

CB-II No. _____

**JOINT COMMITTEE ON OFFICES OF PROFIT
(FIFTEENTH LOK SABHA)**

SEVENTH REPORT

Presented to Lok Sabha on 14.12.2012
Laid in Rajya Sabha on 14.12.2012



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2012/Agrahayana, 1934(Saka)

Price : _____

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COMPOSITION OF JOINT COMMITTEE ON OFFICES OF PROFIT
(FIFTEENTH LOK SABHA)

Shri Rewati Raman Singh - Chairman

LOK SABHA

2. Shri P.C. Chacko
3. Shri Dara Singh Chauhan
4. Shri Sanjay Dhotre
5. Shri Prataprao Ganpatrao Jadhav
6. Shri Vishwa Mohan Kumar
7. Shri Rajendrasinh Rana
8. Shri Sarvey Sathyanarayana
9. Shri Ashok Tanwar
10. Shri Pradeep Majhi

RAJYA SABHA

11. Shri Janardan Dwivedi
12. Dr. Bharatkumar Raut
13. Smt. Mohsina Kidwai
14. Shri Ravi Shankar Prasad
15. Dr.(Smt.) T.N. Seema

SECRETARIAT

1. Shri R.S. Kambo - Joint Secretary
2. Shri Shiv Kumar - Director
3. Shrimati Maya Lingi - Deputy Secretary

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 Seventh Report of the Committee.

2. The matter covered in the Report was considered by the Committee at their sittings held on 18 October, 2011 and 08 June, 2012. The Minutes of the sittings form part of the Report and are given in Appendices.

3. The Committee examined the composition, character, functions etc. of the Board of Media Lab Asia with a view to consider as to whether joining of the Board of Media Lab Asia as a Director by a Member of Parliament would attract disqualification from the angle of „office of profit“ under Article 102 (1) (a) of the Constitution.

4. The detailed information regarding the composition, character, functions, emoluments and allowances payable to a Director of the Board was furnished by the Ministry of Information and Broadcasting (Department of Information Technology)

5. The Committee considered and adopted this Report at their sitting held on 21 September, 2012.

6. The Committee wish to express their thanks to the Ministry of Information and Broadcasting for furnishing the information desired by the Committee.

7. The observations/recommendations made by the Committee in respect of the matters considered by them is given at the end of the Report in bold words. The recommendations of the Committee will, however, remain advisory in nature and as such can not give any protection from disqualification under the law until the recommendations are given Statutory effect by the Government by suitably amending the Parliament (Prevention of Disqualification) Act, 1959.

NEW DELHI;

December, 2012
Pausa, 1934 (Saka)

REWATI RAMAN SINGH,
Chairman,
Joint Committee on Offices of Profit

REPORT

Query as to whether joining the Board of Media Lab Asia as a Director by a Member of Parliament would attract disqualification from the angle of 'office of profit.'

Rajya Sabha Secretariat (Committee Co-ordination Section) vide their I.D.NO.16(7)/2010- Coord. dated 19 March, 2010 had forwarded a request received by them from Prof. M.S. Swaminathan, Member, Rajya Sabha regarding his appointment to the Board of Directors in the Media Lab Asia as a Director. The matter for consideration is as to whether or not the appointment of Prof. Swaminathan to the said Board could be considered as a disqualification for being a Member of Parliament from the angle of „office of profit“.

1.2 As the information furnished by the Ministry of Communications and Information Technology (Department of Information Technology) was not found sufficient to examine the matter from the angle of „office of profit“ the Ministry were requested to furnish the detailed information in the matter. The Ministry have since furnished the detailed information, the extracts of which are reproduced below:

- M/s Media Lab Asia is registered as a non-profit organisation under Section 25 of the Companies Act, 1956.
- The appointment of a Member of Parliament in the Board of Media Lab Asia as a Director is on adhoc basis.
- Initially, the Member of Parliament will be appointed as an Additional Director. An Additional Director holds office upto ensuing Annual General Meeting. Such Additional Director is appointed as the Director by the Members of Media Lab Asia at the Annual General Meeting.
- There is no fixed term for Director in the Board of Media Lab Asia. Normally, 1/3rd of the Directors retire every year. The retiring Directors are eligible for reappointment.
- The role of Member of Parliament will be as non-executive Directors and he is required to attend meeting of the Board of Directors, participate and contribute in the activity of M/S Media Lab Asia.
- As per Article 30 of the Articles of Association of the Company, the Directors shall be paid travelling and other expenses for attending and returning from meetings of the Board or Committee thereof (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company. The Directors are also entitled to such sitting fees, if any, as may be determined by the Board of Directors from time to time.
- Media Lab Asia in its 15th Meeting of the Board of Directors held on 24th January, 2008 approved payment of a sitting fee of Rs.2000/- (Rupees

