

MESSAGES FROM RAJYA SABHA

SECRETARY: Sir I have to report the following messages received from the Secretary of Rajya Sabha :—

- (i) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Finance Bill, 1973, which was passed by the Lok Sabha at its sitting held on the 3rd May, 1973, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."
- (ii) "In accordance with the provisions of rule 111 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Manipur State Legislature (Delegation of Powers) Bill, 1973, which has been passed by the Rajya Sabha at its sitting held on the 8th May, 1973".

MANIPUR STATE LEGISLATURE (DELEGATION OF POWERS) BILL
AS PASSED BY RAJYA SABHA.

SECRETARY : Sir, I lay on the Table of the House the Manipur State Legislature (Delegation of Powers) Bill, 1973, as passed by Rajya Sabha.

12.41 hrs.

STATEMENT RE. NATIONAL RAYON CORPORATION LTD.

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI D. R. CHAVAN): Hon. Shri Madhu Limaye had referred yesterday in this House to the affairs of National Rayon Corporation Ltd.

I promised to ascertain facts and this statement is being made in pursuance of this promise.

The National Rayon Corporation Limited, Bombay, has called its 26th annual general meeting to be held on 11-5-1973 to transact various items of business which includes election of Directors. With regard to this matter an application had been received by the Company Law Board from some shareholders through their Solicitors—Bhaishanker Kanga and Girdharial requesting for issuing an order under Section 250 of the Companies Act, 1956, restraining the exercise of voting rights by the preference shareholders from Kapadia group so that the Kapadias may not be able to get their nominees elected in the place of retiring Directors. (In this company, the preference shareholders have equal voting rights as are conferred on the equity shareholders by virtue of the saving provision contained in Section 90 of the Companies Act, 1956).

The apprehension expressed by the shareholders in their petition is that if Kapadias are in a position to get their nominees elected, they will obtain a majority on the Board of Directors of the company and thus complete their control over the affairs of the company. On receipt of this application, the Company Law Board had examined the matter and the parties concerned were asked to submit their representations. In the meanwhile, the company has informed the Company Law Board by telegram that the shareholders have withdrawn notice of resolution to be moved at the annual general meeting to be held on 11-5-1973 for removal of Shri Rasiklal Chinai from the Office of Director and that the applicants have also withdrawn the application under Section 250 of the Companies Act and as such the company was not submitting any written representation of the allegation contained in the application. The Solicitor of the applicants, Bhaishanker Kanga and Girdharial have also informed the Company Law Board by telegram that the petition filed by them under Section 250 of

[Shri D. R. Chavan]

the Companies Act has been withdrawn by their clients and the Solicitors have also requested the Company Law Board not to proceed with the application.

By an order dated 30-6-1971, the Company Law Board had appointed two directors under Section 408 of the Companies Act, 1956 for a period of two years with effect from 30-6-1971. The terms of office of Government Directors will expire on 29-6-73. In respect of this matter also, an application has been received from some shareholders through their Solicitors Bhaishanker Kanga and Girdharlal requesting that the Government may appoint directors under Section 408 for further period.

In view of the allegations contained in the application under Section 408 of the Companies Act, the Company Law Board is making inquiries as required under the said provision for consideration as to whether Government Directors have to be appointed for further period. It is expected that the Company Law Board will take appropriate action after affording an opportunity to the company to show cause.

SHRI MADHU LIMAYE rose—

MR. DEPUTY-SPEAKER: I will listen to you. But please listen to me first. You know the rules as much as anybody else. Under rule 372, no question can be asked after a statement is made, but you may seek a discussion on this under rule 342 later on, but not now.

