

JOINT COMMITTEE ON OFFICES ON PROFIT

(FIFTH LOK SABHA)

THIRTEENTH REPORT

(Presented on the 30th April, 1975)



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1975/Vaisakha, 1897 (Saka)

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CORRIGENDA TO THE
THIRTEENTH REPORT OF THE JOINT COMMITTEE
ON OFFICES OF PROFIT (FIFTH LOK SABHA)

- Cover page, line 2, for 'ON' read 'OF'
- Page (iii), line 1, for 'REPORT' read 'PERSONNEL'
- Page 1, line 1, for 'PERSONNEL' read 'REPORT'
- Page 5, line 5 (from bottom), delete 'of'
- Page 12, line 21, for 'SECRETARIAT' read 'SECRETARIAT'
- Page 13, line 16, after 'powers' insert 'and'
- Page 13, line 28, delete 'who'
- Page 13, lines 28-29, after 'Directors' insert 'who'
- Page 14, line 6, after 'to' insert 'be'
- Page 14, line 6 (from bottom), -for 'Petroleum'
read 'Petroleum'
- Page 15, line 19, for 'Inseticides' read 'Insecticides'
- Page 15, line 4 (from bottom), for 'Dheri' read 'Dehri'
- Page 17, line 21, for 'or' read 'of'
- Page 19, line 7, for 'any' read 'only'
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**REPORT OF THE JOINT COMMITTEE
ON OFFICES OF PROFIT
(FIFTH LOK SABHA)**

Lok Sabha

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

Rajya Sabha

- **11. Shri Vithal Gadgil
- £12. Shri N. M. Kamble
- £13. Shri A. K. Refaye
14. Shri Venigalla Satyanarayana
- **15. Shri Yogendra Sharma

SECRETARIAT

Shri P. K. Patnaik—*Additional Secretary.*

Shri H. G. Paranjpe—*Chief Financial Committee Officer.*

%Elected by Lok Sabha on the 7th March, 1975 *vice* Shri Pratap Singh died.

*Elected by Lok Sabha on the 6th December, 1973 *vice* Shri Dharnidhar Basumantari resigned from the Committee.

**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.

£Elected by Rajya Sabha on the 8th May, 1974 *vice* Sarvashri S. A. Khaja Mohideen and Sanda Narayanappa ceased to be members of the Joint Committee on their retirement from that House.

PERSONNEL OF THE JOINT COMMITTEE

I

INTRODUCTION

1. 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 Thirteenth Report of the Committee.

2. The Committee held two sittings—on the 15th and 29th April, 1975. Minutes of these sittings form part of the Report and are at Appendix.

3. The Committee considered the composition, character, functions, etc. of 66* Committees/Boards/Corporations, etc. constituted by the Central and State Governments 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 Government and State Governments on a request made by the Lok Sabha Secretariat.

5. The Committee also reviewed their earlier recommendations regarding State and Regional Transport Authorities set up in certain States and Union Territories. These are mentioned in Parts II and III of Schedule I to the Parliament (Prevention of Disqualification) Amendment Bill, 1973, as passed by Lok Sabha and now pending before Rajya Sabha.

6. The Committee considered and adopted the Report on the 29th April, 1975.

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

*These include 26 Committees/Boards, etc. considered by the Joint Committee at their sitting held on the 14th March, 1975. The Minutes of that sitting form part of the Twelfth Report of the Committee presented on the 20th March, 1975.

**COMMITTEES/BOARDS/CORPORATIONS, ETC. CONSTITUTED
BY THE CENTRAL AND STATE GOVERNMENTS**

*Board of Directors of the Indo-Burma Petroleum Co. Ltd. (Ministry
of Petroleum and Chemicals)*

8. The Committee note that the non-official Director of the Indo-Burma Petroleum Company Ltd. gets Rs. 100/- as sitting fee for attending each meeting of the Board of Directors, which is more than the 'compensatory allowance'. The Committee also note that, subject to the provisions of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, the control of the Company vests in the Board of Directors which is entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. The Committee, therefore, feel that the Directorship of the Company, in so far as it is an 'office of profit' under the Government, ought not to be exempt from disqualification.

*Board of Directors of Balmer Lawrie and Co. Ltd. (Ministry of
Petroleum and Chemicals)*

9. The Committee note that the Directors of the Balmer Lawrie and Company Ltd. are entitled to a meeting fee of Rs. 100/- for attending the meetings of the Board. This amount exceeds the 'compensatory allowance'. The Committee also note that, subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vests in the Board of Directors which is entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. The Committee, therefore, feel that the Directorship of the Company, in so far as it is an 'office of profit' under the Government, ought not to be exempt from disqualification.

