

JOINT COMMITTEE ON OFFICES OF PROFIT

(FIFTH LOK SABHA)

SIXTH REPORT

(Presented on the 3rd September, 1973)



**LOK SABHA SECRETARIAT
NEW DELHI**

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Corrigenda to the Sixth Report
of the Joint Committee on
Offices of Profit (Fifth Lok Sabha)

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PERSONNEL OF THE JOINT COMMITTEE ON OFFICES OF PROFIT
(Fifth Lok Sabha)

Lok Sabha

- Shri Dharnidhar Basumatari—*Chairman*
2. Shri Chandrika Prasad
 3. Shri Somnath Chatterjee
 4. Shri Jagannathrao Joshi
 5. Shri Z. M. Kahandole
 6. Shri Pratap Singh
 7. Shri Ramji Ram
 8. Shri S. B. P. Pattabhi Rama Rao
 9. Shri Arjun Sethi
 10. Shri Ramavatar Shastri

Rajya Sabha

- *11. Shri Vithal Gadgil
12. Shri S. A. Khaja Mohideen
13. Shri Sanda Narayanappa
14. Shri Venigalla Satyanarayana
- *15. Shri Yogendra Sharma

SECRETARIAT

- Shri P. K. Patnaik—*Joint Secretary.*
Shri H. G. Paranjpe—*Deputy Secretary.*

*Elected by Rajya Sabha on the 22nd May, 1972, vice Dr. (Mrs.) Mangladevi Talwar and Shri M. V. Bhadram ceased to be members of the Joint Committee on their retirement from that House.

REPORT OF THE JOINT COMMITTEE

I. INTRODUCTION

1. 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 Sixth Report of the Committee.

2. The Committee held three sittings on the 29th June, 16th and 29th August, 1973. Minutes of the sittings form part of the Report and are at Appendix II.

3. The Committee considered 37 Memoranda regarding the composition, character, functions, etc. of the Committees|Boards|Corporations, etc., constituted by the Central Government|State Governments and Union Territories and the emoluments and allowances payable to their members.

4. Detailed information regarding the composition, character, functions etc. of the Committees|Boards|Corporations, etc., and emoluments and allowances payable to their members was furnished by the respective Ministries|Departments of the Central and State Governments and Union Territories on a request made by the Lok Sabha Secretariat.

5. The Committee considered and adopted the Report on the 29th August, 1973.

6. The recommendations of the Committee in respect of the Committees|Boards|Corporations, etc. examined by them are given in the succeeding paragraphs.

II. COMMITTEES|BOARDS|CORPORATIONS, ETC. CONSTITUTED BY CENTRAL AND STATE GOVERNMENTS|UNION TERRITORIES

Board of Industries, Himachal Pradesh

7. The Committee note that the non-official members of the Board of Industries are entitled to T.A. and D.A. as Grade I Officers which is less than 'compensatory allowance', as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The Committee, however, note that an aid by the State Government for an amount which exceeds Rs. 5000 has to get the approval of the Board before it is sanctioned. The Board is thus in a position to wield influence. The Committee, therefore, recommend that the membership of the Board ought not to be exempted from disqualification.

Tamil Nadu Agro-Industries Corporation Ltd.

8. The Committee note that the Chairman of the Corporation, a non-official, and other non-official Directors are entitled to T.A. and other expenses incurred by them at the rates admissible to First Grade Officers of Tamil Nadu Government and a sitting fee at the rate of Rs. 30 per day both of which taken together exceeds 'compensatory allowance'. Besides the Board of Directors exercise executive and financial powers. As such, the Committee recommend that the Directorship of the Corporation, including Chairmanship, ought not to be exempted from disqualification.

Electronics Commission (Department of Electronics)

9. The Committee note that the non-official members of the Commission are entitled to free boarding and lodging while on tour. They are also entitled to draw daily allowance equal to one-half of the highest rate admissible to Grade I Officers of the Central Government while they are halting at places in India other than their headquarters on any work connected with the Commission. Both of them taken together exceeds 'compensatory allowance'. The Committee also note that as members of the Commission, they exercise executive and financial powers. As such, the Committee recommend that the membership of the Commission ought not to be exempted from disqualification.

