at that time, he told me "I do not like wild allegations to be made on the floor of this House and they go unchallenged". If any particular Member takes exception to the remarks that have been made by another Member, certainly, you can expect from the Chair that *prima facie* an enquiry will be made into it, then the House will be taken into confidence and something will be done about it so that in future no wild allegations are made either by this side or that sid

Some Hon. Members *rose*—

Mr. Deputy-Speaker: I am not allowing any further statements.

Shri Harish Chandra Mathur: I only wanted to quote the precedent.

Shri D. C. Sharma: Sir, may I submit......

Mr. Deputy-Speaker: I am not going to allow a discussion.

Shri D. C. Sharma: But, Sir, you have given opportunity to some Members.

Mr. Deputy-Speaker: Shri Sharma will please sit down. The question is under what rules the enquiry has to be made. The Prime Minister has suggested, as I have suggested earlier, that a motion may be made. It will strengthen the hands of the Speaker also. All the discussion that has taken place will be considered by the Speaker and he will take whatever action is necessary to be taken.

Shri M. R. Masani: May I plead that you should not press for a motion? Let the Speaker consider this question.

Mr. Deputy-Speaker: All right. This question will be considered. Now we will take up the next item.

13.05 hrs.

COMPANIES (AMENDMENT) BILL—*contd.*

Mr. Deputy-Speaker: The House will now take up further consideration of the Companies (Amendment) Bill, as reported by the Select Committee. One hour and fifty-five minutes remain. Only ten minutes for each Member.

Shri Heda (Nizamabad): Mr. Deputy-Speaker, before I give my support to this Bill I would like to welcome the policy statement made by the Finance Minister. I am happy to note that a number of Members have also welcomed it. I welcome his radio speech in last October and I hope he will continue this new method and thereby take the House and the nation into confidence and give them some indication of the state of affairs of our economy. I would only say that he should use a language which is more understandable to the common man.

Coming to the Bill, within the limited time at my disposal, I will take one or two points. The first point, which is the major and most controversial point, is regarding clause 5. The Finance Minister in his statement has mentioned that the implication of this clause, on which there is a controversy, is very much limited. If I may be allowed to read out a few sentences from his speech, he says:

"It has been mentioned to me and there has been some discussion outside about this particular clause whether the intention of the Government is to include loans issued by corporations over which Government has control, like the IFC and so on. I may at once deny that there is any such intention. The loans that are sought to be covered by this provision are loans directly given by Government and it is not

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even expected to include the loans given by the National Shipping Board for the purpose of encouraging shipping industry in this country. In fact, according to the information that I now possess, the total number of loans covered by this provision would be five, of which one happens to be a company in which Government have partnership of 50 per cent—Oil India. One happens to be a very small company where four lakhs of a five lakhs loan has been repaid. Another happens to be a loan of Rs. 13 crores of which possibly Rs. 50 lakhs have been paid. That leaves only two steel companies as the major concerns to have taken a loan from the Government to whom this clause might apply."

Though the Minister has referred to direct loans by the Government and interpreted the clause as such, if you look at the clause, as it is at present worded, it does not necessarily bear out that interpretation. Therefore, I would suggest that he should come forward with a suitable amendment so that there is no suspicion or doubt or any other interpretation and the intention of the Government is made amply clear. Since the term used in the clause is "Government loan", whatever the Finance Minister may say, the executive will certainly go by the law as it is passed, and not by the explanation given by the Finance Minister in this House. Therefore, not only the I.F.C. or the Shipping Board, but so many other corporations would be brought in and loans would be accepted as the loans given by the Government. In a broad sense, the giving of loans by Government generally gives the idea that the loans are at hundred per cent disposal of the Government. If you look at the Shipping Board or the L.I.C. or other funds, they are hundred per cent in the hands of the Government. Therefore, it is quite possible that the mischief of this clause would expand its arena and would not be limited to the five companies as he has mentioned. Now, he has already mentioned that out of these five companies, two do not come at all in the picture. The one is Oil India which is almost a Government company—50 per cent partnership—and in fact it is in the public sector. The other is the small company where Rs. 4 lakhs out of Rs. 5 lakhs have been paid. Only the two steel companies remain. Therefore, it may give an impression to the people at large that the entire object of this clause was to hit or to have control over these two steel companies and if that is so, it would not be a proper thing. So, it is time that the Government may consider over it.

Again, I have experienced—and I have stated earlier also—that many times Government take power and do not use it. Whenever they come forward with a legislation and ask for more and more power for themselves, they say that this is what is happening and that is what is happening and so they would like to remedy all these wrong things. But having taken the power, they hardly use it. Here again, I fear that in spite of such a great controversy, the executive may take power and would not use it. And if they are not going to use it, then why take the power unnecessarily and create expectations or suspicions among the minds of certain sections of people and thereby cause unnecessary unrest? From that angle also, I feel that the implication or the focal point in clause 5 becomes unnecessary or undesirable.

