee note that the Board of Directors of the Vikas Nigam is empowered to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do. The Board has the power to acquire property for the company, to pay for the property acquired, to authorise the undertaking of works of a capital nature upto Rs. 10 lakhs, to invest moneys, to appoint trustees, to establish local boards, to appoint officers, clerks etc. and to fix their salaries or emoluments. Thus the Board of Directors exercises powers which are of executive and financial nature.

3.2. The Committee are also of the view that as the non-official Directors are entitled to a sitting fee of Rs. 30/- per sitting in addition to TA/DA and incidental expenditure as admissible to class I officers of the Government which comes to more than Rs. 51/- per day and thereby exceeds the 'compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959.

3.3. As such, the Committee feel that the Member of Lok Sabha, on his appointment as Director of the Board, and other non-official Directors of the Tarai Anusuchit Janjati Vikas Nigam Limited ought not to be exempt from disqualification.

NOMINATION OF A MEMBER OF LOK SABHA AS NON-OFFICIAL MEMBER OF THE KANPUR DEVELOPMENT AUTHORITY, KANPUR

4.1. The Committee have considered the case relating to the proposed nomination of a Member of Lok Sabha as non-official member of the Kanpur Development Authority by the State Government of Uttar Pradesh.

4.2. From the information furnished by the State Government of Uttar Pradesh, the Committee gather that the Lok Sabha Member on his nomination as non-official member of the Kanpur Development Authority would be entitled to T.A. and D.A. at the rate payable to First Class Officers of the State Government and that he would not be entitled to get any pay, house rent allowance, compensatory allowance or sitting fee etc. Thus, the payment to be received by the member would not exceed the 'compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The State Government have also stated that the Lok Sabha Member as member of the said authority would not exercise any functions or powers—executive, financial, legislative or judicial—but would merely act as a voting member thereof.

4.3. The Committee, however, note that the U.P. Urban Planning and Development Act, 1973, under which the Kanpur Development Authority has been constituted provides that the authority has the power to acquire, hold, manage and dispose of land and other property etc. and exercise such other powers and generally do anything necessary or expedient for the purpose of maintenance of essential services like water, electricity, sewage etc. Considering the nature of powers aforesaid, the Committee are of the opinion that the non-official members would exercise collectively executive and financial powers.

4.4. The Committee have also taken note of the facts that in the case of Andhra Pradesh Housing Board and Himachal Pradesh Housing Board, which exercised powers and functions of similar nature, the Joint Committee on Offices of Profit (Fifth Lok Sabha) had recommended that the membership (including chairmanship) of the Boards ought not to be exempted from disqualification [*vide* paras 19 and 28 of their 4th and 17th Reports (5th Lok Sabha) respectively.]

4.5. After considering all aspects of the matter, the Committee are of the view that the membership of the Kanpur Development Authority ought not to be exempt from disqualification.

COMMITTEES/BOARDS/COUNCILS/CORPORATIONS ETC. CONSTITUTED BY THE CENTRAL AND STATE GOVERNMENTS AND UNION TERRITORY ADMINISTRATION

Board of Directors of Hindustan Machine Tools Limited (A Government of India Undertaking—Department of Heavy Industry)

5.1. The Committee note that the non-official Directors of H.M.T. Limited are entitled to a sitting fee of Rs. 100/- for attending each meeting of the Board. The Directors are also entitled to travelling, hotel and other expenses for attending the Board and Committee meetings. The total amount payable to them thus exceeds the 'compensatory allowance'. Besides, the Board of Directors exercises executive and financial powers. As such, the Committee feel that the Directorship of H.M.T. ought not to be exempt from disqualification.

Board of Directors of Richardson and Cruddas (1972) Ltd. (A Government of India Undertaking—Department of Heavy Industry)

5.2. The Committee note that the members of the present Board of Directors are entitled to actual travelling fare and hotel accommodation for attending the Board meeting. For attending each meeting, a non-official Director is entitled to get payment of Rs. 100/- as Board fees. As such, the lone non-official Director who, at present, is holding the charge of Chairman and Managing Director gets a payment which is more than the 'compensatory allowance'.

5.3. Besides, the Board of Directors exercises executive and financial powers. As such, the Committee feel that the Chairman and Managing Director and Directorship of the Richardson and Cruddas (1972) Ltd. ought not to be exempt from disqualification.