*Board of Directors of Industrial Containers Ltd. (Ministry of Petro-
leum and Chemicals).*

10. The Committee note that the Directors of the Industrial Containers Ltd. are entitled to a meeting fee of Rs. 100/- for attending the meetings of the Board. This amount exceeds the 'compensatory allowance'. The Committee also note that, subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vests in the Board of Directors which is entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. The Committee, therefore, feel that the Directorship

of the Company, in so far as it is an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of Steel Containers Ltd. (Ministry of Petroleum and Chemicals)

11. The Committee note that the Directors of the Steel Containers Ltd. are entitled to a meeting fee of Rs. 100|- for attending the meetings of the Board. This amount exceeds the 'compensatory allowance'. The Committee also note that, subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vests in the Board of Directors, which is entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. The Committee, therefore, feel that the Directorship of the Company, in so far as it is an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of Biecco Lawrie Ltd. (Ministry of Petroleum and Chemicals)

12. The Committee note that the Directors of the Biecco Lawrie Ltd. are entitled to a meeting fee of Rs. 100|- for attending the meetings of the Board. This amount exceeds the 'compensatory allowance'. The Committee also note that, subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vests in the Board of Directors, which is entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. The Committee, therefore, feel that the Directorship of the Company, in so far as it is an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of Bridge and Roof Co. (India) Ltd. (Ministry of Petroleum and Chemicals)

13. The Committee note that the Directors of the Bridge and Roof Co. (India) Ltd. are entitled to a meeting fee of Rs. 100|- for attending the meetings of the Board. This amount exceeds the 'compensatory allowance'. The Committee also note that, subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vests in the Board of Directors which is entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do. The Committee, therefore, feel that the Directorship of the Company, in so far as it is an 'office of profit' under the Government, ought not to be exempt from disqualification.

Lube India Ltd. (Ministry of Petroleum and Chemicals)

14. The Committee note that the Directors of the Lube India Ltd. are entitled to a remuneration not exceeding Rs. 250|- for attending the meetings of the Board, in addition to travel and other stay expenses. This exceeds the 'compensatory allowances'. The Committee also note that the Board of Directors exercises executive and financial powers. The Committee, therefore, feel that the Directorship of the Company, in so far as it is an 'office of profit' under the Government, ought not to be exempt from disqualification.

*Board of Directors of the Madras Refineries Ltd., Manali, Madras
(Ministry of Petroleum and Chemicals)*

15. The Committee note that the non-official Directors of the Madras Refineries Ltd. (viz. Directors other than full term Directors of the Company or full-time employees of any State Government or Public Undertaking) are paid Rs. 80|- for attending each meeting of the Board. Directors coming from outside are, in addition, paid actual travelling, living and hotel expenses. Thus, the amount payable to part-time non-official Directors exceeds the 'compensatory allowance'. Also, the Board of Directors exercises executive and financial powers. The Committee, therefore, feel that the Directorship of the Company, in so far as it is an 'office of profit' under the Government, ought not to be exempt from disqualification.

*Board of Directors of the Hindustan Insecticides Ltd. (Ministry of
Petroleum and Chemicals)*

16. The Committee note that the non-official Directors of the Hindustan Insecticides Ltd. are entitled to a sitting fee of Rs. 100|- for attending each meeting of the Board of Directors, which exceeds the 'compensatory allowance'. Also, the Board of Directors exercises executive and financial powers. As such, the Committee feel that the Directorship of the Company ought not to be exempt from disqualification.

*Board of Directors of the Fertilisers and Chemicals Travancore Ltd.
(Ministry of Petroleum and Chemicals)*

17. The Committee note that the payment admissible to the non-official Directors of the Fertilisers and Chemicals Travancore Ltd. exceeds the 'compensatory allowance'. Also, the Board of Directors exercises executive and financial powers. The Committee, therefore, feel that the Directorship of the Company ought not to be exempt from disqualification.

*Board of Directors of the Pyrites, Phosphates and Chemicals Ltd.,
Dehri-on-Sone (Ministry of Petroleum and Chemicals)*

18. The Committee note that the payment admissible to the non-official Directors of the Pyrites, Phosphates and Chemicals Ltd. exceeds the 'compensatory allowance'. Also, the Board of Directors exercises executive and financial powers. As such, the Committee feel the Directorship of the Company ought not to be exempt from disqualification.

*Governing Council of the Central Institute of Plastics Engineering
and Tools, Guindy, Madras (Ministry of Petroleum and Chemicals)*

19. The Committee note that although the Institute of Plastics Engineering and Tools, Guindy, has been registered under the Indian Societies Registration Act, 1860, the appointment of members of the Governing Council by and large rests with the Central Government. Also, the payment admissible to the non-official members of the Council exceeds the 'compensatory allowance'. Further, the Council exercises executive and financial powers. As such the Committee feel that the membership of the Governing Council ought not to be exempt from disqualification.

*Departmental Recruitment Committee Forest Department
(Karnataka)*

20. The Committee note that the payment admissible to the non-official members of the Departmental Recruitment Committee, Forest Department, Karnataka is less than the 'compensatory allowance'. The Committee also note that the Departmental Recruitment Committee is empowered to select candidates for the posts of stenographers, draughtsmen and typists and, as such, is in a position to wield influence. The Committee, therefore, feel that the non-official members of the said Recruitment Committee ought not to be exempt from disqualification.

Karnataka State Forest Plantation Corporation Ltd., Bangalore

21. The Committee note that the TA|DA and sitting fee, etc. admissible to the non-official members of the Board of Directors of the Karnataka State Forest Plantation of Corporation Ltd., exceeds the 'compensatory allowance'. Also, the functions of the Board of Directors are mainly executive and financial in nature. As such, the Committee feel that the Directorship of the Corporation ought not to be exempt from disqualification.