- Two Thousand Only) for each Director of the Company attending the meeting.
- Media Lab Asia does not have any provision to pay daily allowance (DA) to the Directors of the Board on the days of their attending the Board Meeting.
 - Media Lab Asia normally reimburses or makes its own arrangement for the travel, local conveyance and accommodation of Directors during Board meeting or any other meetings in connection with the business of Media Lab Asia to enable Directors to attend the meeting. All the allowances and expenses are reimbursed on actual basis.
 - The functions of the Board are not purely advisory. The Directors are responsible for non-compliance of provisions of the Companies Act, 1956 and other applicable laws. The Directors, whether non-executive or executive is considered to be Trustee and Agent of M/S Media Lab Asia.
 - It exercises only executive Powers vested in the Board. "Executive" means to issue directions to the Managing Director, Chief Executive Officer and Senior Employees one level below the Board of Media Lab Asia.
 - The Board have the powers of appointment and removal of Managing Director & CEO (Media Lab Asia), President & CEO, (NeGD, Separate Autonomous Division of Media Lab Asia) and employees. .
 - The Board can wield its influence or have power by way of patronage on the sphere of activities of Media Lab Asia.

1.3 The Committee considered the matter at their sitting held on 18 October, 2011 (Appendix-I)

1.4 The Committee were of the opinion that the detailed information regarding the functions of the Company, role of Directors in the Board, sources of funding of the Company, instances as to whether any M.P. had earlier also been appointed/nominated to the Board in earlier years., etc. was not available to examine the matter from the angle of „office of profit“. The Committee, therefore, decided to seek further information on the functions, role of Directors (including MPs), source of Company"s finances etc before arriving at any conclusion.

1.5 The Ministry of Communications and Information Technology (Department of Information Technology) were accordingly asked to furnish detailed information on the points raised by the Committee during the sitting of the committee held on 18 October, 2011. The Ministry furnished the detailed information vide their O.M. NO. 1(8)/2010-CD dated 06.03.2012, (Annexure) extracts of which are reproduced below :-

- the Board of Media Lab Asia is headed by Hon^{ble} Minister, Communications and Information Technology;
- Media Lab Asia is a Section 25 company under the Companies Act 1956. The company is limited by guarantee and has no share capital. Since it has no share capital there is no question of the Government to hold any shares. The main criteria of a Public Sector Enterprise is that 51 percent or more of the paid-up share capital of a company are held by the Central Government and/or any one or more State Governments. Media Lab Asia has no share capital and hence cannot be considered as a Public Sector Enterprise;
- in pursuance of the provision of Article 28(c) of the Articles of Association of the Company Shri Kapil Sibal, Union Minister for Communications and Information Technology became Director of the Company in his ex-officio capacity as Minister, Ministry for Communications and Information Technology;
- the role of Directors is to carry on general superintendence, direction and management of the affairs and business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company;
- the expertise of Directors is beneficial to Media Lab Asia by way of their domain expertise and the capability the directors possess which the Organisation requires and not in the capacity of Hon^{ble} Member of Parliament;
- the Directors who happen to be the Members of Parliament are not identified as such . but as Eminent persons with domain expertise having national & international reputation and whose technical guidance & leadership are required by Media Lab Asia as „Directors“. It is only a coincidence that some of such eminent experts happen to be the Members of Parliament;
- Directors of Media Lab Asia are entitled to receive sitting fee only for the Board meetings held minimum two times a year or more;
- powers of the Management of Media Lab Asia do vest with the Board of Directors collectively. The Board has granted power to manage day-to-

day affairs to the Managing Director and office of the Managing Director is considered to be the place of profit;