श्री मधु लिमये (बाका) : मैं दूसरी बात करता हूँ। जब यही महोदय अपने से कोई बयान देते हैं तो उनके लिये 372 है लेकिन इन्होंने जो बयान दिया है वह कुर्सी के प्रादेश पर दिया गया है। मैंने मामला 372 में उठाया तब कुर्सी ने हुकम दिया कि आज वे अपना बयान दें। अब मैं केवल एक श्रुत का स्पष्टीकरण करना चाहता हूँ। इन्होंने मेयरहोल्डर्स की बात की। मैंने जो मुद्दा उठाया था उस पर बयान देना था, मेयरहोल्डर्स पर बयान नहीं, देना था—प्रापका विषय देख लिया जाय।

इसलिए मैं प्रापकी भाषित यही महोदय का ध्यान सेक्शन 408, सब सेक्शन (5) की ओर खींचना चाहता हूँ। प्रसली बात यही है।

MR. DEPUTY-SPEAKER: I am concerned with the procedure of the House. Kindly sit down.

श्री मधु लिमये प्राप मेरी बात पूरी नहीं होने देते हैं।

MR. DEPUTY-SPEAKER: Order please. It is correct that this statement of the Minister is not *suo motu*. I understand that this matter featured yesterday and when it was raised yesterday under Rule 377, he said, he would come forward with a statement.

SHRI MADHU LIMAYE: The Chair directed him to make a statement . . .

SHRI C. M. STPFHEN (Muvattu puzha) What difference does it make?

MR. DEPUTY-SPEAKER : It is not rule 372, it is Rule 377. He has come out with a statement in reply to a point which was raised. Under Rule 377, after the statement is made, perhaps you can seek a brief clarification.

AN HON. MEMBER: Other Members also

MR. DEPUTY-SPEAKER: No, not other Members.

श्री मधु लिमये प्राप सेक्शन 408 का सब सेक्शन (5) देखें .

No change in the Board of Directors made after a person is appointed or directed to hold office as a Director or Addl. Director under this Section shall, so long as such Director or Addl. Director holds office, have effect unless confirmed by the Central Government.

मेरा कहना है इनकी नियुक्त जून में खत्म हो रही है। उसके बाद जो कल बुना जॉयिया कोई प्राफ डायरेक्टर्स वह प्राधिकार ले लिया। लेकिन, यदि इन्फो मियाद को प्रती बढ़ाया जाना तो

सरकार कह सकती है कि कम्पनी को बोर्ड आफ डायरेक्टर्स में कोई परिवर्तन हमारी सम्मति के बिना न हो। कपाडिया के द्वारा इस कम्पनी की व्यवस्था हथियाने का प्रयास किया जा रहा है। कास्टिक सोडा क्लम्पूमर के प्रस्ताव दूसरे लोगों को बेचा इसने सबा घाठ कनेड की सरकारी भ्रामदनी का सवाल है, मैं ता जनहित में, पब्लिक इस्टेट में बोल रहा हूँ। कम्पनी का मत्यानाश हो जायेगा। फिर हमारे ऊपर प्राय एक्सट्राइज इड्युटी बढ़ायेंगे। माघा रण जनता को टेक्स देना पड़ता है। इसलिए मैं मंचेत रह कर ध्यान खीच रहा हूँ मंत्री जी का। मंत्री महोदय भाषवानन वे कि किसी भी हालन म बांड प्राफ डायरेक्टस को बहुमत प्रौर जल्बबाजी के प्राधार पर बदलने का प्रयास होगा ता सरकार उसको राकेगी। मंत्री महोदय इसका जबाब ही नहीं दे रहे हैं। शयर होलडस ने क्या किया उसके गीत गा रहे हैं।

MR DEPUTY SPEAKER If you want to clarify, you may do so

SHRI D R CHAVAN On the question raised by Mr Madhu Lamaye the concerned section is Sec 408(5) which says

'No change in the Board of Directors made after a person is appointed or directed to hold office as a Director or Addl Director under this Section shall so long as such Director or Addl Director holds office have effect, unless confirmed by the Central Government''

श्री मधु लिमये प्रणी यह ज्ञा डायरेक्टस है उनकी नियाद खलन हान के बाद कोई सम्मति की जरूरत नहीं रहेगी मेरी बिन्ता यह है कि 29 जून का पालियामेंट की बैठक नहीं हा रही होगी।