Board of Directors of Lagan Jute Machinery Co. Ltd. (A Government of India Undertaking—Department of Heavy Industry)

5.4. The Committee note that the present Board of Directors of the Lagan Jute Machinery Co. Ltd. consists of all officials and no pay and allowances are admissible to them from the Company. As such, in this case, the question of exemption or non-exemption from disqualification does not arise.

5.5. However, the Committee note that the Board of Directors exercises executive and financial powers and their functions enable the members of the Board of Directors to wield influence. As such, the Committee feel that the non-official Directors, if any, appointed on the Board of Directors in future, will incur disqualification even if the payment made to them by way of TA/DA, does not exceed the 'compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act. 1959.

Board of Directors of Engineering Projects (India) Ltd. (Ministry of Industry—Department of Heavy Industry)

5.6. The Committee note that the Joint Committee on Offices of Profit (Fifth Lok Sabha) had examined the Board of Directors of Engineering Projects (India) Ltd. and had recommended vide para 11 of their Fifteenth Report (Fifth Lok Sabha) that the Directorship of the Company ought not to be exempt from disqualification. Since there was a material change both in regard to payment of sitting fee, incidentals etc. to non-official Directors of the present Board as well as in the capital structure and composition of the Company, the matter needed re-examination by the present Committee.

5.7. The Committee note that the non-official Directors of the present Board of Directors of the Engineering Projects (India) Ltd. are entitled to a sitting fee of Rs. 100/- for attending each meeting of the Board of Directors besides incidentals including D.A. @ Rs. 100/- per day. These sums exceed the 'compensatory allowance.' Besides, the Board of Directors exercises executive and financial powers. As such the Committee feel that the non-official Directors appointed on the Board of Directors ought not to be exempt from disqualification.

Board of Directors of Heavy Engineering Corporation Limited—(A Government of India Enterprise under the Department of Heavy Industry, Ministry of Industry)

5.8. The Committee have been informed that the Board of Directors of Heavy Engineering Corporation Limited was examined by the Joint Committee on Offices of Profit (3LS) vide their Second Report (page 26, para 6) wherein they had observed that it was not necessary to consider the Board of Directors of Heavy Engineering Corporation Ltd. (Ministry of Steel and Heavy Industries) as all its

5.9. The Committee note that the present Board of Directors of the Corporation, however, consists of both officials and non-officials. The non-official full-time Directors viz. Chairman-cum-Managing Director and executive Director of the Corporation are entitled to pay of Rs. 4000 and Rs. 3000 per month respectively. In addition they are entitled to TA/DA as per Corporation Rules. These sums exceed the 'compensatory allowance'. Besides, the Board of Directors exercises executive and financial powers. As such, the Committee feel that the full-time Directorship of the Corporation, in so far as it is an office of profit under the Government, ought not to be exempt from disqualification.

The Haj Committee, Bombay

5.10. The Committee note that while non-official members of the Committee based in Bombay get an allowance of Rs. 50 per day for the days of the meeting, other members get TA and DA as admissible to class I officers of the Central Government, a payment which is less than the 'compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The functions of the Committee are also mainly to assist the pilgrims and to advise Government on matters relating to Haj Pilgrimage. As such, the Committee feel that the members of the Haj Committee, Bombay ought to be exempt from disqualification.

Kendriya Sainik Board, Ministry of Defence

5.11. The Committee note that the non-official members of the Kendriya Sainik Board are entitled to TA/DA at the rate of Central Government Officials—a payment which is less than the 'compensatory allowance'. However, the Board exercises wide powers both executive and financial and is in a position to wield influence and patronage. As such, the Committee feel that the membership of the Board ought not to be exempt from disqualification.

*Central Advisory Committee for the National Cadet Corps
(Ministry of Defence)*

5.12. The Committee note that the non-official members of the Central Advisory Committee for the National Cadet Corps are entitled to TA and DA which is less than the 'compensatory allowance'. Besides, the functions of the Committee are mainly advisory in nature. As such, the Committee feel that the membership of the Committee ought to be exempt from disqualification.