- a single Director does not have any power as an individual but Director can act only through the Board of Directors collectively by passing the resolutions or decisions in writing in the form of minutes of the meetings of the Board of Directors;
- The main objectives and functions of the Company as per the Memorandum and Articles of Association of Media Lab Asia are given as follows:-
 - (i) to undertake educational, research and developmental activities and facilitate designing and technology transfers in the field of information and communication technologies and other disciplines like biotechnology, nano-technology and other emerging knowledge fields, and to act as an international research center in these areas;
 - (ii) to establish a national and international network of people, projects, and laboratories dedicated to bringing the benefits of the most advanced information and communication technologies, other allied disciplines and emerging knowledge fields to the common man and the needy people;
 - (iii) to facilitate establishing pilot plants and production facilities for application of sciences and technology in the field of information and communication technologies, other allied disciplines and emerging knowledge fields, to facilitate and verify inventions, and to facilitate the deployment of innovations that would benefit the common people;
 - (iv) to cooperate and work with other educational and research institutions, industry, non-governmental Organisations, Governments, other multilateral agencies in India and abroad and most importantly with ordinary people, and to reach innovations and research benefits to all parts of India especially the village economy and rural areas;
 - (v) to foster creativity and research skills and combine these abilities with entrepreneurship by facilitating technical know-how transfers and technology transfers to enable and implement sustainable culturally appropriate solutions for the people;
 - (vi) to engage in solution-finding for the global challenges of poverty, lack of literacy, poor health standards, to create employment opportunities; and
 - (vii) to encourage micro-entrepreneurship by enabling research and development and deployment of information and communication technologies or other current and future technologies including electronics, biotechnology, nano-technology and emerging knowledge fields.

1.6 The Committee considered the matter at their sitting held on 8 June, 2012 (Appendix-II).

1.7 The Committee noted that the Media Lab Asia is a non profit organisation set up by the Ministry of Communications and Information Technology and it is registered under the Companies Act, 1956. The Committee also noted that the Directors in the Board are not paid any remuneration but they are paid travelling and other expenses for attending and returning from meetings of the Board or Committee thereof (including hotel expenses) and other expenses properly incurred by them in connection with the business of the Company. A provision for a payment of a sitting fee of Rs.2000/- for each Director attending the meeting has also been made by the Company. The Committee further noted that the functions of the Board are advisory in nature. The Committee also observed that the Company is limited by guarantee and has no share capital. Since it has no share capital there is no question of the Government holding any shares. The Committee further opined that as the Media Lab Asia has no share capital, it cannot be considered as a public sector enterprise.

1.8 In regard to the payment of sitting fee, the Committee noted the decision of the High Court of Mysore given in S.S.Inamdar Vs. A.S.Andanappa's case, where a candidate was entitled to a sitting fee for attending the meetings of a Board, subject to the condition that on the days he was entitled to sitting fee, D.A would not be admissible to him. The Court had held that in the circumstances the payment going by the name of the sitting fee should be construed to be a payment as the Daily Allowance, and, it may, thus, be seen as another name for the Daily Allowance.

1.9 Thus, having considered all aspects of the case, the Committee felt that a Member of Parliament, if nominated/appointed as a Director in the Board of Media Lab Asia should not entail disqualification for being chosen as, or for being, a Member of Parliament provided the sitting fee payable to the non-official Member (including the Member of Parliament) should not exceed the daily allowance

being paid to the Member of Parliament as per the Compensatory Allowance defined under Section 2 (a) of Parliament (Prevention of Disqualification) Act, 1959.

NEW DELHI

December, 2012
Pausa, 1934 (Saka)

REWATI RAMAN SINGH,
Chairman,
Joint Committee on Offices of Profit

भारत सरकार
GOVERNMENT OF INDIA
संचार और सूचना प्रौद्योगिकी मंत्रालय
MINISTRY OF COMMUNICATIONS AND INFORMATION
TECHNOLOGY
सूचना प्रौद्योगिकी विभाग
DEPARTMENT OF INFORMATION TECHNOLOGY
Website : www.mit.gov.in

Annexure


संख्या
No.....
1(8)/2010-CD

दिनांक
Date.....
6-3-2012

OFFICE MEMORANDUM

Subject: Query as to whether joining the Board of Media Lab Asia as a Director by a Member of Parliament would attract disqualification from the angle of 'Office of Profit'

The undersigned is directed to refer to Lok Sabha Secretariat, committee Branch-II (Joint Committee on office of profit) O.M. No. 21/2/3(6)/2010/CII dated 25.10.2011 on the above subject and to forward the requisite information for further necessary action.