SHRI D R CHAVAN I have explained the position in the first part of my statement. If there is not going to be any change, what is to be done about it? The application was put in by the solicitors of the shareholders under Section 250

श्री मधु लिमये सोड प्राफ डायरेक्टर श्री कल्या जावेया इसका मंत्री जी जबाब दे

मुधीर कापडिया मारुति लिमिटेड का डायरेक्टर है इसलिए जबाब नहीं मिल रहा है बर्ना प्राधा विनत से जबाब विन जाता।

MR DEPUTY SPEAKER Order, please Under Rule 377 the discussion should not become a full fledged discussion Then there is no meaning in having 377

SHRI C M STEPHEN I rise on a point of order A new procedure is now sought to be set in I will read Rule 377

A member who wishes to bring to the notice of the House any matter which is not a Point of order shall give notice to the Secretary in writing stating briefly the point which he wishes to raise in the House together with reasons for wishing to raise it and he shall be permitted to raise it only after the Speaker has given his consent and at such time and date as the Speaker may fix

The Minister has made a statement and a distinction is now sought to be made between a statement made by the Minister following 377 and one which is made *suo motu*. The point I am emphasising is that under 377 it is not contemplated that the Minister may or should make a statement. There is no provision. Now Sir if a direction can be given for a statement to be made there should be some procedure. There is nothing like that. Therefore according to me on a statement made by the Minister *suo motu* under 372 or under any other rule it is worth consideration whether this question and answer on the statement of the Minister is permissible. I am asking for a clear ruling from you as to whether this question and answer on the statement of the Minister is permissible.

MR DEPUTY SPEAKER In the first place I would like to make it very clear that it is an inherent right of the Speaker to issue a direction. The rules provide for that (*Interruptions*). As far as the direction is concerned we are all very clear that the Speaker can issue a direction. In this particular case the Speaker has

SHRI S M BANERJEE (Kanpur) You may explain this to him separately. Why take the time of the House?

MR. DEPUTY-SPEAKER : He has mentioned it in the House, and I am giving the ruling. In this case, the Speaker has given a direction, and the hon. Minister has come forward with a statement. This is taking place under rule 377.

Now, the regulation of rule 377 is something which is not clearly provided for here, but certain conventions have developed, and this rule 377 has come into prominence only during this session; almost every day, we are having statements under rules 377, which we never had before...

SHRI C. M. STEPHEN : Now, it is taking on wings. It was not contemplated

SHRI S. M. BANERJEE : It is coming on the printed Order Paper now-a-days.

MR. DEPUTY-SPEAKER : It has come into prominence during this session. That is what I am saying.

How rule 377 is to be regulated will all depend on the Speaker and on the House.

AN HON. MEMBER : And on you.

MR. DEPUTY-SPEAKER : And on me, as long as I am in this Chair. Now, the rule says 'raise the point'. Whether that will also need a reply from the hon. Minister is an open question, as far as the rules are concerned.

SHRI S. M. BANERJEE : Otherwise, why should we raise it?

MR. DEPUTY-SPEAKER : But it has happened here many times that the Member raises a point under rule 377 and the hon. Minister replies and the matter is dropped. I think we should confine this to the Member who raises and the Minister who replies. It may be that some clarification may be allowed, but it should not be allowed to develop into a full discussion.

SHRI INDRAJIT GUPTA (Alipore) : Most of the time, the Ministers are not present.

MR. DEPUTY-SPEAKER : These are matters in which the Speaker should give clear directions. I am not able to say anything just now. It has to be considered very carefully. But this has taken place that sometimes the Ministers are there and sometimes they are not there.

SHRI S. M. BANERJEE : It should be referred to the Rules Committee.

MR. DEPUTY-SPEAKER : I do not know why Shri S. M. Banerjee is interrupting on everything.

I am told again that the Speaker has directed, as far as this is concerned, that the matter is left to the choice of the Minister. If he wants to give a reply, he may; if he does not want, the matter ends there, but I think notice is taken of it.