Ladakh Development Board (Government of Jammu and Kashmir)

10. The Committee note that the non-official members of the Board are paid T.A. and D.A. for attending the meetings of the Board at the same rates as are allowed to the members of the Legislature attending the meetings of the Committee of the Legislature. As such, they are getting less than 'compensatory allowance'. The functions of the Board are also mainly advisory in nature. As such, the Committee recommend that the membership of the Board ought to be exempted from disqualification. The Committee, however, further note that the non-official member who is the whole time Vice-Chairman of the Board, is getting income-tax free salary of Rs. 800 plus Rs. 300 as car allowance and a free furnished bungalow alongwith T.A. and D.A. as admissible to a Minister of State. Thus he is getting more than 'compensatory allowance'. As such, the Committee recommend that the Vice-Chairman of the Board ought not to be exempted from disqualification.

Jammu and Kashmir Minerals Ltd. (Government of Jammu & Kashmir)

11. The Committee note that the only non-official member of the Board of Directors is entitled to a sitting fee of Rs. 100 per day of the

Company's business. The Committee further note that he also exercises executive and financial powers alongwith other Directors who are all ex-officio officers of the State/Central Government.

As such, the Committee recommend that he ought not to be exempted from disqualification.

**Jammu and Kashmir Handicrafts (Sales and Export)
Corporation Ltd., Srinagar**

12. The Committee note that the Managing Director of the Corporation gets Rs. 2144 as pay including all allowances. The Committee further note that the non-official Directors are entitled to draw daily allowance of Rs. 100 alongwith actual T.A. Besides, the Board of Directors exercise executive and financial powers.

As such, the Committee recommend that the Directorship of the Company including Managing Directorship ought not to be exempted from disqualification.

Jammu and Kashmir Khadi and Village Industries Board

13. The Committee note that the Chairman of the Board is getting Rs. 1000 as Honorarium, Rs. 300 as car allowance and Rs. 100 as House rent alongwith T.A. and D.A. (Rs. 30) which exceeds the limit of 'compensatory allowance'. Similarly, Vice-Chairman is entitled to Rs. 800 as Honorarium alongwith T.A. and D.A. (Rs. 30) which is also more than 'compensatory allowance'. The Committee, however, note that other Members are entitled to only T.A. and D.A. (Rs. 21) which is less than 'compensatory allowance'. The Board of Directors, however, exercise executive and financial powers and are in a position to wield influence and patronage. As such, the Committee recommend that the membership of the Board including Chairmanship and Vice-Chairmanship ought not to be exempted from disqualification.

Tamil Nadu Warehousing Corporation

14. The Committee note that the non-official Directors of the Corporation are entitled to receive travelling and halting allowance admissible to non-official members of Class I Committees of the State Government, i.e., Single I Class Railway fare plus fractional fare at 40 Paise per every 10 K. M. or part thereof if the part exceeds 5 K.M. They are entitled to mileage for road journey at the rate of 24 Paise per K.M. The Daily allowance admissible to them is Rs. 10 if the meeting is held at a place outside the radius of 8 K.Ms. from their residences. The total amount of T.A. and D.A. thus admissible to them is less than 'compensatory allowance'.

The Committee, however, note that the Board of Directors exercise executive and financial powers. As such, the Committee recommend that the Directorship of the Corporation ought not to be exempted from disqualification.

Tamil Nadu Land Improvement Board

15. The Committee note that the non-official members of the Board are eligible for T.A. and D.A. as members of the First Class committee which is less than the 'compensatory allowance'.

The Committee, however, note that the Board exercises executive powers and is in a position to wield influence and patronage. As such, the Committee recommend that the membership of the Board ought not to be exempted from disqualification.

16. In regard to the bodies specified in Appendix I, the Committee note that non-official members thereof are entitled to draw T.A. and D.A. which is less than 'compensatory allowance'. Besides, the function of these bodies is mainly advisory in nature. As such the Committee recommend that the membership of these bodies ought to be exempted from disqualification.

NEW DELHI;
The 29th August, 1973.

DHARNIDHAR BASUMATARI,
Chairman,
Joint Committee on Offices of Profit.