Board of Directors of Chamundi Machine Tools Limited (A Government of Karnataka Undertaking)

5.13. The Committee note that the whole-time Managing Director of the Chamundi Machine Tools Limited is entitled to pay & allowance of over Rs. 3700 per mensem which does not come within the ambit of 'compensatory allowance'. The other non-official Directors are entitled to a sitting fee of Rs. 50 per meeting. In addition they are entitled to TA/DA as per Government rules when they attend Board meetings at a place other than their usual place of residence/occupation. The payment thus admissible to them may exceed the 'compensatory allowance'. The Board of Directors, however, exercises executive and financial powers. As such, the Committee feel that the Directorship (including Managing Directorship) of the Chamundi Machine Tools Ltd. ought not to be exempt from disqualification.

Central Purchase Advisory Council (Ministry of Supply & Rehabilitation—Department of Supply)

5.14. The Committee note that the Council generally meets once a year and twice, whenever necessary. For attending the sitting, the payment admissible to the members of the Council who are Members of Parliament is in accordance with the Salary, Allowances and Pension of Members of Parliament Act, 1954. The other non-official members draw TA/DA at the rates admissible to Government of India Officers (Maximum rate Rs. 28 per day). No other remuneration is admissible. The payment thus admissible to the non-official members does not exceed the 'compensatory allowance'. Besides, the Central Purchase Advisory Council does not exercise any executive or financial powers. As such, the Committee feel that its non-official members ought to be exempt from disqualification.

State Advisory Committee for Territorial Army in the States of West Bengal and Sikkim (Ministry of Defence)

5.15. The Committee note that the Joint Committee on Offices of Profit (Third Lok Sabha) had examined the State Advisory Committee for the Territorial Army in the State of West Bengal and had recommended *vide para 12* of their Fourth Report (Third Lok Sabha) that *Chairmanship, Secretaryship or membership* of the Committee in question *ought not to be disqualified*. However, the jurisdiction of the present body set up includes the State of Sikkim besides West Bengal.

5.16. The Committee note that the non-official members of the State Advisory Committee for the Territorial Army in the States of West Bengal and Sikkim are entitled to TA & DA which is less than the 'compensatory allowance'. Besides, the functions of the Committee are mainly advisory in nature. As such, the Committee feel that membership of the Committee in question ought to be exempt from disqualification.

Joint State Advisory Committee for Territorial Army in the States of Assam, Tripura, Manipur and Meghalaya and the Union Territories of Mizoram and Arunachal Pradesh

5.17. The Committee note that the Joint Committee on Offices of Profit (Fifth Lok Sabha) had examined the Advisory Committee for the Territorial Army in the States of Assam, Tripura, Manipur and Maghalaya and had recommended *vide* para 18 of their Seventh Report (Fifth Lok Sabha) that Chairmanship, Secretaryship or membership of the Committee in question ought not to be disqualified. The jurisdiction of the present Joint State Advisory Committee, however, includes the Union Territories of Mizoram and Arunachal Pradesh in addition to the aforesaid States.

5.18. The Committee note that the non-official members of the present Advisory Committee are entitled to T.A. & D.A. which is less than the 'compensatory allowance'. Besides, the functions of the Committee are mainly advisory in nature. As such, the Committee feel that the membership of the Committee in question ought to be exempt from disqualification.

The Andaman and Nicobar Islands Pradesh Council

5.19. The Committee note that the Andaman and Nicobar Islands Pradesh Council is constituted of (i) Administrator; (ii) Member of the Lok Sabha representing the Union Territory; (iii) Senior Vice-Chairman of the Port Blair Municipal Board; (iv) 25 persons to be elected by the representatives of the Port Blair Municipal Board|Pradhans of all the Panchayats in the Union Territory or nominated by the Central Government until Panchayats are constituted in the Great Nicobar area; (v) one person belonging to any of the Scheduled Tribes of Andaman, Onges and Shompens to be nominated by the Administrator and (vi) one woman to be nominated by the Administrator if no woman becomes a member of the Pradesh Council or otherwise represented. The Committee feel that the members of the first three categories held office ex-officio and the

members (except nominated ones) mentioned in the fourth category are elected and thus do not hold office under the Government. The Committee are, however, of the opinion that the persons to be nominated by the Central Government (fourth category) and by the Administrator (fifth & sixth categories) will be deemed to hold an office of profit under the Government as they are entitled to a salary of Rs. 350 per month (which does not come within the ambit of 'compensatory allowance') besides conveyance allowance and daily allowance even though they will be exercising functions which are of advisory nature.