But what I would like to say at this stage is that we should not allow this to develop into a full discussion. If hon. Members want a discussion on a statement, then rule 342 is there.

If the hon. Minister has finished, we may pass on to the next item.

SHRI D. R. CHAVAN : I have finished.

श्री महु लिखते हैं कि बोर्ड आफ डायरेक्टर बदला नहीं जायेगा, यह कह दीजिए और कुछ नहीं। सरकार इजाजत नहीं देगी, यह कहिये और मैं कुछ नहीं चाहता हूँ।

SHRI C. M. STEPHEN : Again, I am rising on a point of order. I could understand your ruling, which is perfectly acceptable and perfectly sensible. This is a sound ruling that a statement may be made and that would be the end of the matter; it cannot develop into a full-scale discussion. Am I to understand from what you are saying that if a statement comes, then a discussion can go on between the Member who raises it and the Minister and it will be barred to the other Members? It must stop with the statement of the Minister, and if further discussion is allowed between the Member and the Minister, it becomes the property of

the House, and the other Members must also be permitted to come into the picture. thing takes place. That will be decided when such a contingency arises.

SHRI INDRAJIT GUPTA: There is no discussion. Since the hon. Minister has made a statement, if Shri Madhu Limaye seeks a clarification through a question, through just one question only, and not a discussion, what is wrong with it? He is only seeking one clarification in view of the fact that the board of directors is meeting today. Is the hon. Minister prepared to give it? If so, let him give it. Otherwise, let him say 'No'. Will Government approve or disapprove of the proposal to change the board of directors? Let him say 'Yes' or 'No'. That is all.

SHRI MADHU LIMAYE: When Parliament will not be in session.

SHRI D. R. CHAVAN: What does it matter? I cannot take a decision when the matter is not before Government.

श्री मधु लिमये : सुधीर कापडिया मारुति लिमिटेड का डायरेक्टर है सरकार इन लोगों को कब तक बचाती रहेगी ।

MR. DEPUTY-SPEAKER: Order, order. This matter ends there.

14 hrs.

SHRI BHAGWAT JHA AZAD (Bhagalpur): When we raise a question in the House under rule 377, we expect the Minister to give a reply. If after the reply, something is left over—here there is an important question remaining, that the Kapadias are going to corner the directorships—we are perfectly within our rights to ask the Minister to reply to that. Otherwise, what for are the rules? What for are we here? This is surprising.

MR. DEPUTY-SPEAKER: In view of that, I have allowed Shri Madhu Limaye to seek a clarification. He has sought it; let the Minister reply, if he wishes, and then the matter should be dropped.

SHRI VIKRAM MAHAJAN (Kangra): On a point of order. Under rule 377, can a Member or the Chair direct the Minister to give an assurance in the House? You can ask for a clarification, not an assurance.

MR. DEPUTY-SPEAKER: I would say this: I have allowed Shri Madhu Limaye to seek a clarification. It is for the Minister, if he wishes, to reply or not to reply. It is up to him.

SHRI D. R. CHAVAN: The question that Shri Madhu Limaye has raised is concerning sub-section (5) of sec. 40B. Now that question arises only if a particular

14.02 hrs.

MATTERS UNDER RULE 377

(i) Floods in Tripura

MR. DEPUTY-SPEAKER: There are two matters under rule 377, to which consent has been given by the Speaker.

SHRI B. K. DASCHOWDHURY (Cooch Behar): I am rising this matter of urgent public importance under rule 377.

It is reported that on the 8th May 1973 Agartala Town, the capital of Tripura, and its neighbouring areas have been heavily flooded and several persons rendered homeless. Some have taken shelter on the top of hillocks, several local institutions and local offices and also homes and houses have been totally submerged, and as a result thereof, these are not being used. The Chief Minister of Tripura has sent a message to the Government of India to help in the flood relief operation. The Defence Minister has been requested to send helicopters immediately for rescue operation in the marooned area. I understand one or two helicopters have already been sent.

This has created a great havoc somewhat unprecedented in that area. Therefore, I draw the attention of the Government of India to send immediately relief materials