APPENDIX I

(Vide para 16 of the Report)

COMMITTEES, BOARDS, CORPORATIONS, ETC., WHOSE CHAIRMANSHIP, SECRETARYSHIP OR MEMBERSHIP OUGHT TO BE EXEMPTED FROM DISQUALIFICATION

Under Central Government

1. Philatelic Advisory Committee.
2. P. & T. Welfare Advisory Board.
3. Central P. & T. Advisory Council.

Under Central Government

Haryana

4. Advisory Committee attached to Small Industries Service Institute, New Delhi for the State of Haryana.

Himachal Pradesh

5. State Mineral Advisory Committee.

Maharashtra

6. Maharashtra State Inland Fisheries Advisory Board.
7. District Planning Board, Jalgaon.
8. Maharashtra State Marine Fisheries Advisory Board.

Orissa

9. District Development Advisory Board.

Tamil Nadu

10. State Livestock Improvement Board.
11. State Advisory Board for Correctional Administration.
12. Fisheries Machinery Advisory Committee.
13. State Fisheries Research Council.
14. District Committees to settle disputes between mechanised boat owners and catamaram boat owners.
15. Tamil Nadu Forest Advisory Board.
16. Tamil Nadu Wild Life Board.

17. Kundah Soil Conservation Board.
18. Committee to operate Fishermen's Distress Relief Fund.

Under Union Territories

Goa, Daman and Diu

19. State Advisory Board for Correctional Administration.
20. Committee for selecting candidates for admission to I.I.T., Panaji.
21. Sales Tax Advisory Committee.
22. Working Groups.
23. Sub-Committee for selection; purchase, rejection and pricing of handicrafts articles.
24. Committee for Rehabilitation of freedom fighters, Panaji.

Pondicherry

25. Standing Tripartite Committee.
26. Industrial Housing Allotment Committee.

APPENDIX II

(Vide para 2 of the Report)

MINUTES OF THE JOINT COMMITTEE ON OFFICES OF PROFIT I

Sixteenth Sitting

The Committee met on Friday, the 29th June, 1973 from 11.00 to 11.30 hrs.

PRESENT

Shri Dharnidhar Basumatari—*Chairman*.

MEMBERS

Lok Sabha

2. Shri Chandrika Prasad
3. Shri Jagannathrao Joshi
4. Shri Z. M. Kahandole
5. Shri Pratap Singh
6. Shri S. B. P. Pattabhi Rama Rao
7. Shri Arjun Sethi
8. Shri Ramavatar Shastri

Rajya Sabha

9. Shri Sanda Narayanappa
10. Shri Venigalla Satyanarayana
11. Shri Yogendra Sharma

SECRETARIAT

Shri H. G. Paranjpe—*Deputy Secretary*.

2. The Committee took up for consideration Memoranda Nos. 108 to 121 relating to Committees|Boards|Corporations etc. constituted by the Central, State and Union Territory Governments.

3. *Central Silk Board* (Memo. No. 108).

The Committee noted that the Board consisted of honorary non-official Chairman, Vice-Chairman and Members of Parliament.

The T.A./D.A. admissible to these non-official members of the Board was in accordance with the Ministry of Finance instructions which means in the case of Members of Parliament it was restricted to their Compensatory Allowance and in the case of other non-official members it was less than the Compensatory Allowance. But the Board exercised executive and financial powers. Committee, therefore, desired it to be examined whether it was permissible to allow Members of Parliament to hold an office of Profit (such as the membership of this Board which exercised executive and financial powers) by restricting their T.A./D.A. to the Compensatory Allowance.

The Committee noted that Members of Parliament were similarly elected to various other bodies and this question should be examined in the context of those bodies also.

Board of Industries, Himachal Pradesh (Memo No. 113)

4. The Committee noted that the Chairman and Secretary of the Board were official members. The non-official members were entitled to T.A. and D.A. as Grade I officers which was less than the compensatory allowance. However, the Board exercised financial powers such as an aid by the State Government above the amount of Rs. 5,000/- was not to be sanctioned without reference to the Board. The Board, thus, was in a position to wield influence. As such the Committee felt that the membership of the Board ought not to be exempted from disqualification.