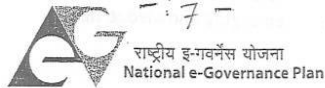

(O.P. Verma)
Deputy Director
Tele No. 24301570

Encl: as above;

To

Lok Sabha Secretariat
Committee Branch II
(Joint Committee on Office of Profit)
(Smt. Maya Lingi, Deputy Secretary)
New Delhi-110001

इलेक्ट्रॉनिक्स निकेतन
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Query as to whether joining the Board of Media Lab Asia as a Director by a Member of Parliament would attract disqualification from the angle of 'office of profit' - Point wise reply

The points wise reply to the Query is detailed below:

1. Please furnish the detailed powers and functions of Media Lab Asia and its Board of Directors.

Reply:

As per the Memorandum and Articles of Association of Media Lab Asia (copy enclosed) the main objectives and functions of the Company on its incorporation are:

- (i) To undertake educational, research and developmental activities and facilitate designing and technology transfers in the field of information and communication technologies and other disciplines like biotechnology, nano-technology and other emerging knowledge fields, and to act as an international research center in these areas;
 - (ii) To establish a national and international network of people, projects, and laboratories dedicated to bringing the benefits of the most advanced information and communication technologies, other allied disciplines and emerging knowledge fields to the common man and the needy people;
 - (iii) To facilitate establishing pilot plants and production facilities for application of sciences and technology in the field of information and communication technologies, other allied disciplines and emerging knowledge fields, to facilitate and verify inventions, and to facilitate the deployment of innovations that would benefit the common people;
 - (iv) To cooperate and work with other educational and research institutions, industry, non-governmental organisations, governments, other multilateral agencies in India and abroad and most importantly with ordinary people, and to reach innovations and research benefits to all parts of India especially the village economy and rural areas;
 - (v) To foster creativity and research skills and combine these abilities with entrepreneurship by facilitating technical know-how transfers and technology transfers to enable and implement sustainable culturally appropriate solutions for the people;
 - (vi) To engage in solution-finding for the global challenges of poverty, lack of literacy, poor health standards, to create employment opportunities and.
 - (vii) To encourage micro-entrepreneurship by enabling research and development and deployment of information and communication technologies or other current and future technologies including electronics, biotechnology; nano-technology and emerging knowledge fields.
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Board of Directors – Compositions & Powers

The Board of Media Lab Asia is headed by Hon'ble Minister, Communications & Information Technology. The number of Directors shall not be less than three(3) and not more than 15(fifteen) or as decided by the Board, subject to the provisions of Company's Act, 1956.

As per Article 58 of Association of Media Lab Asia the powers and duties of Directors are as under:-

Subject to provisions of the Act and these presents, the Board shall have power of general direction, management and superintendence of the business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange, hundis, cheques, drafts and other Government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by Members in the general meeting.

2. Please state Whether Media Lab Asia is a Central Govt. undertaking. If so please furnish the details of its financial transactions with break up of its funding, Investments, Share holding etc.

Reply :

Media Lab Asia is a Section 25 company under the Companies Act 1956. The company is limited by guarantee and has no share capital. Since it has no share capital there is no question of the government to hold any shares. The main criteria of a Public Sector enterprise is that 51 percent or more of the paid-up share capital of a company are held by the Central Government and/or any one or more State Governments. Media Lab Asia has no share capital and hence cannot be considered as a Public Sector Enterprise:

3. Please furnish a copy of the Act, Rule, Order, Notification etc. if any, under which it was constituted.

Reply :

Please refer page 2 of Memorandum & Articles of Association , License under Section 25 of the Companies Act, 1956.

4. Please state as to whether a Member of Parliament has been appointed/nominated to the Media Lab Asia in any capacity earlier.