Karnataka Housing Board

22. The Committee note that the Chairman of the Housing Board gets a consolidated allowance of Rs. 1,500 per month, which does not come within the ambit of 'compensatory allowance'. The other non-official members of the Housing Board are entitled to TA|DA, which is less than the 'compensatory allowance'. However, the Board exercises executive and financial powers. As such, the Committee feel that the membership (including chairmanship) of the Board ought not to be exempt from disqualification.

Advisory Committee for State Level to advise Co-operative Sugar Factories for placing orders for plant and machinery (Karnataka)

23. The Committee note that the payment admissible to the non-official members of the Committee for State Level to advise Co-operative Sugar Factories for placing orders for plant and machinery (Karnataka) is less than the 'compensatory allowance'. The Committee, however, note that although the functions of the body in question are advisory in nature, it is in a position to wield influence. It is, *inter alia*, the function of the said body to study quotations for plants and machinery received from various suppliers and to render advice to sugar factories as to the orders to be placed. As such, the Committee feel that the non-official members of the Committee ought not to be exempt from disqualification.

Board of Directors of the Kerala State Industrial Development Corporation Ltd.

24. The Committee note that the Chairman and the Executive Director of the Kerala State Industrial Development Corporation Ltd., are paid an honorarium|remuneration of Rs. 2,000 per mensem, which does not come within the ambit of 'compensatory allowance', as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The other Directors are also paid TA|DA which exceeds the 'compensatory allowance'. Also, the functions of the Board of Directors are executive and financial in nature. The Committee, therefore, feel that the Directorship of the Corporation ought not to be exempt from disqualification.

Haryana State Council of Gosamvardhan

25. The Committee note that the amount admissible to the non-official members of the Haryana State Council of Gosamvardhan as TA|DA is less than the 'compensatory allowance'. However, the

Council exercises executive and financial powers. As such, the Committee feel that the non-official members of the Council ought not to be exempt from disqualification.

Haryana Housing Board

26. The Committee note that such of the non-official members of the Haryana Housing Board, as may be appointed whole-time members of the Board, would *inter alia*, be entitled to 'pay', which does not fall within the ambit of 'compensatory allowance', as defined in section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The payment admissible to the part-time members is less than the 'compensatory allowance'. However, the Board exercises executive and financial powers. As such, the Committee feel that membership of the Board ought not to be exempt from disqualification.

Tamil Nadu Khadi and Village Industries Board

27. The Committee note that the payment admissible to the non-official members of the Tamil Nadu Khadi and Village Industries Board as T.A. and D.A. is less than the 'compensatory allowance'. However, the Board exercises executive and financial powers. As such, the Committee feel that the membership of the Board ought not to be exempt from disqualification.

The U.P. Khadi and Village Industries Board

28. The Committee note that the non-official Vice-Chairman of the U.P. Khadi and Village Industries Board gets an honorarium of Rs. 1,000 per mensem which does not come within the ambit of 'compensatory allowance', as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The other non-official members of the Board are entitled to draw TA|DA, which is less than the 'compensatory allowance'. However, the Board exercises executive and financial powers. As such, the Committee feel that membership (including Vice-Chairmanship) of the U.P. Khadi and Village Industries Board ought not to be exempt from disqualification.

Board of Directors of the Pradeshiya Industrial and Investment Corporation of U.P. Ltd.

29. The Committee note that the remuneration payable to the non-official Directors of the Pradeshiya Industrial and Investment Corporation of U.P. Limited per day exceeds the 'compensatory allowance'. Besides, the functions of the Corporation are executive

and financial in nature. As such, the Committee feel that Directorship of the Corporation ought not to be exempt from disqualification.

Bodies Recommended for exemption from disqualification

30. In regard to the following bodies, the Committee note that the non-official members thereof either do not get any 'TA|DA, etc., or the amount of T.A. and D.A. admissible to them is less than the 'compensatory allowance'. Besides, the functions of these bodies are mainly advisory in nature. As such, the Committee feel that the membership of these bodies ought to be exempt from disqualification:—

- (1) National Savings State Advisory Board (Haryana).
- (2) State Advisory Committee for Revenue (Haryana).
- (3) State Advisory Committee for Excise and Taxation Department (Haryana).
- (4) District Committee on Employment, Karnal (Haryana).
- (5) State Transport Advisory Committee (Haryana).
- (6) State Advisory Committee for the Development and Panchayat Department (Haryana).
- (7) State Committee on Education (Haryana).
- (8) State Advisory Committee for Tourism (Haryana).
- (9) State Small Scale Industries Board (Tamil Nadu).
- (10) District Level Committee of the Small Scale Industries Board (Tamil Nadu).
- (11) Public Health Board (Tamil Nadu).
- (12) State Co-ordination Committee for Vocational Guidance and Employment Counselling (Tamil Nadu).
- (13) Advisory Committee for Special Employment Office for Physically Handicapped (Tamil Nadu).
- (14) Advisory Committees for University Employment Information and Guidance Bureau, Madras, Madurai and Annamalainagar (Tamil Nadu).
- (15) U.P. Small Scale and Cottage Industries Board.
- (16) U.P. Handloom and Powerloom Board.
- (17) State Board of Technical Education (Haryana).