Tamil Nadu Agro Industries Corporation Limited (Memo No. 115).

5. The Committee noted that the Board of Directors of the Corporation was composed of eleven Directors—three non-officials and eight officials. The Chairman of the Corporation who was a non-official and other non-official directors thereof were entitled to T.A. and other expenses incurred by them at the rate admissible to First Grade Officers of Tamil Nadu Government and a sitting fee at the rate of Rs. 30/- per day. The total amount payable to the non-official Directors and the Chairman, thus sometimes exceeded the 'Compensatory Allowance'. Besides, the Board of Directors of the Corporation exercised executive and financial powers. As such, the Committee felt that both the Chairmanship and Directorship of the Corporation ought not to be exempted from disqualifications.

6. In regard to the following bodies, the Committee noted that the non-official members thereof were entitled to draw T.A. and D.A. which was less than the 'Compensatory Allowance.' Besides, the functions of these bodies were mainly advisory in nature. As such the Committee felt that the membership of these bodies ought to be exempted from disqualification:—

1. Philatelic Advisory Committee (Memo. No. 109).
2. P&T Welfare Advisory Board (Memo. No. 110).

3. Central P&T Advisory Council. (Memo. No. 111).
4. Advisory Committee attached to small industries Service Institute, New Delhi for State of Haryana (Memo. No. 112).
5. State Mineral Advisory Committee, Himachal Pradesh. (Memo. No. 114).
6. State Advisory Board for Correctional Administration (Goa, Daman & Diu) (Memo. No. 116).
7. Committee for selecting candidates for admission to I.I.T, Panaji (Goa, Daman and Diu) (Memo. No. 117).
8. Sales Tax Advisory Committee (Goa, Daman & Diu) (Memo. No. 118).
9. Working Groups (Goa, Daman and Diu) (Memo. No. 119).
10. Sub-Committee for selection, purchase, rejection and pricing of handicrafts articles (Goa, Daman & Diu) (Memo. No. 120).
11. The Committee for Rehabilitation of freedom fighters, Panaji, (Goa, Daman and Diu) (Memo. No. 121).

Non or Incomplete Supply of Information to the Committee by Certain Ministries|Departments.

7. The Committee noted with regret that the Ministries|Departments of Government of India, listed in the annexure had not sent any information to Committee regarding the Committees|Boards|Corporations etc. constituted by them till March, 1973 in spite of the fact that an Office Memorandum had been issued to them on the 28th July, 1971 immediately after the constitution of the Committee for the Fifth Lok Sabha. The Committee further noticed with constraint that in spite of two reminders to the aforesaid Ministries|Departments, only nine had replied (one of them viz. Ministry of Information and Broadcasting having sent only an interim reply) and the remaining three Ministries, namely, Ministry of Health and Family Planning, Ministry of Industrial Development and Ministry of External Affairs had not furnished any information to the Committee so far.

8. The Committee also noticed that some of the Ministries|Departments of Government of India had not furnished information about all the existing Committees|Boards|Corporations etc. constituted by them for examination by the Committee as revealed by a verification made with the help of Gazette Notifications. The Committee authorised the Chairman to write to the concerned Ministers in-charge of the above Ministries in the matter.

9. *The Committee then adjourned.*

ANNEXURE**(Vide Para 7)**

Ministries|Departments of Government of India which had not furnished any Information regarding Committees|Boards|Corporations etc. Constituted by them, till March, 1973.

1. Department of Atomic Energy.
2. Department of Parliamentary Affairs.
3. Ministry of Health and Family Planning.
4. Ministry of Industrial Development.
5. Ministry of Information and Broadcasting.
6. Ministry of External Affairs.
7. Ministry of Finance.
8. Department of Science and Technology.
9. Department of Space.
10. Department of Electronics.
11. Prime Minister's Secretariat.
12. Ministry of Heavy Industry.

II

SEVENTEENTH SITTING

The Committee met on Thursday, the 16th August, 1973 from 15.30 to 16.10 hours.