As such, the Committee feel that the nominated members of the Pradesh Council, if non-officials, ought not to be exempt from disqualification.

NEW DELHI;
December 11, 1981.

Agrahayana 20, 1903 (Saka).

GULSHER AHMED
Chairman,
Joint Committee on
Offices of Profit.

APPENDIX

(vide para 1.2 of the Report)

MINUTES OF THE JOINT COMMITTEE ON OFFICES OF PROFIT (SEVENTH LOK SABHA)

VIII

(EIGHTH SITTING)

The Committee met on Thursday, the 6th August, 1981 from 15.00 to 15.40 hours.

PRESENT

Shri Gulsher Ahmed—*Chairman*

MEMBERS

LOK SABHA

2. Shri Krishna Chandra Halder
3. Shri Virdhi Chander Jain
4. Shri Jamilur Rahman
5. Shri Rashid Masood
6. Shri S. A. Dorai Sebastian
7. Shri N. K. Shejwalkar
8. Shri Nandi Yellaiah

RAJYA SABHA

9. Shri Syed Rahmat Ali
10. Shri Robin Kakati
11. Prof. N. M. Kamble
12. Shri Lakhan Singh

SECRETARIAT

Shri S. D. Kaura—*Chief Legislative Committee Officer*
Shri S. S. Chawla—*Senior Legislative Committee Officer*

* * * *

7. The Committee then took up for consideration Memorandum No. 3 relating to the proposed nomination of Shri Banwari Lal Bairwa, M.P. by the State Government of Rajasthan as member of the Orphanages and other Charitable Homes (Supervision) Control Board, Rajasthan. The Committee noted that the functions of the Board were primarily to regulate, supervise and control the activities of the Orphanages or the institutions being run in the State and were engaged in the welfare of children and women and that the Board did not enjoy powers of executive and financial nature. Further, T.A./D.A., etc. payable to the members of the Board was less than the 'compensatory allowance'. As such, the Committee felt that Shri Banwari Lal Bairwa, M.P., on his nomination as a member of the Board and other non-official members ought not to disqualify.

The Committee then adjourned to meet again on Friday, 7 August, 1961.

****Omitted portions of the Minutes are not covered by this Report.

IX

(NINTH SITTING)

The Committee met on Friday, the 7th August, 1981 from 11.00 to 11.30 hours.

PRESENT

Shri N. K. Shejwalkar—*in the Chair*

MEMBERS

LOK SABHA

2. Shri Harish Kumar Gangwar
3. Shri Krishna Chandra Halder
4. Shri Virdhi Chander Jain
5. Shri Jamilur Rahman
6. Shri Rashid Masood
7. Shri S. A. Dorai Sebastian

RAJYA SABHA

8. Shri Syed Rahmat Ali
9. Shri Robin Kakati
10. Prof. N. M. Kamble
11. Shri Lakhan Singh

SECRETARIAT

Shri S. S. Chawla—*Senior Legislative Committee Officer*

2. In the absence of the Chirman, Shri N. K. Shejwalkar was chosen by the Committee to act as Chairman for the sitting in terms of the provisions of Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took up for consideration Memorandum No. 5 relating to the proposed nomination of Shri Ram Pyare Panika, M.P. as Director of Tarai Anusuchit Janjati Vikas Nigam Limited,

Uttar Pradesh. After considering the matter at some length, the Committee were of the view that as the non-official Directors were entitled to a sitting fee of Rs. 30/- per sitting in addition to TA/DA and incidental expenditure as admissible to Class I Officers of the Government which came to more than Rs. 51/- and thereby exceeded the 'compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. Besides, the Board of Director exercised powers which were of executive and financial nature.

As such, the Committee felt that Shri Ram Pyare Panika, M.P., on his nomination as Director of the Board, and the other non-official Directors ought not to be exempt from disqualification.

The Committee then adjourned.

X

TENTH SITTING

The Committee met on Saturday, the 3rd October, 1981 from 15.00 hours to 15.40 hours.