- (18) Standing Committee for watching the Development of the Dyestuff Industry.
- (19) State Advisory Committee of the National Cadet Corps for the State of Bihar (Ministry of Defence).
- (20) Advisory Committee of the National Cadet Corps for the Union Territory of Chandigarh (Ministry of Defence).
- (21) State Advisory Committee of the National Cadet Corps for the State of Uttar Pradesh (Ministry of Defence).
- (22) State Advisory Committee of the National Cadet Corps for the State of Tamil Nadu (Ministry of Defence).
- (23) State Advisory Committee of the National Cadet Corps for the State of West Bengal (Ministry of Defence).
- (24) State Advisory Committee of the National Cadet Corps for the State of Karnataka (Ministry of Defence).
- (25) State Advisory Committee of the National Cadet Corps for the State of Rajasthan (Ministry of Defence).
- (26) State Advisory Committee of the National Cadet Corps for the State of Orissa (Ministry of Defence).
- (27) State Advisory Committee of the National Cadet Corps for the State of Maharashtra (Ministry of Defence).
- (28) State Advisory Committee of the National Cadet Corps for the State of Andhra Pradesh (Ministry of Defence).
- (28) State Advisory Committee of the National Cadet Corps for the State of Madhya Pradesh (Ministry of Defence).
- (30) State Advisory Committee of the National Cadet Corps for the State of Gujarat (Ministry of Defence).
- (31) The Gujarat State Irrigation Board.
- (32) Dharoi Rehabilitation Advisory Committee (Gujarat).
- (33) Watrak Irrigation Project Rehabilitation Advisory Committee (Gujarat).
- (34) Ukai Project Rehabilitation Advisory Committee (Gujarat).
- (35) (a) Panam Reservoir Project Rehabilitation Advisory Committee (Gujarat).
- (b) Kadana Reservoir Project Rehabilitation Advisory Committee (Gujarat).

- (36) The State Wild Life Board (Gujarat).
- (37) State Seed Sub-Committee (Karnataka).
- (38) State Board for Wild Life (Karnataka).
- (39) Evaluation and Implementation Committee (Haryana).

III

REVIEW OF EARLIER RECOMMENDATIONS

State Transport and Regional Transport Authorities

31. The State Transport Authorities and Regional Transport Authorities of the following States|Union Territories find a place in the Parliament (Prevention of Disqualification) Amendment Bill, 1974, as passed by Lok Sabha and now pending before Rajya Sabha. The Reports of the Joint Committee on Offices of Profit, in which a reference to these bodies has been made, are indicated in the last column of the Statement given below:—

		<u>Reference in Joint committee on offices of profit Report</u>
(i) Andhra Pradesh	State Transport Authority and Regional Transport Authorities.	1st Report (3 LS), Para 20.
(ii) Bihar	State Transport Authority and Regional Transport Authorities.	1st Report (3.LS), para 20.
(iii) Gujarat	Do.	2nd Report (3LS) para 6.
(iv) Haryana	Do	2nd Report (3LS).
(v) Kerala	Regional Transport Authority.	6th Report (4LS), paras 10 and 11.
(vi) Madhya Pradesh	State Transport Authority and Regional Transport Authorities.	4th Report (2nd LS), para 6.
(vii) Maharashtra	Do.	1st Report (3LS), para 20.
(viii) Punjab	Do.	1st Report (3LS), para 20.
(ix) Rajasthan	Do.	2nd Report (2LS), para 6.
(x) Delhi	State Transport Authority.	4th Report (2LS), para 6.
(xi) Goa, Daman, and Diu.	Do.	2nd Report (5LS).
(xii) Orissa	State Transport Authority and Regional Transport Authorities.	2nd Report (5LS).
(xiii) Dadra and Nagar Haveli.	State Transport Authority.	2nd Report (5LS).

32. All the Transport Authorities—State and Regional mentioned in the preceding paragraph have been included in Schedule I to the Bill. That is, in case of enactment of the Bill, the Chairman and Secretaries of the aforementioned Authorities will not be exempt from disqualification, whereas the ordinary members will be.

33. At their sitting held on the 27th June, 1974, the Committee reviewed their earlier recommendation regarding the State Transport Authority, Dadra and Nagar Haveli. The Committee felt that as the aforesaid State Transport Authority possessed power to issue permits and was in a position to wield influence and could also exercise quasi-judicial powers, not only the Chairmanship and Secretaryship of the Authority but even its ordinary membership ought not to be exempt from disqualification.

34. This led to review by the Committee of their earlier recommendations regarding other State and Regional Transport Authorities mentioned in para 31 above.

35. The Committee note that all the State Transport and Regional Transport Authorities have been constituted under the same Act, viz., the Motor Vehicles Act, 1939, and have the same functions and powers. *Inter alia*, they possess the power to issue permits, and are in a position to wield influence. They can also exercise quasi-judicial powers. As such, the Committee feel that not only the Chairmanship and Secretaryship but even ordinary membership of all the Authorities mentioned in para 31 above ought not to be exempt from disqualification. The Committee desire that the Parliament (Prevention of Disqualification) Amendment Bill, 1974, now pending before Rajya Sabha should be amended to this effect.

S. B. P. PATTABHI RAMA RAO,

NEW DELHI;
The 29th April, 1975.

Chairman,
Joint Committee on Offices of Profit.