PRESENT

Shri Sanda Narayanappa—*In the Chair.*

MEMBERS

Lok Sabha

2. Shri Chandrika Prasad
3. Shri Jagannathrao Joshi
4. Shri Pratap Singh
5. Shri Ramavatar Shastri

Rajya Sabha

6. Shri Vithal Gadgil
7. Shri Yogendra Sharma

SECRETARIAT

Shri H. G. Paranjpe—*Deputy Secretary.*

2. In the absence of Shri Dharnidhar Basumatari, Chairman of the Committee, Shri Sanda Narayanappa was elected Chairman for the sitting under Rule 258(3).

3. The Committee took up for consideration Memoranda Nos. 122 to 144 relating to Committees|Boards|Corporations, etc., constituted by the Central|State Governments and the Union Territory of Pondicherry.

Electronics Commission (Memo. No. 122)

4. The Committee noted that the non-official members were entitled to free boarding and lodging while on tour. They were also entitled to draw one-half of the highest rate of daily allowance admissible to Grade I Officers of the Central Government. Besides, as members of the Commission, they exercised executive and financial powers. As such, the Committee recommended that the membership of the Commission ought not to be exempted from disqualification.

Ladakh Development Board (Memo. No. 123)

5. The Committee noted that the non-official members of the Board were paid T.A. and D.A. at the same rates as were allowed to the members of the Legislature attending the meetings of the Committee of Legislature which was less than 'compensatory allowance', as defined in

Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The Committee also noted that the functions of the Board were also mainly advisory in nature. As such, the Committee recommended that the membership of the Board ought to be exempted from disqualification. The Committee, however, noticed that a non-official member, who was whole time Vice-Chairman, was getting salary of Rs. 800|- plus Rs. 300|- as car allowance, a free furnished bungalow and income-tax free salary alongwith T.A. and D.A. as admissible to a Minister of State. As such, he ought not to be exempted from disqualification.

Jammu and Kashmir Minerals Ltd. (Memo. No. 124)

6. The Committee noted that the only non-official member of the Company was entitled to a sitting fee of Rs. 100|- per day of Company's business. He also exercised executive and financial powers alongwith other Directors who were all *ex-officio* officers of the State and Central Governments. As such, the Committee recommended that he ought not to be exempted from disqualification.

Jammu and Kashmir Handicrafts (Sales and Export) Corporation Ltd. Srinagar (Memo. No. 125)

7. The Committee noted that the Managing Director of the Company got Rs. 2144|- as pay including all allowances. The Committee also noted that the non-official Directors were entitled to daily allowance of Rs. 100|- per day alongwith actual travelling allowance. Besides, the Board of Directors exercised executive and financial powers.

As such, the Committee recommended that the Directorship of the Company, including Managing Directorship, ought not to be exempted from disqualification.

Jammu and Kashmir Khadi and Village Industries Board (Memo. No. 126)

8. The Committee noted that Chairman of the Board was getting Rs. 300/- as car allowance, Rs. 100|- as house rent allowance alongwith T. A. and D. A. (Rs. 30|-) which exceeded the 'compensatory allowance'. Similarly, Vice-Chairman was also entitled to Rs. 800|- as Honorarium alongwith T. A. and D. A. (Rs. 30|-) which was more than 'compensatory allowance'. The Committee also noted that the members were entitled to T. A. and D.A. which was less than compensatory allowance. The Board of Directors, however, exercised executive and financial powers and were in a position to wield influence and patronage. As such, the Committee recommended that the membership of the Board including Chairmanship and Vice-Chairmanship ought not to be exempted from disqualification.

Tamil Nadu Warehousing Corporation (Memo. No. 134)

9. The Committee noted that the non-official Directors of the Corporation were entitled to receive travelling and halting allowance as admissible to non-official members of Class I Committee i.e. Single I Class railway fare and Rs. 10/- as daily allowance, which was less than 'compensatory allowance'. However, the Board of Directors exercised both executive and financial powers. As such, the Committee recommended that the Directorship of the Corporation ought not to be exempted from disqualification.

Tamil Nadu Land Improvement Board (Memo. No. 140)

10. The Committee noted that the non-official members of the Board were entitled to T. A. and D. A. as admissible to members of First Class Committees which was less than 'compensatory allowance'. The Committee, however, noted that the Board exercised executive powers and was in a position to wield influence and patronage. As such, membership of the Board ought not to be exempted from disqualification.