Reply :

In pursuance of the provision of Article 28(c) of the Articles of Association of the Company Shri Kapil Sibal, Union Minister for Communications and Information Technology became Director of the Company in his ex-officio capacity as Minister, Ministry for Communications and Information Technology

5. Please furnish in detail the composition of the Board of Directors consisting official and non official Members. Please also furnish the names of the Directors who were appointed /nominated to the Board of Directors of Media Lab Asia since inception.

Reply :

Composition of the Board of Directors consisting official and non official Members is at Annexure I and name of Directors who were appointed /nominated to the Board of Directors of Media Lab Asia since inception is at Annexure II.

6. Please elaborate the role of Directors (including Members of Parliament) in the Board of Directors of Media Lab Asia. Please also state how the expertise of Hon'ble Member of Parliament is beneficial for the Company as a Director in the Board.

Reply :

The Role of Directors is to carry on general superintendence, direction and management of the affairs and business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company.

The expertise of Directors are beneficial to Media Lab Asia by way of their Domain expertise and the capability the directors possess which the organisation require and not in the capacity of Hon'ble Member of Parliament.

The Directors are not identified as they happen to be Members of Parliament. Eminent persons with domain expertise and National & International reputation and whose technical guidance & leadership are required by MLAsia as 'Directors' have been identified. It is only a coincidence that some of such eminent experts happen to be Members of Parliament.

7. Please also state whether the office of Director in the Board of Directors of Media Lab Asia is an office under the Government. If so, Please state what kind of role do the Government exercise.

Reply :

No. The office of Director in the Board of Directors of Media Lab Asia is not an office under the Government.

The place of profit is defined under Section 314 of the Act is reproduced as under:

(3) Any office or place shall be deemed to be an office or place of profit under the company within the meaning of this section,

(a) in case the office or place is held by a Director, if the Director holding it [obtains from the company anything] by way of remuneration over and above the remuneration to which he is entitled as such Director, whether as salary, fees, Commission, perquisite, the right to occupy free of rent any premises as a place of residence, or otherwise.

Directors of Media Lab Asia are entitled to receive sitting fee only for the Board meetings held minimum 2 times a year or more. Under Section 309 Remuneration of Directors, a Director is entitled to receive remuneration by way of a fee for each meeting of the Board or committee thereof, attended by them.

Powers of the Management of Media Lab Asia do vest with the Board of Directors collectively. The Board has granted power to manage day-to-day affairs to the Managing Director and office of the Managing Director is considered to be the place of profit.

8. Any other information which the Ministry would like to furnish in connection with the matter.

Reply:

A single Director does not have any power as an individual but Director can act only through the Board of Directors collectively by passing the resolutions or decisions in writing in the form of minutes of the meetings of the Board of Directors.

Considering the frame work of the Company Law, Judicial decisions have considered the Director as an agent or trustee. For some of the provisions of the Act, Director is also regarded as officer in default under Section 5 of the Companies Act, 1956 but this does not imply that the Director is an employee of the Company. This onerous responsibility is arising out of the fiduciary relations that have been enshrined in the Companies Act. But nowhere Office of the Director is regarded as a place of profit.

The place of profit is defined under Section 314 of the Act is reproduced as under :

(3) Any office or place shall be deemed to be an office or place of profit under the company within the meaning of this section,

(a) in case the office or place is held by a director, if the director holding it obtains from the company anything by way of remuneration over and above the remuneration to which he is entitled as such director, whether as salary, fees, commission, perquisites, the right to occupy free of rent any premises as a place of residence, or otherwise ;

Directors of Media Lab Asia are entitled to receive sitting fee only for the Board meeting. Director is deemed to be holding place of profit if that Director obtains any remuneration or fee or commission or any residential facility in addition to his entitlement as a Director of the Company. The Director who has been holding office of the profit if he render services in addition to his directorial duties, he is holding office of profit.

Section 291 of the Companies Act, 1956 grants general power not to the Director alone but collectively to the Board of Directors. Section 291 of the Company Act , 1956 is extracted below:-

(1) subject to the provisions of this Act, the Board of directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorised to exercise and do :

Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by this or any other Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting :

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in this or any other Act, or in the memorandum or articles of the company, or in any regulations not inconsistent therewith and duly made there under, including regulations made by the company in general meeting.

(2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Powers of the Management of Media Lab Asia do vest with the Board of Directors collectively. The Board has granted power to manage day-to-day affairs to the Managing Director and office of the Managing Director is considered to be place of profit.