APPENDIX

(Vide para 2 of the Report)

MINUTES OF THE JOINT COMMITTEE ON OFFICES OF PROFIT

(FIFTH LOK SABHA)

i
Fortieth Sitting

The Committee sat on Tuesday, the 15th April, 1975 from 10.15 to 10.55 hours.

PRESENT

Shri S. B. P. Pattabhi Rama Rao—*Chairman*

MEMBERS

Lok Sabha

2. Shri Somnath Chatterjee
3. Shri Jagannathrao Joshi

Rajya Sabha

4. Shri N. M. Kamble
5. Shri A. K. Refaye
6. Shri Venigalla Satyanarayana
7. Shri Yogendra Sharma

SECRETARIAT

Shri J. R. Kapur—*Chief Financial Committee Officer.*

2. The Committee took up for consideration memoranda Nos. 577 to 617 relating to certain Committees|Boards|Corporations, etc. constituted by the Government of India|State Governments|Union Territories.

Board of Directors of the Indo-Burma Petroleum Co. Ltd. (Ministry of Petroleum and Chemicals)—(Memorandum No. 577)

3. The Committee noted that the non-official Director of the Company got Rs. 100 as sitting fee for attending each meeting of the Board of Directors which was more than the 'compensatory allowance'. The Committee also noted that subject to the provisions of

the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, the control of the Company vested in the Board of Directors who were entitled to exercise all such powers and to do all such acts and things as the Company was authorised to exercise and do. The Committee, therefore, felt that the Directorship of the Company, in so far as it was an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of Balmer Lawrie and Co. Ltd. (Ministry of Petroleum and Chemicals)—(Memorandum No. 578)

4. The Committee noted that the Directors of the Company were entitled to a meeting fee of Rs. 100 for attending the meetings of the Board. This amount exceeded the 'compensatory allowance'. The Committee also noted that subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vested in the Board of Directors who were entitled to exercise all such powers to do all such acts and things as the Company was authorised to exercise and do. The Committee, therefore, felt that the Directorship of the Company, in so far as it was an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of Industrial Containers Ltd. (Ministry of Petroleum and Chemicals)—(Memorandum No. 579)

5. The Committee noted that the Directors of the Company were entitled to a meeting fee of Rs. 100 for attending the meetings of the Board. This amount exceeded the 'compensatory allowance'. The Committee also noted that subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vested in the Board who of Directors were entitled to exercise all such powers and to do all such acts and things as the Company was authorised to exercise and do. The Committee, therefore, felt that the Directorship of the Company, in so far as it was an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of Steel Containers Ltd. (Ministry of Petroleum and Chemicals)—(Memorandum No. 589).

6. The Committee noted that the Directors of the Company were entitled to a meeting fee of Rs. 100 for attending the meetings of the Board. This amount exceeded the 'compensatory allowance'. The Committee also noted that subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the

Company, the control of the Company vested in the Board of Directors, who were entitled to exercise all such powers and to do all such acts and things as the Company was authorised to exercise and do. The Committee, therefore, felt that the Directorship of the Company, in so far as it was an 'office of profit' under the Government, ought not to exempt from disqualification.

Board of Directors of Biecco Lawrie Ltd. (Ministry of Petroleum and Chemicals)—(Memorandum No. 581)

7. The Committee noted that the Directors of the Biecco Lawrie Ltd. were entitled to a meeting fee of Rs. 100 for attending the meetings of the Board. This amount exceeded the 'compensatory allowance'. The Committee also noted that subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vested in the Board of Directors who were entitled to exercise all such powers and to do all such acts and things as the Company was authorised to exercise and do. The Committee, therefore, felt that the Directorship of the Company, in so far as it was an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of Bridge and Roof Co. (India) Ltd. (Ministry of Petroleum and Chemicals)—(Memorandum No. 582)

8. The Committee noted that the Directors of the Bridge and Roof Co. (India) Ltd. were entitled to a meeting fee of Rs. 100 for attending the meetings of the Board. This amount exceeded the 'compensatory allowance'. The Committee also noted that subject to the provisions of the Companies Act and the Memorandum and Articles of Association of the Company, the control of the Company vested in the Board of Directors who were entitled to exercise all such powers and to do all such acts and things as the Company was authorised to exercise and do. The Committee, therefore, felt that the Directorship of the Company, in so far as it was an 'office of profit' under the Government, ought not to be exempt from disqualification.

Lube India Ltd. (Ministry of Petroleum and Chemicals)—(Memorandum No. 583)

9. The Committee noted that the Directors of the Lube India Ltd. were entitled to a remuneration not exceeding Rs. 250 for attending the meetings of the Board, in addition to travel and other stay expenses. This exceeded the 'compensatory allowance'. The Committee

also noted that the Board of Directors exercised executive and financial powers. The Committee, therefore, felt that the Directorship of the Company, in so far as it was an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of the Madras Refineries Ltd., Manali, Madras [Ministry of Petroleum and Chemicals—(Memorandum No. 584)].

10. The Committee noted that the non-official Directors of the Madras Refineries Ltd. (*viz.* Directors other than full term Directors of the Company or full time employees of any State Government or Public Undertaking) were paid Rs. 80 for each meeting of the Board. Directors coming from outside, were in addition, paid actual travelling, living and hotel expenses. Thus, the amount payable to part-time non-official Directors exceeded the 'compensatory allowance'. The Committee also noted that the Board of Directors exercised executive and financial powers. The Committee, therefore, felt that the Directorship of the Company, in so far as it was an 'office of profit' under the Government, ought not to be exempt from disqualification.