11. In regard to Fisheries Advisory Board (Government of Tamil Nadu—Memo. No. 142) the Committee noted that one of the functions of the Board was—"assistance to be given to fishermen in money, material and equipment for the development activities...." As it was not clear whether the Board functioned only in advisory capacity with regard to the assistance rendered in money, material and equipment or was also responsible for its disbursement, the Committee desired that clarification might be sought from the Government of Tamil Nadu on this point.

The Committee, therefore, deferred consideration of the Memorandum pending receipt of the aforesaid information from the Government of Tamil Nadu.

12. In regard to the following bodies, the Committee noted that the non-official members thereof were entitled to draw T. A. and D. A. which was less than the 'compensatory allowance'. Besides, the functions of these bodies were mainly advisory in nature. As such, the Committee recommended that the membership of these bodies ought to be exempted from disqualification:—

- (1) Maharashtra State Inland Fisheries Advisory Board.
- (2) District Planning Board, Jalgaon (Government of Maharashtra).
- (3) Maharashtra State Marine Fisheries Advisory Board.
- (4) District Development Advisory Board (Government of Orissa).
- (5) State Livestock Improvement Board (Government of Tamil Nadu).
- (6) State Advisory Board for Correctional Administration (Government of Tamil Nadu).

- (7) Fisheries Machinery Advisory Committee (Government of Tamil Nadu).
- (8) State Fisheries Research Council (Government of Tamil Nadu).
- (9) District Committees to settle disputes between mechanised boat owners and catamaram boat owners.
- (10) Tamil Nadu Forest Advisory Board.
- (11) Tamil Nadu Wild Life Board.
- (12) Kundah Soil Conservation Board.
- (13) Committee to Operate Fishermen's Distress Relief Fund (Government of Tamil Nadu).
- (14) Standing Tripartite Committee (Union Territory of Pondicherry).
- (15) Industrial Housing Allotment Committee (Union Territory of Pondicherry).

13. The Committee then adjourned to meet again at 14.30 hours on Wednesday, the 29th August, 1973 to consider their draft Sixth Report.

III

Eighteenth Sitting

The Committee met on Wednesday, the 29th August, 1973 from 14.30 to 15.00 hours.

PRESENT

Shri Dharnidhar Basumatari—*Chairman*.

MEMBERS

Lok Sabha

2. Shri Jagannathrao Joshi
3. Shri Pratap Singh
4. Shri S. B. P. Pattabhi Rama Rao
5. Shri Ramavatar Shastri

Rajya Sabha

6. Shri Sanda Narayanappa
7. Shri Venigalla Satyanarayana

SECRETARIAT

Shri H. G. Paranjpe—*Deputy Secretary*.

2. The Committee considered their Draft Sixth Report and adopted it without amendment.

3. The Committee decided that the Report might be presented to Lok Sabha on the 3rd September, 1973 and laid on the Table of Rajya Sabha on the same day.

4. The Committee authorised the Chairman, and in his absence, Shri S. B. P. Pattabhi Rama Rao, to present the Report to Lok Sabha on their behalf.

5. The Committee authorised Shri Sanda Narayanappa, and in his absence, Shri Venigalla Satyanarayana, to lay the Report on the Table of Rajya Sabha.

6. The Committee were apprised of the contents of D. O. letter dated 29th August, 1973 from Shri H. R. Gokhale, Minister of Law, Justice and Company Affairs, to the Chairman regarding introduction of a Bill in

Parliament implementing the various recommendations of the Joint Committee. The Committee noted in particular the following sentences of the said D. O. letter:

“.....it is considered desirable to refer the modified draft Bill to the Ministries, etc. before its introduction. After the completion of the necessary formalities, the Bill is likely to be introduced in the next Session of Parliament.”

7. The Committee decided to call for evidence the Secretaries of the Ministries/Departments of the Government of India from whom nil or incomplete information in respect of Committees|Boards|Corporations, etc. constituted by them had been received.

8. The Committee then adjourned to meet again at 11.00 hours on Saturday, the 27th October, 1973.