In light of the above, it can be deduced that a Director of the Media Lab Asia, whether he /she is a member of parliament or holding any position in the Government cannot be considered or regarded as a person holding place of profit in Media Lab Asia under the Companies Act, 1956.

Composition of Board of Directors

SNo	Name	Profession/Occupation	Designation
1.	Hon'ble Minister for Communications and IT, Government of India. (Shri. Kapil Sibal)	Hon'ble Minister for Communications & Information Technology, Government of India, New Delhi.	Chairman, Media Lab Asia (ex-officio)
2.	Secretary, Department of IT, MCIT, Government of India, (Shri. R Chandrashekar, IAS)	Secretary to Government of India, Department of Information Technology, New Delhi.	Director (ex-officio)
3.	Chief Secretary, Govt of Maharashtra (Shri Ratnakar Yashwant Gaikwad)	Chief Secretary, Govt of Maharashtra, Mumbai.	Director (ex-officio)
4.	Mr R.Bhattacharya	Additional Secretary and Financial Advisor, Department of Information Technology, Government of India, New Delhi.	Director
5.	Ms. Anshu Vaish	Secretary, Department of School Education & Literacy, Ministry of Human Resource Development, New Delhi.	Director
6.	Dr. Faqir Chand Kohli	Former Deputy Chairman (Retd.), Tata Consultancy Services Ltd, Mumbai	Director
7.	Mr. Kiran Karnik	ex-President, NASSCOM	Director
8.	Dr. Saurabh Srivastava	Chairman-India CA Technologies, New Delhi	Director
9.	Mr. Som Mittal	President, NASSCOM, New Delhi	Director
10.	Mr Devang Khakhar	Director, IIT Bombay, Mumbai.	Director
11.	Mr Ajay Prakash Sawheny, IAS	President & CEO, National e-Governance Division, Media Lab Asia, Department of IT, New Delhi.	Director
12.	Prof .Samir.K.Brahmachari	Director General, CSIR, Government of India , New Delhi.	Director
13.	Dr G.V.Ramaraju	Senior Director Department of Information Technology, Government of India, New Delhi.	Managing Director & CEO

Name of Directors who were appointed/nominated to the Board of Directors of Media Lab Asia since inception.

Sr. No.	Name of Directors	
1.	Mr. Pramod Mahajan	Hon'ble Minister for Communications and IT
2.	Professor Nicholas Negroponte	Chairman, MIT Media Lab, USA
3.	Mr. Rajeeva Ratna Shah	Secretary to GOI, DIT
4.	Mr. V. Ranganathan	Chief Secretary, Govt of Maharashtra
5.	Professor Alex Pentland	Professional, Satellite (Health Information NGO, Chartered in water-town, MA)
6.	Mr.N.R.Narayana Murthy	Chairman, Infosys Technologies Limited
7.	Dr. Faqir Chand Kohli	Director, Tata Infotech Ltd
8.	Mr. Azim Premji	Director, Wipro Ltd
9.	Mr.Bimal Sareen	Managing Director, Media Lab Asia
10.	Mr. Jose Maria Figueres	Professional, Terremark Corp
11.	Mr.Ajit Nimbalkar	Chief Secretary, Govt of Maharashtra
12.	Mr. Arun Shourie	Hon'ble Minister for Communications and IT
13.	Mr.K.K.Jaswal	Secretary to GOI, DIT
14.	Dr. R. A. Mashelkar	Director General, CSIR
15.	Dr. M. S. Ananth	Director, IIT Madras
16.	Dr. Bakul Dholakia	Director, Ashima Ltd
17.	Mr. Kiran Kamik	President NASSCOM
18.	Ms. Kumud Bansal	Additional Secretary, GOI, Dept of Secondary Education, MHRD
19.	Mr. Sourabh Srivastava	Director, Xansa (India) Ltd
20.	Mr. Vinay Bhushan Taneja	Scientist G, Department of IT, GOI
21.	Mr. Dayanidhi Maran	Hon'ble Minister for Communications and IT
22.	Mr.Arun Kumar Mago	Chief Secretary, Govt of Maharashtra
23.	Mr. Ajeer Vidya	Joint Secretary & FA, DIT, GOI
24.	Mr. Brijesh Kumar	Secretary to GOI, DIT
25.	Mr. Ramunni Menon Premkumar	Chief Secretary, Govt of Maharashtra
26.	Mr. Gopal Srinivasan	Director, TVS Electronics Ltd
27.	Mr. Bob Kondamoori	Chairman, Xalted Information Systems (P) Ltd
28.	Mr. Manoj Annadurai	Director, CK Technologies
29.	Mr. D. K. Sankaran	Chief Secretary, Govt of Maharashtra
30.	Mr. D. S. Mathur	Secretary to GOI, DIT
31.	Mr.Champak Chatterji	Secretary, (School Education & Literacy), MHRD, GOI
32.	Mr. Jainder Singh	Secretary to GOI, DIT
33.	Mr. Shankar Nath Goswami	Managing Director & CEO, Media Lab Asia
34.	Mr. Johny Joseph	Chief Secretary, Govt of Maharashtra
35.	Mr. Bharat Bhushan	JS & FA, DIT, GOI
36.	Mr. Thiru A. Raja	Hon'ble Minister for Communications and IT
37.	Mr. Arun Kumar Rath	Secretary, GOI, Education, MHRD.
38.	Ms. Anshu Vaish	Secretary, (School Education & Literacy),