Board of Directors of the Hindustan Insecticides Ltd. [Ministry of Petroleum and Chemicals—(Memodandum No. 585)].

11. The Committee noted that the non-official Directors of the Hindustan Insecticides Ltd. were entitled to a sitting fee of Rs. 100 for each meeting of the Board, which exceeded the 'compensatory allowance'. The Committee also noted that the Board of Directors exercised executive and financial powers. As such, the Committee felt that the Directorship of the Company ought not to be exempt from disqualification.

Board of Directors of the Fertilisers and Chemicals Travancore Ltd. [Ministry of Petroleum and Chemicals—(Memorandum No. 586)].

12. The Committee noted that the payment admissible to the non-official Directors of the Fertilisers and Chemicals Travancore Ltd. exceeded the 'compensatory allowance'. The Committee also noted that the Board of Directors exercised executive and financial powers. The Committee, therefore, felt that the Directorship of the Company ought not to be exempt from disqualification.

Board of Directors of the Pyrites, Phosphates and Chemicals Ltd. Dheri-on Sone [Ministry of Petroleum and Chemicals—(Memorandum No. 588)].

13. The Committee noted that the payment admissible to the non-official Directors of the Pyrites, Phosphates and Chemicals Ltd.

exceeded the 'compensatory allowance'. The Committee also noted that the Board exercised executive and financial powers. As such, the Committee felt that the Directorship of the Company ought not to be exempt from disqualification.

Governing Council of the Central Institute of Plastics Engineering and Tools, Guindy, Madras [Ministry of Petroleum and Chemicals—(Memorandum No. 589)].

14. The Committee noted that although the Institute had been registered under the Indian Societies Registration Act, 1860, the appointment of members of the Governing Council by and large rested with the Central Government. The payment admissible to the non-official members of the Council exceeded the 'compensatory allowance'. The Committee also noted that the Council exercised executive and financial powers. As such, the Committee felt that the membership of the Governing Council ought not to be exempt from disqualification.

Development Council for Drugs and Pharmaceuticals [Ministry of Petroleum and Chemicals—(Memorandum No. 590)].

15. The Committee deferred consideration of the memorandum, pending receipt of further information on the following points from the Ministry of Petroleum and Chemicals:—

- (a) precise functions of the Development Council, delineating in particular, the executive and/or financial powers, if any, exercised by the Council;
- (b) whether the Chairman and the members of the Council were in a position to wield influence;
- (c) whether the Council administered any funds, if so, the approximate amount thereof; and
- (d) the extent of staff employed by the Council and the annual amount payable to such staff in the form of salaries, allowances etc.

Departmental Recruitment Committee-Forest Department [Karnataka]—(Memorandum No. 611)].

16. The Committee noted that the payment admissible to the non-official members of the Departmental Recruitment Committee, Forest Department was less than the 'compensatory allowance'. The Committee also noted that the Departmental Recruitment Committee was empowered to select candidates for the posts of Stenographers, draughtsmen and typists and, as such, was in a position

to wield influence. The Committee, therefore, felt that the non-official members of the Committee ought not to be exempt from disqualification.

*Karnataka State Forest Plantation Corporation Ltd., Bangalore—
(Memorandum No. 612)*

17. The Committee noted that the TA|DA and sitting fee, etc. admissible to the non-official members of the Board of Directors of the Karnataka State Forest Plantation Corporation Ltd. exceeded the 'compensatory allowance'. The Committee also noted that the functions of the Board of Directors were mainly executive and financial. As such, the Committee felt that the Directorship of the Corporation ought not to be exempt from disqualification.

Karnataka Housing Board—(Memorandum No. 613)

18. The Committee noted that the Chairman of the Housing Board got a consolidated allowance of Rs. 1500 per month which did not come within the ambit of 'compensatory allowance'. The other non-official members of the Housing Board were entitled to TA|DA which was less than the 'compensatory allowance'. However, the Board exercised executive and financial powers. As such, the Committee felt that the membership including Chairmanship or the Board ought not to be exempt from disqualification.

*Advisory Committee for State Level to advise Co-operative Sugar
Factories for placing orders for plant and machinery—(Memo-
randum No. 614)*

19. The Committee noted that the payment admissible to the non-official members of the Committee for State Level to advise Co-operative Sugar Factories for placing orders for plant and machinery was less than the 'compensatory allowance'. The Committee, however, noted that although the functions of the body in question were advisory in nature, it was in a position to wield influence. As such, the Committee felt that non-official members of the Committee ought not to be exempt from disqualification.

*Board of Directors of the Kerala State Industrial Development Cor-
poration Ltd.—(Memorandum No. 616)*

20. The Committee noted that the Chairman and the Executive Director of the Kerala State Industrial Development Corporation Ltd. were paid an honorarium|remuneration of Rs. 2000 per mensem which did not come within the ambit of 'compensatory allowance', as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. The other Directors were also

paid TA|DA which exceeded the 'compensatory allowance'. The Committee also noted that the functions of the Board of Directors were executive and financial in nature. The Committee, therefore, felt that the Directorship of the Corporation ought not to be exempt from disqualification.