The other thing that I would like to take is about the trust. Shri Masani elaborated his point and said that trusts are charitable organisations and, therefore, they should not come under the mischief of taxation.

In fact, if you just look at the history of these trusts and how they were started and all that, you will come to know that it was in the United States that such a development started. Senior Ford, when he invented this organisation, felt that if he was to pay such a heavy duty, then after his death, his sons, his heirs, will not have the controlling interest in the company itself. Therefore, he thought of this innovation and he transferred all his shares to a trust and thereby he got rid of the estate duty and not only that, he maintained the controlling interest in all his undertakings and from that time till now, maybe about 50 years or more, the trust is having controlling interest in all his undertakings and many times there is hardly a member of his whole family on the trust. All the same, the control remains there. Whether charity is good or bad from a philosophical point of view, I would not like to discuss. The only word about it I would say is that when we think of social security, when we talk of socialism, when we say that it is the duty of the State to look after every man, every woman and every child, individual charity has no place in the scheme of a socialistic society. Therefore, we should not be very much carried by the pious or religious sentiments generally attaching to charity.

The second thing is that a trust, whether it is charitable or anything, is an economic activity which starts new organisations and earns crores of rupees. Why should it not give money to the Government in the shape of taxation. Why should it evade that taxation and pool the taxes in something else? It is said that because of this, it was possible for Tatas, for example, to have a magnificent organisation at Bangalore of which you and I and everybody has got great appreciation. True. But even otherwise what will happen? The money would have gone to the Government and since the Government believes in a welfare State, the money that would have come to the Government would have gone for the welfare of the State itself. The only apparent benefit that appears to be there is that the taxation that is saved by the trust is utilised for the public good by certain individuals or group of individuals. If those trusts are not condoned, are not exempted and they are taxed as every other economic activity is taxed, the money that Government would have got through the taxation would also be spent for the welfare of the State. Therefore, Shri Masani should not have all those compunctions which he had expressed.

With these words, I support the Bill.

Shri Morarka (Jhunjhunu): Mr. Deputy-Speaker, Sir, I welcome the Bill as it has emerged from the Select Committee. The Select Committee has done a lot of good to and has introduced many improvements in this Bill. We must be thankful to the hon. Finance Minister for accepting the various amendments at the stage of the Select Committee which have definitely improved the Bill and which to a great extent reduced the regours of those provisions.

There is one clause in particular which has raised a lot of controversy as there is a differcnce of poinion between the Selct Committee and the Government. I would like to say a few words about that. What I feel is that the provisions of that particular clause are not fully or properly appreciated and hence most of the misunderstanding is based on an inadequate appreciation. I am referring to clause 5 of the Bill.

This clause 5 seeks to amend section 81 of the Companies Act. Now, section 81 deals with the further issue of capital, that is, when an existing company issues more shares, how those shares should be allotted. That is what section 81 prescribes. In that section, it is said that in the interest of equity and justice, new shares must be issued in certain definite proportion

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to the existing share-holders. Then there are certain exceptions to this general rule. What are those exceptions? One is that if it is considered in the interest of the company that some shares should be issued to persons other than the share-holders, then by a special resolution that can be done. That is not being touched at all.

The next provision which exists in our existing law is that if the debentures or loans are issued by or taken by the company, then in that case if there is a provision in the terms of that issue or of the loans, those loans or debentures could also be converted into equity shares. That is the existing provision. But the existing provision qualifies this right by three conditions. Firstly, there must be a provision in the existing agreement; secondly, even if there is a provision in the agreement, this agreement must be approved by the share-holders by a special resolution and thirdly, even after this is approved, it must be sanctioned by the Government. If these three conditions are fulfilled, then and then alone the loans or debentures could be converted into equity shares.

Now, under the new scheme of the Bill, the Government proposes to divide these debentures and loans into three different categories. The first is, loans and debentures belonging to the public; the second is, loans and debentures belonging to Government and Government institutions like the LIC and the IFC., etc. and the third is loans from the debentures to the Government itself. For these three categories, three different sets of conditions have been laid down. For loans from the public or the debentures issued to the public, the same set of conditions exist, namely a term in the agreement, approval of the shareholders by a special resolution and approval of Government. For the second category, namely loans from Government and Government institutions or debentures issued to them, there are only two conditions needed hereafter, namely a term in the agreement and the approval of Government. For the third category, namely loans from or debentures to Government themselves, the basic or main amendment is that hereafter, it does not require any qualification; that is to say, there is need neither for a term in the agreement nor for approval of the shareholders nor for permission from Government. If, Government give a direction, then the company concerned shall have to convert that. Government can do this even in respect of the past loans.

There are three grounds on which this amendment of Government can be objected to, and in fact, has been objected to. One is the constitutional or the legal ground, the second is the ethical or the moral ground and the third is the practical ground.