PRESENT

Shri Gulsher Ahmed—*Chairman*

MEMBERS

LOK SABHA

2. Shri Harish Kumar Gangwar
3. Shri Krishna Chandra Halder
4. Shri Virdhi Chander Jain
5. Shri Jamilur Rahman
6. Shri Rashid Masood
7. Shri S. A. Dorai Sebastian
8. Shri N. K. Shejwalkar
9. Shri Nandi Yellaiah

RAJYA SABHA

10. Shri Syed Rahmat Ali
11. Shri Dinesh Goswami
12. Shri Robin Kakati
13. Prof. N. M. Kamble
14. Shri Lakhan Singh

SECRETARIAT

Shri S. S. Chawla—*Senior Legislative Committee Officer*

2. The Committee took up for consideration Memoranda Nos. 6 to 8 relating to certain Government of India Undertakings.

Board of Directors of H.M.T. Limited
(Memorandum No. 6)

3. The Committee noted that the non-official Directors of the H.M.T. Limited were entitled to a sitting fee of Rs. 100/- for attending each meeting of the Board. The Directors were also entitled to

travelling, hotel and other expenses for attending the Board and Committee meetings. The total amount payable to them thus exceeded the 'compensatory allowance'. Besides, the Board of Directors exercised executive and financial powers. As such, the Committee felt that the Directorship of the H.M.T. Limited ought not to be exempt from dis-qualification.

Board of Directors of Richardson and Cruddas (1972) Ltd.
(Memorandum No. 7).

4. The Committee noted that the members of the present Board of Directors were entitled to actual travelling fare and hotel accommodation for attending the Board meeting. For attending each meeting, a non-official Director was entitled to get payment of Rs. 100/- as Board fees. As such, the non-official Director who, at present, was holding the charge of Chairman and Managing Director got a payment which was more than the 'compensatory allowance.'

5. Besides, the Board of Directors exercised executive and financial powers. As such, the Committee felt that the Chairman and Managing Director and Directorship of the Richardson and Cruddas (1972) Ltd. ought not to be exempt from disqualification.

Board of Directors of Lagan Jute Machinery Co. Ltd.
(Memorandum No. 8).

6. The Committee noted that the present Board of Directors of the Lagan Jute Machinery Co. Ltd. were all officials and no pay and allowances were admissible to them from the Company. As such, in this case, the question of exemption or non-exemption from dis-qualification did not arise.

However, the Board of Directors exercised executive and financial powers and their functions enable the members of the Board of Directors to wield influence. As such, the Committee felt that the non-official Directors, if any, appointed on the Board of Directors in future, would incur disqualification even if the payment made to them by way of TA/DA, did not exceed the 'compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Dis-qualification) Act, 1959.

8. The Committee then desired that the following information might be obtained from the State Legislatures:—

- (i) Whether any Committee on Offices of Profit existed in the State Legislatures; and

- (ii) Whether States have enacted any Act under Article 191(1) of the Constitution regarding Prevention of disqualification of membership and if so, copies thereof might be obtained.

The Committee then adjourned to meet again at 11.00 hours on Saturday, the 31st October, 1981 and at 15.00 hours on Monday, the 2nd November, 1981.

XI

ELEVENTH SITTING

The Committee met on Saturday, the 31st October, 1981 from 11.00 to 11.30 hours.

PRESENT

Shri Gulsher Ahmed—*Chairman*

MEMBERS

LOK SABHA

2. Shri Krishna Chandra Halder
3. Shri Virdhi Chander Jain
4. Shri Jamilur Rahman
5. Shri Rashid Masood
6. Shri N. K. Shejwalkar
7. Shri Nandi Yellaiah

RAJYA SABHA

8. Shri Syed Rahmat Ali
9. Shri Dinesh Goswami
10. Shri Robin Kakati
11. Prof. N. M. Kamble
12. Shri Lakhan Singh

SECRETARIAT

Shri Ram Kishore—*Senior Legislative Committee Officer*

2. The Committee took up for consideration Memoranda Nos. 9 to 14 relating to the following Committees/Boards/Corporations etc. constituted by Central Government and State Governments.

Board of Directors of Engineering Projects (India) Ltd./Ministry of Industry (Department of Heavy Industry) / (Memorandum No. 9)

3. The Committee learnt that the Joint Committee on Offices of Profit (Fifth Lok Sabha) had examined the Board of Directors of Engineering Projects (India) Ltd. and had recommended *vide* para 11 of their Fifteenth Report (Fifth Lok Sabha) that the Directorship of the Company ought not to be exempt from disqualification. Since there was a material change both in regard to payment of sitting fee, incidentals etc. to non-official directors of the present Board as well as in the capital structure and composition of the company, the matter needed re-examination by the present Committee.