APPENDIX-I
(vide para 1.3 of the Report)

**EXTRACTS OF THE MINUTES OF THE SIXTEENTH SITTING OF THE JOINT
COMMITTEE ON OFFICES OF PROFIT (FIFTEENTH LOK SABHA) HELD ON
18 OCTOBER, 2011**

The Committee met on Tuesday, 18 October, 2011 from 1500 hrs to 1545 hrs in Committee Room No. 074, Ground Floor, Parliament Library Building, New Delhi.

PRESENT

Shri Rewati Raman Singh - Chairman

MEMBERS
LOK SABHA

2. Shri Vijay Bahuguna
3. Shri P.C. Chacko
4. Shri Vishwa Mohan Kumar
5. Shri Ashok Tanwar

RAJYA SABHA

6. Shri Janardan Dwivedi
7. Dr. Bharatkumar Raut
8. Smt. Mohsina Kidwai

SECRETARIAT

1. Shri Deepak Mahna - Joint Secretary
2. Shri Shiv Kumar - Director
3. Shri M.D. Tuteja - Under Secretary

At the outset, the Chairman welcomed the Members to the sitting of the Committee and apprised them about the agenda of the sitting.

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5. The Committee then took up for consideration Memorandum No.15 in regard to a query as to whether joining the Board of Media Lab Asia as a Director by a Member of Parliament would attract disqualification from the angle of „office of profit“. The Committee noted from the information furnished by the Ministry of Communications and Information and Technology (Department of Information Technology) that Media Lab

Asia is a non profit organisation set up by the Ministry of Communications and Information Technology and it is registered under the Companies Act, 1956. The Committee also noted that the Directors in the Board are not paid any remuneration but they are paid travelling and other expenses for attending and returning from meetings of the Board or Committee thereof (including hotel expenses) and other expenses properly incurred by them in connection with the business of the Company. A provision for a payment of a sitting fee of Rs.2000/- for each Director attending the meeting has also been made by the Company. The Committee further noted that the functions of the Board are not purely advisory and it exercises executive powers also. Besides, it has the power of appointment and removal of Managing Director & CEO, President & CEO, and employees. The Board also can wield its influence or have power by way of patronage on the sphere of activities of Media Lab Asia.

6. After detailed discussion, the Committee were of the opinion that the detailed information regarding the functions of the Company, role of Directors in the Board, sources of funding of the Company, instances as to whether any M.P. has been appointed/ nominated to the Board in earlier years., etc. was not available to examine the matter from the angle of „office of profit“. The Committee, therefore, decided to seek further information on the functions, role of Directors (including MPs), source of Company"s finances etc.

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The Committee then adjourned.

APPENDIX-II
(vide para 1.6 of the Report)

**EXTRACTS OF THE MINUTES OF THE EIGHTEENTH SITTING OF THE JOINT
COMMITTEE ON OFFICES OF PROFIT (FIFTEENTH LOK SABHA) HELD ON
08 JUNE, 2012**

The Committee met on Friday, 08 June, 2012 from 1500 hrs to 1530 hrs in Committee Room „53, First Floor, Parliament House, New Delhi.