So far as the constitutionality is concerned, there are more competent Members in this House who would speak and give their opinion. But to a layman like me also, it strikes that you should not and you cannot violate the sanctity of a contract unilaterally without the consent of the other party. If a contract between two individuals is violated, then the individual has a recourse and has the remedy or can seek redress in a court of law. But when there is a contract between Government and an individual, and Government violate the sanctity, the individual has no redress. So, strictly on this contractual aspect, I agree that the sanctity of the contract is being violated to some extent.

Similarly if you take the ethical side of it, it sounds very normal that once a contract is entered into on certain terms and conditions, you should not change them without the consent of the other party, unless there are certain overriding conditions, and unless it is so required in the interests of the country or under certain emergent conditions. You know, Sir, and the House also knows that time without number, the House has resisted

and Government also have resisted the demand for the abolition of the privy purses, mainly because they say that there is a contract and they cannot violate that contract; that is an obligation which no self-respecting Government can ever repudiate. With great respect and in all humility, I agree with those sentiments of Government.

But my most important point is regarding the practical aspect. As the hon. Finance Minister has pointed out in his speech, while moing the Bill as reported by the Select Committee for consideration, the practical impact of this provision is that only two steel companies would be essentially affected. If I may say so, this argument cuts both ways Firstly, since it is going to have such a narrow application, why should people bother about it? At the same time, if this provision has such a narrow application that it is going to touch only two companies . . .

Shri P. R. Patel (Patan): Which two companies?

Shri Morarka: The two steel companies. In that case, why have this provision, which, to say the least, is not quite ethical a provision which in a way violates the sanctity of the contract. But, that apart, according to me, there is another practical aspect of this proposition. The fear that Government want to have backdoor nationalisation by means of this provision is not quite correct. For, after all, what would be the effect of this provision? The effect would be that Government can direct that the loans given to a certain company should be converted into equity capital. What would be the terms and conditions of the conversion? Those terms and conditions would not be arbitrary. In the first instance, Government would determine the terms and conditions, but then, those terms and conditions are subject to adjudication by a High Court, and if the High Court feels that the terms and conditions fixed by Government are not reasonable, then the High Court has a right to change those terms and conditions. In any case, the rate of conversion cannot be lower than the market rate.

If you will kindly see clause 4, the proposed sub-section (4) of section 81 reads as follows:

> "....the Central Government may, if in its opinion it is necessary in the public interest so to do, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the company on such terms and conditions as appear to that Government to be reasonable in the circumstances of the case, even if the terms of issue of such debentures or the terms of such loans do not include a term providing for an option for such conversion:":

Then, the proposed sub-section (5) of section 81 reads thus:

> "In determining the terms and conditions of such conversions, the Central Government shall have due regard to the following circumstances, that is to say, the financial position of the company, the terms of issue of the debentures or the terms of the loans, as the case may be, the rate of interest payable on the debentures or the loans, the capital of the company, its loan liabilities, its reserves, its profits during the preceding five years and the current market price of the shares in the company."

Then, the most important provision, namely proposed sub-section (6) of the same section says:

> "If the terms and conditions of such conversion are not acceptable to the company, the company may, within thirty days from the date of communication to it of such order or within such further time as may be granted by the Court, prefer an appeal to the Court in

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regard to such terms and conditions and the decision of the Court on such appeal and subject only to much decision, the order of the Central Government under sub-section (4) shall be final and conclusive.".

So, the point is that these terms and conditions are subject to judicial review. When Government nationalise a company, the quantum of compensation is not a matter of judicial review, and it is not a justiciable issue. But, here, in this case, when loans are being converted into equity shares, the terms and conditions of such conversion are subject to judicial review.

But the main point is this. If Government want to convert their loans into equity shares and convert them at the market price, what is the necessity for this provision? The shares of these companies, particularly, the two companies which the hon. Minister has mentioned, are available in the market like apples and bananas and you can buy them to any extent. *i.e.* buy the equity shares. You have got the LIC, then you have got the Unit Trust, and you are also going to have the Development Bank under your control. You have only to ask them to buy as many shares of these two companies as you like . . .

Shri T. T. Krishnamachari: Government are not powerless.

Shri Morarka: I know that Government are not powerless, and if they want to have equity shares, they have got ways of getting them, but they can have them only at the market rate. So, there is no point in people suspecting that it is backdoor nationalisation or that Government want to usurp the voting rights etc.

In conclusionu, I would say that joint-stock management is essentially based on democratic principles, namely the rule of the majority. Certain important things are reserved not to the bare majority but for special resolution. Some more serious things are reserved for special resolution with Government's sanction. Still more serious things are subject to special resolution, Government permission and court order. These are the valuable safeguards which are provided in the charter of a corporate body. Then, you have got provisions for preventing oppression of minority mismanagement etc. This tendency to regulate the detailed management and to legislate for each and every single agency in a way gives the bureaucracy unprecedented power. That does not help the growth of the corporate sector, and that does not help anybody. On the other hand, it gives an instrument of oppression in the hands of the bureaucracy, and it is likely that it is, more often than not, abused.