4. The Committee noted that the non-official Directors of the present Board of Directors of the Engineering Projects (India) Ltd. were entitled to a sitting fee of Rs. 100/- for attending each meeting of the Board of Directors besides incidentals including D.A. @ Rs. 100/- per day. These sums exceeded the 'compensatory allowance.' Besides, the Board of Directors exercised executive and financial powers. As such the Committee felt that the non-official Directors appointed on the Board of Directors ought not to be exempt from disqualification.

Board of Directors of Heavy Engineering Corporation Limited—(A Govt. of India Enterprise) (Memorandum No. 10)

5. The Committee were informed that the Board of Directors of Heavy Engineering Corporation Limited was examined by the Joint Committee on Offices of Profit (3LS) *vide* their Second Report wherein they observed that it was not necessary to consider the Board of Directors of Heavy Engineering Corporation Ltd. (Ministry of Steel and Heavy Industries) as all its directors were officials.

6. The Committee noted that the present Board of Directors of the Corporation, however, consisted of both officials and non-officials.

7. The non-official full-time Directors *viz.* Chairman-*cum*-Managing Director and Executive Director of the Corporation were entitled to pay of Rs. 4000/- and Rs. 3000/- per month respectively. In addition they were entitled to TA/DA as per Corporation Rules. These sums exceeded the 'Compensatory allowance'.

8. Besides, the Board of Directors exercised executive and financial powers. As such, the Committee felt that the full-time Directorship of the Corporation, in so far as it was an office of profit under the Government, ought not to be exempt from disqualification.

The Haj Committee, Bombay, (Memorandum No. 11)

9. The Committee noted that while non-official members of the Committee based in Bombay got an allowance of Rs. 50/- per day for the days of the meeting, other members got TA and DA as admissible to class I officers of the Central Govt., a payment which was less than the 'compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959.

10. The functions of the Committee were also mainly to assist the pilgrims and to advise Govt. on matters relating to Haj pilgrimage.

11. As such, the Committee felt that the Members of the Haj Committee, Bombay ought to be exempt from disqualification.

Kendriya Sainik Board, Ministry of Defence, (Memorandum No. 12)

12. The Committee noted that the non-official members of the Kendriya Sainik Board were entitled to TA/DA at the rate of Central Government Officials—a payment which was less than the 'compensatory allowance'. But the Board exercised wide powers both executive and financial and was in a position to wield influence and patronage. As such, the Committee felt that the membership of the Board ought not to be exempt from disqualification.

*Central Advisory Committee for the National Cadet Corps
(Memorandum No. 13)*

13. The Committee noted that the non-official members of the Central Advisory Committee for the National Cadet corps were entitled to TA and DA which was less than the compensatory allowance. Besides, the functions of the Committee were mainly Advisory in nature. As such, the Committee felt that the membership of the Committee ought to be exempt from disqualification.

Board of Directors of Chamundi Machine Tools Limited. (A Government of Karnataka Undertaking) (Memorandum No. 14)

14. The Committee noted that the whole-time Managing Director of the Chamundi Machine Tools Limited was entitled to pay and allowances of over Rs. 3700/- per mensem, which did not come within the ambit of 'compensatory allowance'. The other non-official Directors were entitled to a sitting fee of Rs. 50/- per meeting. In addition they were entitled to TA/DA as per Govt. rules when they

were attending Board meetings at the place other than their usual place of residence/occupation. The payment thus admissible to them might exceed the 'compensatory allowance.' Also, the Board of Directors exercised executive and financial powers. As such, the Committee felt that the Directorship (Including Managing Directorship) of the Chamundi Machine Tools Ltd., in so far as it was an office of profit under the Government, ought not be exempt from disqualification for Membership of Parliament.

The Committee then adjourned to meet again at 15.00 hours on Monday, the 2nd November, 1981.

XII

TWELFTH SITTING

The Committee met on Monday, the 2nd November, 1981 from 15-00 to 15-30 hours.