PRESENT

Shri Rewati Raman Singh - Chairman

**MEMBERS
LOK SABHA**

2. Shri Sanjay Dhotre
3. Shri Prataprao Ganpatrao Jadhav
4. Shri Vishwa Mohan Kumar
5. Shri Rajendrasinh Rana
6. Shri Ashok Tanwar

RAJYA SABHA

7. Dr. Bharatkumar Raut
8. Shri Janardan Dwivedi

SECRETARIAT

1. Shri C.V.Gadgil - Joint Secretary
2. Shri M.D. Tuteja - Under Secretary

At the outset, the Chairman welcomed the Members to the sitting of the Committee and apprised them about the agenda of the sitting.

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5. The Committee then took up for consideration Memorandum No.20 in regard to a query as to whether joining the Board of Media Lab Asia as a Director by a Member of Parliament would attract disqualification from the angle of „office of profit“. The

Committee noted from the information furnished by the Ministry of Communications and Information and Technology (Department of Information Technology) that Media Lab Asia is a non profit organisation set up by the Ministry of Communications and Information Technology and it is registered under the Companies Act, 1956. The Committee also noted that the Directors in the Board are not paid any remuneration but they are paid travelling and other expenses for attending and returning from meetings of the Board or Committee thereof (including hotel expenses) and other expenses properly incurred by them in connection with the business of the Company. A provision for a payment of a sitting fee of Rs.2000/- for each Director attending the meeting has also been made by the Company. The Committee further noted that the functions of the Board are advisory in nature. The Committee also noted that the Company is limited by guarantee and has no share capital. Since it has no share capital there is no question of the Government holding any shares. The Committee further opined that as the Media Lab Asia has no share capital, it cannot be considered as a public sector enterprise.

6. In regard to the payment of sitting fee, the Committee noted the decision of the **High Court of Mysore in S.S.Inamdar Vs. A.S.Andanappa case**, where a candidate was entitled to a sitting fee for attending the meetings of a Board, subject to the condition that on the days he was entitled to sitting fee, D.A would not be admissible to him. The Court held that in the circumstances the payment going by the name of the sitting fee should be construed to be a payment as the Daily Allowance, and, it may, thus, be seen as another name for the Daily Allowance.

7. Thus, having considered all the aforesaid aspects of the case, the Committee felt that a Member of Parliament, if nominated/appointed as a Director in the Board of Media Lab Asia should not entail disqualification for being chosen as, or for being, a Member of Parliament provided the sitting fee payable to the non-official Member (including the Member of Parliament) should not exceed the daily allowance being paid to the Member of Parliament as per the Compensatory Allowance defined under Section 2 (a) of Parliament (Prevention of Disqualification) Act, 1959.

The Committee then adjourned.

APPENDIX-III

MINUTES OF THE TWENTY FIRST SITTING OF THE JOINT COMMITTEE ON OFFICES OF PROFIT (FIFTEENTH LOK SABHA) HELD ON 21 SEPTEMBER, 2012

The Committee met on Friday, 21 September, 2012 from 1200 hrs to 1230 hrs in Committee Room No."53", First Floor, Parliament House, New Delhi.

PRESENT

Shri Rewati Raman Singh - Chairman

MEMBERS LOK SABHA

2. Shri Sanjay Dhotre
3. Shri Prataprao Ganpatrao Jadhav
4. Shri Vishwa Mohan Kumar
5. Shri Rajendrasinh Rana

RAJYA SABHA

6. Shri Janardan Dwivedi
7. Dr. Bharatkumar Raut
8. Smt. Mohsina Kidwai

SECRETARIAT

1. Shri C.V. Gadgil - Joint Secretary
2. Shri Shiv Kumar - Director
3. Smt. Maya Lingi - Deputy Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.

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3. Thereafter, the Committee took up for consideration the draft Seventh and Eighth Reports. The Committee adopted the Seventh Report without any modification.

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4. The Committee then adopted the Eighth Report with aforesaid modification.
5. The Committee also authorised the Chairman to present the same to Parliament.

The Committee then adjourned.