I would, therefore, submit to the Finance Minister that while the scheme of these amendments is in the larger national interest, he should not give more and more power to the bureaucracy and take away the rights of the shareholders themselves to manage the company in accordance with their own wishes.

Shri Sachindra Chaudhuri (Ghatal): I shall be very brief and will not take any extra time.

The Companies (Amendment) Bill, as it has emerged from the Select Committee, is totally acceptable. So far as the scheme of the amendment Bill is concerned, it is really divided into three parts.

One is really to speed up the procedure of law. Where there is mismanagement of a company, in the sense that the management is either working to the prejudice of the company or is oppressing the minorities, provision had been made in sections 397—407. But it has been found by experience—it is also my experience—that when the matter goes through the usual channels, the courts having regard to the pressure of business to be disposed of, are not able to correct this state of affairs until after two or three years of the reference.

From that point of view, certainly a tribunal, which has got in it the experience of a High Court Judge or someone capable of being a High Court Judge, is an improvement on the present state of the administration of the law, and there should not be any difficulty about that.

The next is the provision contained in section 10E for the constitution of a Board of Company Law Administration. These functions are now being carried on by the Department of Company Law Administration, and it is probably better that a Board should be nominated which should be independent of any influence, which will operate independently, having regard only to what is good for the company.

The third part is really the deprivation of certain rights that company shareholders have. So far as the trustees are concerned, a trustee when he is entrusted with voting on certain affairs, votes as if he is a proper trustee that is, working not to his benefit, but to the benefit of the beneficiaries, in other words, those that derive benefit from it. In practical application, it has been found that that perhaps is not the only motive which works always with all trustees.

Now, there is not very much difficulty so far as the national interest is concerned, when the trustees are entrusted with a small block of shares in a large company. Therefore, with the limitations that have been put on the functioning of trustees by themselves, I think it cannot be said that it will be a hardship if in a particular case the official trustee who has been appointed takes over the function of voting and managing the shares. I can read out the relevant portion, but it will take time. But hon. Members must have seen that there are certain exceptions made as to trustees who hold a small quantity of shares, not more than a certain percentage of the shares or not more than a certain amount in value of those shares. So there ought not to be really any very great alarm. Also a public trustee is expected to function properly.

So far as the right of voting is concerned, the right taken away from the trustee who is appointed by the parties is being transferred in certain event to the official trustee. But what is being done is really not so much depriving the beneficiaries as depriving the trustee of this right who has no more and no less than fiduciary relationship. That relationship still continues. The action of the public trustee functioning in the interest of the beneficiaries would certainly have a corrective effect. Therefore, there is not that very great deal of harm or injury being done. I entirely agree with the Select Committee's decision.

The next question that arises is a tricky one; there has been a certain amount of excitement about it, and we are all being exercised about it. Shri Morarka, in a very able speech, dealt with the point, namely the conversion of debentures into equity capital. Now quite candidly, so far as the constitutional or legal aspect is concerned, it is something which does not trouble me, in spite of the fact that I am a lawyer. I feel that if it is recognised that there is a general principle involved where it is necessary to legislate, and as the Constitution stands at present such legislation is not permitted, it will be for this House to decide whether the Constitution should give way or not. After all, the Constithtion is meant for the country and not the country for the Constitution. Therefore, whatever the legal consequences may be, I believe—let me say make it quite clear—at the moment there is considerable doubt as to whether this change is constitutional or not. I am not, as I said, at this moment troubled about it; if necessary, the matter can be argued. But the point is: is it so necessary that we should introduce it? The argument which appeals to me most against this provision of omitting the two steel companies from the general provision which is being made about all companies is this, that the Government has entered into a bargain with these two companies. As

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it is, the companies, as far as we know, are not working too badly. If they are, there are other means of correcting them. But is it necessary that the Government should have its money invested in the shape of equity shares? Two questions arise out of this. Firstly, whether it is a good thing, having regard to the contract? These companies, on the footing of loans given by Government, have entered into other arrangements and other agreements with other financiers, whoever they are; and in these two cases referred to by the hon. Finance Minister, there are loans from outside, from abroad. Meticulous examination was made of the affairs of the company, its capital structure, its loans and so on, before loans were advanced by outside agencies or outside financiers. If there is a change now, there is an apprehension in the minds of these outside financiers that in India there is no stability, and in consequence of that there can be any alteration to the rights of the shareholders and alteration of the rights of the lenders where the lender is the Government. That does not, to my mind, appear to be healthy for the better growth of finance and of industry in this country. That is a matter for which I feel that these two companies might have been exempt.