PRESENT

Shri Gulsher Ahmed—*Chairman*

MEMBERS

LOK SABHA

2. Shri Harish Kumar Gangwar
3. Shri Krishna Chandra Halder
4. Shri Virdhi Chander Jain
5. Shri Jamilur Rahman
6. Shri Rashid Masood
7. Shri N. K. Shejwalkar

RAJYA SABHA

8. Shri Syed Rahmat Ali
9. Shri Dinesh Goswami
10. Shri Robin Kakati
11. Prof. N. M. Kamble
12. Shri Lakhan Singh

SECRETARIAT

Shri Ram Kishore—*Senior Legislative Committee Officer.*

Kanpur Development Authority, Kanpur (Uttar Pradesh)
(Memorandum No. 15)

2. The Committee took up for consideration Memorandum No. 15 relating to the proposed nomination of Shri Arif Mohammad Khan, M.P. as non-official member of the Kanpur Development Authority.

3. The Committee considered the Memorandum in all its perspective. The Committee gathered from the information furnished by the State Government of Uttar Pradesh, that Shri Arif Mohammad

Khan, M.P. on his proposed nomination as non-official member of the Kanpur Development Authority would be entitled to T.A. and D.A. at the rate payable to First Class Officers of the State Government and that he would not be entitled to get any pay, HRA, compensatory allowance or sitting fee etc. Thus the payment to be received by the member would not exceed the 'compensatory allowance' as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The State Government had also stated that Shri Arif Mohammad Khan as member of the said authority would also not exercise any functions or powers—executive, financial, legislative or judicial. He would merely act as a voting member thereof.

4. However, the Committee noted that the U.P. Urban Planning and Development Act, 1973, under which the Kanpur Development Authority had been constituted provided that the authority had the power to acquire, hold, manage and dispose of land and other property etc. and exercised such other powers and generally did anything necessary or expedient for the purposes of maintenance of essential services like water, electricity, sewage etc. Thus the Committee were of the opinion that non-official members would exercise collectively executive and financial powers. As such, the Committee felt that the membership of the Kanpur Development Authority (including that of Shri Arif Mohammad Khan, M.P.) ought not to be exempt from disqualification.

5. During the course of discussion of the above Memorandum, the Committee also took note of the earlier recommendations of the JCOP (Fifth Lok Sabha) made in the case of Andhra Pradesh Housing Board and Himachal Pradesh Housing Board, *vide* paras 19 and 28 of their 4th and 17th Reports (5th Lok Sabha) respectively wherein they had recommended that the membership (including chairmanship) of the Boards ought not to be exempted from disqualification.

The Committee then adjourned to meet again at 15-00 hours on Thursday, the 12th November, 1981.

XIII

(THIRTEENTH SITTING)

The Committee met on Thursday, the 12th November, 1981 from 15-00 hours to 15-35 hours.

PRESENT

Shri Gulsher Ahmed—*Chairman*

MEMBERS

LOK SABHA

2. Shri Harish Kumar Gangwar
3. Shri Krishna Chandra Halder
4. Shri Virdhi Chander Jain
5. Shri Jamilur Rahman
6. Shri Rashid Masood
7. Shri S. A. Dorai Sebastian
8. Shri N. K. Shejwalkar
9. Shri Nandi Yellaiah

RAJYA SABHA

10. Shri Syed Rahmat Ali
11. Shri Dinesh Goswami
12. Shri Robin Kakati ...
13. Prof. N. M. Kamble
14. Shri Lakhan Singh

SECRETARIAT

Shri Ram Kishore—*Senior Legislative Committee Officer.*

2. The Committee took up for consideration Memoranda Nos. 16 to 19 relating to the following Committees|Boards|Corporations etc. constituted by Central Government and Union Territory Administration.

Central Purchase Advisory Council (Ministry of Supply & Rehabilitation—Department of Supply) (Memorandum No. 16)

3. The Committee noted that the Council generally met once a year and twice whenever necessary. For attending the sitting, the payment admissible to the members of the Council who were Members of Parliament was in accordance with the Salary, Allowances and Pension of Members of Parliament Act, 1954. The other non-official members drew T.A./D.A. at the rates admissible to Govt. of India officers (Maximum rate Rs. 28/- per day). No other remuneration was admissible. The payment thus admissible to the non-official members did not exceed the 'compensatory allowance'. Besides, the Central Purchase Advisory Council did not exercise any executive or financial powers. As such, the Committee felt that the non-official members ought to be exempt from disqualification.