Review of recommendations of the Committee relating to State Transport and Regional Transport Authorities—(Memorandum No. 617).

21. The Committee noted that the State Transport Authorities and Regional Transport Authorities of the following States|Union Territories found a place in the Parliament (Prevention of Disqualification) Amendment Bill, 1974 as passed by Lok Sabha and now pending before Rajya Sabha, as recommended by the Committee in their earlier Reports:

Reference to recommendation in JCOP Report

(i) Andhra Pradesh	State Transport Authority and Regional Transport Authorities	1st Report (3LS), para 20.
(ii) Bihar	Do.	Do.
(iii) Gujarat	Do.	2nd Report (3LS), para 6.
(iv) Haryana	Do.	2nd Report (5LS), Schedule-Part II, Item 8.
(v) Kerala	Regional Transport Authority	6th Report (4LS), paras 10 and 11.
(vi) Madhya Pradesh	State Transport Authority and Regional Transport Authorities.	4th Report, (2LS), para 6.
(vii) Maharashtra	Do.	1st Report (3LS), para 20.
(viii) Punjab	Do.	Do.
(ix) Rajasthan	Do.	2nd Report (2LS), para 6.
(x) Delhi	State Transport Authority	4th Report (2LS), para 6.
(xi) Goa, Daman and Diu	Do.	2nd Report, (5LS), part II of Schedule.
(xii) Orissa	State Transport Authority and Regional Transport Authorities.	Part I of Schedule to the 1959 Act.
(xiii) Dadra and Nagar Haveli	State Transport Authority	2nd Report (5LS), Part II of Schedule.

The Committee also noted that all the Transport Authorities—State and Regional—mentioned above had been included in Parts II & III of Schedule I to the Bill. That is in case of enactment of the Bill, the Chairmen and Secretaries of the afore-mentioned Authorities would not be exempt from disqualification, whereas the ordinary members would be.

The Committee felt that as the State and Regional Transport Authorities possessed power to issue permits and were in a position to wield influence and could also exercise quasi-judicial powers, even ordinary membership thereof ought not to be exempt from disqualification.

22. In regard to the following bodies, the Committee noted that the non-official members thereof got any TA|DA, etc. 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 exempt from disqualification:—

1. Standing Committee for watching the Development of the Dyestuff Industry (Memorandum No. 587).
2. State Advisory Committee of the National Cadet Corps for the State of Bihar (Ministry of Defence) (Memorandum No. 591).
3. Advisory Committee of the National Cadet Corps for the Union Territory of Chandigarh (Ministry of Defence) (Memorandum No. 592).
4. State Advisory Committee of the National Cadet Corps for the State of Uttar Pradesh (Ministry of Defence) (Memorandum No. 593).
5. State Advisory Committee of the National Cadet Corps for the State of Tamil Nadu (Ministry of Defence) (Memorandum No. 594).
6. State Advisory Committee of the National Cadet Corps for the State of West Bengal (Ministry of Defence) (Memorandum No. 595).
7. State Advisory Committee of the National Cadet Corps for the State of Rajasthan (Ministry of Defence) (Memorandum No. 596).
8. State Advisory Committee of the National Cadet Corps for the State of Karnataka (Ministry of Defence) (Memorandum No. 597).
9. State Advisory Committee of the National Cadet Corps for the State of Orissa (Ministry of Defence) (Memorandum No. 598).

10. State Advisory Committee of the National Cadet Corps for the State of Maharashtra (Ministry of Defence) (Memorandum No. 599).
11. State Advisory Committee of the National Cadet Corps for the State of Andhra Pradesh (Ministry of Defence) (Memorandum No. 600).
12. State Advisory Committee of the National Cadet Corps for the State of Madhya Pradesh (Ministry of Defence) (Memorandum No. 601).
13. State Advisory Committee of the National Cadet Corps for the State of Gujarat (Ministry of Defence) (Memorandum No. 602).
14. The Gujarat State Irrigation Board (Memorandum No. 603).
15. Dharoi Rehabilitation Advisory Committee (Gujarat) (Memorandum No. 604).
16. Watrak Irrigation Project Rehabilitation Advisory Committee (Gujarat) (Memorandum No. 605).
17. Ukai Project Rehabilitation Advisory Committee (Gujarat) (Memorandum No. 606).
18. (a) Panam Reservoir Project Rehabilitation Advisory Committee (Gujarat).
(b) Kadana Reservoir Project Rehabilitation Advisory Committee (Gujarat) (Memorandum No. 607).
19. The State Wild Life Board (Gujarat) (Memorandum No. 608).
20. State Seed Sub-Committee (Karnataka) (Memorandum No. 609).
21. State Board for Wild Life (Karnataka) (Memorandum No. 610).
22. Evaluation and Implementation Committee (Haryana) (Memorandum No. 615).
23. The Committee then adjourned to meet again on Tuesday, the 29th April, 1975.

Forty-First Sitting

The Committee sat on Tuesday, the 29th April, 1975 from 10.15 to 10.50 hours.