But the more basic question is this: Where there is no default, where the company is running well, is it proper and fair that Government should convert its loans into equity shares? If that money comes back, as it should, if the company is well run, Government can use it for expansion in the public sector or lend it to the private sector again. If that money is locked up in these particular companies,—money which is already delayed—in the shape of equity shares, then the fate of that money is bound up with the fate of those companies. From the point of view of principle, it will be for the Finance Minister to consider whether this is a good thing or a bad thing. But speaking for myself, it appears to me that on principle it will be putting that money into baskets in which we did not originally intend to put. We had originally intended to get that money out. This is a matter on which some thought has to be given. Undoubtedly, where there is a default, that has got to be corrected, and if Government wishes to have a further right in the event of default being made, of converting that money which was loaned to the company into equity shares for the purpose of managing those companies, it would be a welcome thing.

Therefore, I would ask the Finance Minister to consider whether it is possible for him to have a general provision, and not make an exception of these two companies, because there is a lot to be said against such an exception being made, that the power to convert debentures and loans into equity shares will be exercised in every case where there is some default, not necessarily in the repayment of the loan, but in carying out the conditions under which the loan has been given, after giving a period of notice, one month or three months, whatever period he consider correct. He is a far better finanicer than I am, he understands company administration better than I do.

Shri Joachim Alva (Kanara): You are a great lawyer.

Shri Sachindra Chaudhuri: You may say so, but I say that I put the law behind me, because it has to yield to the necessities of the country and not tie it or hamstring it. Therefore, I am not on the legal question, I am on the question of what is practical, what might create a certain amount of fear in the country, and which, if removed, will probably help the growth of companies and industries.

It is a further protection that wherever there is a question of conversion, the matter will be placed before the House. So, I would request the Finance Minister to consider whether it

is possible for him to delete the proviso and incorporate it in the section itself, stating that the powers would be exercised only in case of default, and, of course, in the public interest.

Shri Joachim Alva: I welcome this Bill.

The Finance Minister is the emblem of the reservoir of our money, but he is also the emblem of the reservoir of powers, and I would like him to exercise those powers impartially and objectively. I do not want that the companies with which Shri Masani has been associated should have a complaint that by this legislation they are treated harshly, while the other set of companies go scot-free. The genuine complaint of clean businessmen is that they are treated harshly though they are ready to obey all the injunctions of the law, but the others who are black are in the majority, who resort to all kinds of subterfuge methods and arrange to pressurise the Government and so on. That is the crux of the problem.

Government has brought forward a very welcome measure. Shri Masani, who is not unfortunately in his seat just now, attacked the Government, attacked the Prime Minister and the Finance Minister, and said that both of them concentrated enormous power in their hands. But the source of the power is the people, the power is with them on behalf of the people of India. If you go to the remotest village and tell the villager:

"देखो जी, गवर्नमेंट ने एक करोड़ रुपया उस फ़ैक्टरी वाले को फ़ैक्टरी बनाने के लिए दिया । उस फ़ैक्टरी वाले ने उस रुपये का गलत इस्तेमाल किया है और ब्लैक मार्केटिंग किया है । इसलिए क्या गवर्नमेंट को उस फ़ैक्टरी मे भाग लेने और उस के काम को अपने हाथ में लेने का अधिकार है या नहीं ?"

I am sure the villager will say:

"हां, साहब, उस को इस में भाग लेना चाहिए ।"

This villager does not know any law, nor politics nor economics, but every measure that comes before this House has to be judged by only that one test, and that one test is how far it affects the people of India, the public of India. That is why Shri Masani was not altogether kind, just and charitable when he attacked the Prime Minister and the Finance Minister that this was not a question of anybody's high office.

Till 1960 all the capitalist-run organisations had a wonderful run, they have become richer in these 60 years than any time in the history of India. A survey has been taken of the relative positions of the public limited companies and the private limited companies which is given at page 64 of *Economic Information,* 1963. In 1962-63 the figures were as follows. Public limited companies were 6,022 while the private limited companies were 19,407, making a total of 25,429 companies in India. So far, so good. The paid-up capital of the public limited companies was 10,066 milion rupees, while that of the private limited companies was 10,644 million rupees, so that the paid-up capital of all the companies in India was 20,701 million rupees. From whose pocket has all this capital come? It has come from the sweat and toil and blood of the poor workers, it has come from the men who run the factories. But there are capitalists who want to change their cars, big model cars, every six months, while the poor Prime Minister goes in a small car bending down. There are people who are not content with changing the model of their cars. We should not import any cars, they should be content with our own cars, but that is another story.

Out of these 10,644 million rupees, not even 15 per cent belongs to the big capitalists who say that they pay

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the taxes, that they run the Government. They take the money from the people. These are figures which I have got from the *Economic Information*, 1963 issued by the Ministry of Finance, which is available to every Member of Parliament.

When this is the state of affairs, it is time we read the great report drawn up by Mr. Vivian Bose. A judge of his calibre and ability will not be found in any part of the world. I read only 25 pages of that report, but my blood boiled, and I am sure the blood of any one who reads it will boil. If such a report had been presented in the House of Commons, the Prime Minister would have had to resign. But we have a very honourable, noble Prime Minister. He is not the only individual as Shri Masani says. There are others also. Other things happen. But the Vivian Bose report sooner or later must be implemented, and evildoers must be punished. If we cannot punish them, this democracy has no economy in it, no strength, no eyes, no hands. It is not a question of you and me, but we have to see that these things move.