State Advisory Committee for Territorial Army in the States of West Bengal and Sikkim. (Memorandum No. 17)

4. The Committee noted that the Joint Committee on Offices of Profit (Third Lok Sabha) had examined the State Advisory Committee for the Territorial Army in the State of West Bengal and recommended *vide* para 12 of their Fourth Report (Third Lok Sabha) that *Chairmanship, Secretaryship or membership* of the Committee in question ought not to be disqualified. However the present Body set up included the State of Sikkim besides West Bengal.

5. The Committee also noted that the non-official members of the State Advisory Committee for the Territorial Army in the States of West Bengal and Sikkim were entitled to TA & DA which was less than the 'compensatory allowance'. Besides, the functions of the Committee were mainly advisory in nature. As such the Committee felt that membership of the Advisory Committee in question ought to be exempted from disqualification.

Joint State Advisory Committees for Territorial Army in the States of Assam, Tripura, Manipur and Meghalaya and the Union Territories of Mizoram and Arunachal Pradesh. (Memorandum No. 18)

6. The Committee noted that the Joint Committee on Offices of Profit (Fifth Lok Sabha) had examined the Advisory Committee for the Territorial Army in the States of Assam, Tripura, Manipur and Meghalaya and recommended *vide* para 18 of their Seventh Report (Fifth Lok Sabha) that *Chairmanship, Secretaryship or membership*

of the Advisory Committee in question ought not to be disqualified. The present Joint State Advisory Committee however, included the Union Territories of Mizoram and Arunachal Pradesh in addition to the aforesaid states.

7. The Committee noted that the non-official members of the present Advisory Committee were entitled to T.A. & D.A. which was less than the 'compensatory allowance.' Besides, the functions of the Advisory Committee were mainly advisory in nature. As such, the Committee felt that the membership of the Advisory Committee in question ought to be exempted from disqualification.

The Andaman and Nicobar Islands Pradesh Council (Memorandum No. 19)

8. The Committee noted that the Andaman and Nicobar Islands Pradesh Council was constituted of (i) Administrator; (ii) the member of the Lok Sabha representing the Union Territory; (iii) the senior Vice-Chairman of the Port Blair Municipal Board; (iv) 25 persons to be elected by the representatives of the Port Blair Municipal Board|Pradhans of all the Panchayats in the Union Territory or nominated by the Central Government until Panchayats were constituted in the Great Nicobar area; (v) one person belonging to any of the Scheduled Tribes of Andaman, Onges and Shompens to be nominated by the Administrator; and (vi) one woman to be nominated by the Administrator if no woman became a member of the Pradesh Council or otherwise represented. The Committee felt that the members of the first three categories held office *ex-officio* and members (except nominated ones) mentioned in the fourth category were elected and thus did not hold office under the Government. The Committee were, however of the opinion that the persons to be nominated by the Central Government (Fourth category) and by the Administrator (Fifth & Sixth categories) would be deemed to hold an office of profit as they would be entitled to a Salary of Rs. 350/- per month (which did not come within the ambit of 'compensatory allowance') besides conveyance allowance and daily allowance even though they would be exercising functions which were of advisory nature.

As such, the Committee recommended that the nominated members of the Pradesh Council, if non-officials, ought not to be exempted from disqualification.

The Committee then adjourned.

XIV

FOURTEENTH SITTING

The Committee met on Friday, the 11th December, 1981 from 15-30 to 16-00 hours.

PRESENT

Shri Jamilur Rahman—*in the Chair.*

MEMBERS

LOK SABHA

2. Shri S. A. Dorai Sebastian

RAJYA SABHA

3. Shri Syed Rahmat Ali
4. Shri Dinesh Goswami
5. Shri Robin Kakati
6. Prof. N. M. Kamble

SECRETARIAT

Shri S. D. Kaura—*Chief Legislative Committee Officer.*

Shri Ram Kishore—*Senior Legislative Committee Officer.*

2. In the absence of the Chairman, Shri Jamilur Rahman was chosen by the Committee to act as Chairman for the sitting in terms of the provisions of Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee considered their draft Second Report and adopted it.

4. The Committee decided that the Second Report might be presented to Lok Sabha on the 17th December, 1981 and laid on the Table of Rajya Sabha on the same day.

5. The Committee authorised the Chairman, and in his absence, Shri Jamilur Rahman to present the Report to Lok Sabha on their behalf.

6. The Committee authorised Prof. N. M. Kamble and in his absence, Shri Syed Rahmat Ali to lay the Report on the Table of Rajya Sabha.

The Committee then adjourned.