PRESENT

Shri S. B. P. Pattabhi Rama Rao—*Chairman*

MEMBERS*Lok Sabha*

2. Shri Chandrika Prasad
3. Shri Somnath Chatterjee
4. Shri Jagannathrao Joshi
5. Shri Ramavatar Shastri
6. Shri Ram Shekhar Prasad Singh

Rajya Sabha

7. Shri N. M. Kamble
8. Shri Yogendra Sharma

SECRETARIAT

Shri H. G. Paranjpe—*Chief Financial Committee Officer.*

2. The Committee considered their draft Thirteenth Report and adopted it.

3. The Committee decided that the Report may be presented to the Lok Sabha on the 30th April, 1975 and laid on the Table of Rajya Sabha on the same day.

4. The Committee authorised the Chairman and, in his absence, Shri Ram Shekhar Prasad Singh to present the Report to Lok Sabha on their behalf.

5. The Committee authorised Shri Yogendra Sharma and, in his absence, Shri N. M. Kamble to lay the Report on the Table of Rajya Sabha.

6. The Committee then took up for consideration Memoranda Nos. 618—633 and 636 relating to Committees|Boards|Corporations, etc. constituted by the Central|State Governments|Union Territory Administrations.

Andhra Pradesh Khadi and Village Industries Board (Memorandum No. 618)

7. The Committee noted that the Chairman of the Andhra Pradesh Khadi and Village Industries Board was entitled to an honorarium of Rs. 750 per month, which did not come within the ambit of 'compensatory allowance', as defined in Section 2(a) of the Parliament (Prevention of Disqualification) Act, 1959. Other non-official members of the Board were entitled to a daily allowance of Rs. 21 (Rs. 28 in certain cases), and a sitting fee of Rs. 50 per day. The State Government had not clarified whether both D.A. and sitting fee were admissible for the days of the meetings. In case both D.A. and sitting fee were admissible for the same days, the total payment admissible to the non-official members per day would exceed the 'compensatory allowance'. If both D.A. and sitting fee were not admissible for the same days, the total payment would not exceed the 'compensatory allowance'. It would be only marginally less than the 'compensatory allowance'. However, as the Board exercised both executive and financial powers, the Committee felt that the membership of the Board (including Chairmanship) ought not to be exempt from disqualification.

Committee for the Management of the Government Handicrafts and Cottage Industries Emporium, Hyderabad (Andhra Pradesh) (Memorandum No. 619)

8. The Committee noted that the payment admissible to the non-official members of the Management Committee of the Government Handicrafts and Cottage Industries Emporium, Hyderabad did not exceed the 'compensatory allowance'. However, the function of the Committee were executive in nature, these included, *inter alia*, selection of candidates for appointment to posts in the Emporium. As such, the Committee felt that the Membership of the Committee ought not to be exempt from disqualification.

Children's Film Society of India (Ministry of Information and Broadcasting) (Memorandum No. 632)

9. The Committee noted that the functions of the Children's Film Society of India were mainly advisory in nature. However, the non-official members of the Society were entitled to a sitting fee of Rs. 75, in addition to D.A. of Rs. 20, which exceeded the 'compensatory allowance'. As such, the Committee felt that the membership of the Society in so far as it was an 'office of profit' under the Government ought not to be exempt from disqualification.

Hotel Corporation of India Limited (Ministry of Tourism and Civil Aviation) (Memorandum No. 636)

10. The Committee noted that the non-official Directors of the Hotel Corporation of India Ltd. were reimbursed actual incidental expenditure upto a maximum of Rs. 50 per meeting, besides free boarding and lodging for two days and free transportation by Air India Services to Bombay. Also, the Board of Directors exercised executive and financial powers. As such, the Committee felt that the Directorship of the Corporation ought not to be exempt from disqualification.

11. In regard to the following bodies, the Committee noted that the non-official members thereof were either not entitled to any remuneration or the payment admissible to them 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 exempt from disqualification:—

- (1) State Advisory Board on Correctional Services (Andhra Pradesh) (Memorandum No. 620).
- (2) District Probationary Advisory Committees (Andhra Pradesh) (Memorandum No. 621).
- (3) Advisory Board at Central Prisons (Andhra Pradesh) (Memorandum No. 622).
- (4) State Handicrafts Advisory Board (Andhra Pradesh) (Memorandum No. 623).
- (5) Invention Advisory Committee (Pondicherry) (Memorandum No. 624).
- (6) National Savings State Advisory Committee (Pondicherry) (Memorandum No. 625).
- (7) State Advisory Board for Correctional Administration (Pondicherry) (Memorandum No. 626).
- (8) Pondicherry State Planning Board (Memorandum No. 627).
- (9) Board of Visitors (Pondicherry) (Memorandum No. 628).
- (10) Advisory Board (Pondicherry) (Memorandum No. 629).
- (11) Management Committee for Service Home and Children's Home (Pondicherry) (Memorandum No. 630).

- (12) Informal Advisory Committee for Youth Programmes at 12 Radio Stations viz., Vijayawada, Bangalore, Indore, Gauhati, Shillong, Madras, Rajkot Cuttack, Simla, Jullundur, Calicut and Dharwar (Ministry of Information and Broadcasting) (Memorandum No. 631).
- (13) Advisory Board for the Collected Works of Mahatma Gandhi (Ministry of Information and Broadcasting) (Memorandum No. 633).

12. The Committee then adjourned.