Shri Masani spoke of another company, I forget which. I made only mental notes. He talks of Unilever. They have got capital resources, they have got reserves in other parts of the world, in Africa. It is the largest company in the world in that line, and how can we stand against them?

I would like the Finance Minister to put a Chartered Accountant in the Tribunal. Let the members of the Tribunal not be mere dummies of the Government of India's bureacracy, but real first class High Court Judges. We cannot have High Court Judges also who attend birthday parties given in their honour by people who are in the black list of— I will not say what I said on a former occasion. We must have upright Judges, we have plenty of them. We must have them on the Tribunals.

When the loan of Rs. 10 crores was given to Tatas, I myself objected to it, because it was against our interests, but that is another story. But if you have agreed to charge them no interest, it is time you honoured that. There is such a thing as the sanctity of the word given. If you say that this is an emergency and so you are going to do it, that is another point. But turning the loan into equity because there is misconduct etc., is a thing that is valid. It is the stock exchange that leads to the miseries and tribulations of the people. I have seen the New York Stock Exchange. At least there you feel like buying something. But the Bombay Stock Exchange is a worthless bazar where each one runs about, doing all kinds of manipulations, whatever he likes. I am glad the Government can step in now into some of these large public limited companies and private limited companies and become directors by having equity capital. Government has lent crores of rupees to these companies. There is no harm in private sector companies but it is the banks that aid the black marketeers to take money night and day, even when there is a run on the bank. It is they who advance money to buy newspapers. So, unless he goes ahead with the nationalisation of banks, unless he goes into the financial position and ownerhip of newspapers owned by capitalists we cannot have real democracy in this land.

Shri Bade (Khargone): For the last two days, we are discussing the amendment to the Companies Bill. My learned friend who preceded me with a pitched voice has not really understood the real and important points; so he raised his voice. In courts, a lawyer arguing a bad case usually raises his voice to convince

the Judge. That is the attitude he adopted here. In the Select Committee, many persons from the Congress Party, Mr. Tyagi, Mr. Morarka, agreed to the report of the Select Committee.

Mr. Deputy-Speaker: What happened in the Select Committee should not be disclosed here.

Shri Bade: They have signed the majority report: therefore, I say that they agreed to that.

Mr. Deputy-Speaker: No names.

Shri Bade: May I say that my main objection is to clause 5. Government wants to turn their loans into share capital. The relationship here is one of creditor and debtor: they are bilateral relations. I do not want to take the side of Tatas or Birlas. I speak of moral and legal considerations and when there is a contract, it cannot be broken by unilateral action by a single party. The powers to turn loans into share capital should not be retrospective. For the prospective contracts, you may include it in the terms of the contract. But you should not take any such authority in respect of the contracts that are already there. In common parlance it is cheating; in villagers' language it is 420.

Shri Nambiar (Tiruchirapalli): It is public money; it is to be repaid.

Shri Bade: Suppose I am a money lender and he is a borrower. Can I change my loan into share capital in his companies? The courts will not allow that. Suppose a company is not doing well or it goes into liquidation. If it is retained as loan, it will have the first claim over the shares. So, Government will not turn their loans into share capital in respect of companies suffering losses: they will do so only in cases where they are doing well. Then, the price of shares will be lessened because Government will have a strong hand in the company. Suppose I have Rs. 25000 worth shares in a company and I secure a loan from Government for 70,000, and Government turns it into shares, it will be a Government company. This is called backdoor nationalisation and it has been criticised in all the newspapers. I heard in Jaipur that Congress is going to have democratic socialism What is it? The other day, the whole Parliament was adjourned for three hours because they wanted to attend a meeting where they said that the Select Committee's report should not be considered and Shri TTK agreed to that. It means that by pressure and by brute majority, they want to pass the original Bill. In all decorum, the Government should accept the report of the Select Committee.

About the trusts, our hon. Finance Minister said on 28th November 1963 that there would be provision for exemption of genuine trusts created for safeguarding family interests or charitable or educational interests. Now, he backs out and says that it is applicable to all trusts. When a doner creates a trust, the understanding is that he will have the right to vote: it is very important right. The right to vote is called even property. So, in all cases Government will appoint a person and that person will vote on behalf of the trust created by some other person. It will be done in 'public interest'. This is a term which is most mischievous, nebulous and monstrous. It can be used in any way at the sweet will of the officer of Government, who will be guided by some Congress Ministers. The right to vote in the trust should not be taken away from the charitable and family trusts as was originally stated by the hon. Minister.

Then there is the provision relating to appellate jurisdiction, which is contained in sub-clauses (a) and (b) of clause 3, 10D (1). It is said that there will be an appeal on the decisions arising out of the findings

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of the tribunal. "Arising out of the findings of the tribunal" means this: let us suppose the tribunal has no findings at all. Then there would be no appeal. So, the clause should provide that there will be an appeal on the order or the finding of the tribunal.

14 hrs.

Another provision is about the removal of manager. If Government removes the manager or the director, and when the company wants to appoint another director, they should again consult the Government. That is also not proper. Once the default is committed by the manager or the director and he is removed, that is because of the fault of the manager or the director. The company should not be penalised and it must have the right to appoint another director or manager according to its own sweet will.

Then, the other day, my learned friend on this side said that "we spurn foreign capital". You may spurn it and I also spurn the foreign capital, but then the position is, the hon. Finance Minister or Shri S. K. Patil go to foreign countries and take loan for this Government from the foreign countries. We also look to that sort of thing. We may spurn foreign capital, but if we want foreign loan, whatever they have to say should also be considered. In the issue of the *Statesman* for the 10th December, 1963, Sir Paul Gore-Booth, the British High Commissioner in India, is reported to have said that certain points in the proposed amendment to the Indian company law had caused concern among some leading foreign firms operating in India. That is the press report. It was emphasised on the floor of the House on Friday or Saturday last that the clause relating to the conversion of loan into share capital will be detrimental to the foreign loans. Some hon. Members said that they spurn it. Even if we spurn it, we should consider whether the amendment will have some effect on foreign capital. I say it will have some effect. Even though we hate that and we can discard them, the point is we want foreign capital, we want their money, their arms and ammunition. So, I have given a Minute of Dissent also on these matters.

Shri Jashvant Mehta (Bhavnagar): Mr. Deputy-Speaker, Sir, the hon. Finance Minister has presented to this House today a very important statement. In the light of that statement, he has depicted the economic situation of the country. I have heard the debate and I have also read the Note of Dissent on this amending Bill. This company law sector is a very important sector of our economy. When we are dealing with this Plan, or when we have decided to have a mixed economy—a private and a public sector—and a co-existence of these sectors in our country, the company law administration is a most important one. The time has come, after the Vivian Bose Commission report, when the Government should give a serious thought, and the hon. Finance Minister has assured the House that the Government want to bring in a very comprehensive law amending this company law sector. We hope that in the next session he will bring in a comprehensive Bill on that matter. But at present there are four important provisions, namely, the setting up of a tribunal, creating the Board of Administration of Company Law, the conversion of loan and debentures into equities so that they could ensure that investment trusts and equities are not misused by people of the trusts. These are the four provisions of this amending Bill.

Really speaking, the Government should come forward with more restrictive powers to the managing

agents. Our past experience is not a happy one in this respect. Up till now the managing agents have been flourishing at the cost of the shareholders. Even if we accept the mixed economy, then also, for the entire development and for the purposes of planned economy, the Government should pay more attention to this sector.

The third aspect is the constitution of the Board. The company law administration requires further consideration by the Government. The Government should give more powers to this Board, for the efficient management of the company law administration. In this House, the company law administration has been severely criticised in the past, and the people were feeling that to set right this administration something radical is needed. While the amendment seeks to constitute the Board, I am afraid the Board has not been given sufficient powers under this amendment, and it requires further consideration.

The next point is with regard to constitution of the tribunal. The law-abiding companies and citizens in this country should not be afraid of the tribunal. These people who manage their affairs honestly and sincerely are never afraid of such provisions. On the contrary, this is a tribunal on which there will be eminent men such as high court judges or men of equal status, and the tribunal will therefore be more effective in dealing with this problm. This provision should have been welcomed by all sections of the House.

My hon. friend Shri Indrajit Gupta has rightly stated in his Minute of Dissent that a person whose removal was considered necessary by both the tribunal and the Government should not be permitted to reoccupy any responsible managerial office during the full statutory period of five years. Even if this penalty can be watered down, there will be no seriousness left in the provisions for removal.

So far as the procedure is concerned, the Government should pay more atttention to simplify the procedure, so that it will be better able to administer the company laws. Most of the time of the administration is lost in continuous work, doing a lot of paper work. A dynamic change is, therefore, required by simplifying the procedure. When the company administration has been transferred from the Ministry of Commerce and Industry to the Finance Ministry, the Finance Ministry should concentrate on this aspect of the problem of the company law administration. A simple procedure is absolutely essential. I hope the Finance Minister will give attention to this aspect of this administration.

I do not agree with my hon. friend Shri M. R. Masani in his Minute of Dissent, and I hope that Government will come forward in future with a comprehensive Bill to improve the company law administration, which has been suggested by the Vivian Bose Commision, and also with measures for straightening out and simplifying the procedure.

Shri Bhagwat Jha Azad (Bhagalpur): Sir, I congratulate the Finance Minister on bringing this measure. It is now evident before the House as well as before the country as to what the implications of this Bill are. Though I personally do not think that it goes very far to curb all the undesirable things that are done by the big companies in this country, and which have been evidenced before the House by the report of the Vivian Bose Commission report, yet, I feel that this is a measure which gives power to the Government to keep a watch over the deeds of such big companies which do not function in the national interest but otherwise.

I would not refer to the provisions of the tribunal and the restraint on the trustees, but only to one point which has been a matter of controversy both inside as well as outside this House; and that is about the Govern-

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ment taking power, whenever it thinks it necessary, to convert loans into shares. I was surprised to read the speech of Shri Masani who called the Government a cheat; he said that the destiny of the nation will go into mud and all sorts of things. So also just now I heard Shri Bade. The two friends were trying to tell us what is democracy, legality and constitutionality. They were trying to give us a sermon saying, "At Jaipur you have adopted democratic socialism and now you are acting undemocratically." Sir, I was reminded of the devil quoting scriptures. The two friends represent the vested interests in the country. When they say that this a contract between two parties, they forget that it is not a contract between Mr. Masani and Mr. Bade or between me and any other person, but it is a contract between the nation and a few individuals. One must differentiate between contract between two individuals and contract between a nation and a few individuals. Here loans have been given not by Mr. T. T. Krishnamachari or Mr. Jawaharlal Nehru, but by the Finance Minister and Prime Minister who have been charged with the responsibility of making proper use of public money. They gave loans to these companies. Now when the nation demands it, it is not that they are taking police power, but they say that such companies which are paying a very good divident should contribute a very small part of it to the public exchequer as well.

What is wrong about this? They say it is unconstitutional. I think there is nothing unconstitutional about it. It will stand the test of constitutional validity. May I ask, what about Government applying land ceilings on millions of people in this country? In that case, Government has no right to put any land ceiling. How could Government ask for the abolition of zamindari? When the property of Dharbhanga Maharaja was taken, the market value was Rs. 100 crores. He was given Rs. 3 crores and that also in bonds for 40 years. Can anybody say it was unconstitutional? They cannot say so, because all these things are being done in the interest of the nation. This Government, this Parliament, is wedded to socialism, which means welfare for the millions of people in this country. Even if it harms a small group of people who should see how far it benefits the larger measure of the people. The objectives which are being laid before the people in one Plan after another are also very clear. So, keeping in view those objectives, I think Government is perfectly justified even from a legal and constitutional point of view and much more from the national point of view in bringing this measure to convert, whenever they like, the loans given in the past into shares.

Let us take another example. Apart from zamindari abolition and land ceiling, lands are acquired for public purposes for big industries in Kanpur, Bombay, Calcutta and so on. Precious lands are being taken from the farmers. Government has got a right to do it because if industries flourish, it will benefit not a handful of people, but it will be in the general interest of all the people. So, if this enactment of the Government to acquire land from even small people who have got only very little land will stand the test of law, then certainly if loans given public money, tax-payers' money, are converted into shares, there is nothing wrong.

It is said that it is a breach of contract. A contract can be fulfilled either by consent or by the operation of law. I do not want that two individuals A and B entering into a contract in Delhi that whatever sugar and khandsari they have must be sold at blackmarket price and then saying, "It is a contract between you and me". For a contract to be effective, it is not only consent of two parties that is required, but also operation of law. In this case, we are taking the measure of law to operate that contract. So, when we are bringing forward a law by which we can operate that contract,

there is nothing illegal or unconstitutional about it.

So far as the legal pandits are concerned, we are seeing them every day. Of course, they have got legeal points, and they must stand for the Birlas and Tatas, because they are paying for them. I think there is a controversy between two groups of lawyers. There are some in my own party who may say that this is illegal. But I think when the Government of India brings forward a law like this before Parliament, they must consult an equally large number of legal luminaries. We have seen in so many cases that no enactment made for the public interest in this country has gone unchallenged. Even in the zamindari abolition, they have gone to the Supreme Court. So, even if it does not stand the test of law, it should be enacted and if necessary, the Constitution must be amended. For instance, in some States there were difficulties so far as land reforms are concerned. So, this Parliament is taking up the 17th amendment of the Constitution. So, in this case also, if necessary, the Constitution must be amended.

Nobody has questioned the principle. My friends, Mr. Masani and his fellow-traveller Mr. Bade have said that they have no objection in keeping future loans in the form of shares. So, they do not question the principle. They say that the past loan of Rs. 80 crores should not be converted. Once you accept the principle, why do you want to stand on slippery ground of legality and constitutionality?

Dr. M. S. Aney (Nagpur): Why do you call it slippery?

Shri Bhagwat Jha Azad: I call it slippery because it is very evident that he will slip tomorrow. It is the nation's interest which should be considered, not mine or yours. It is the teeming millions' money that is being given to these people. So, considered from any stand, be it legal or constitutional or contractual, it is perfectly right that the Finance Minister should have come with this measure. Only this much I would submit to him that this should not be allowed to be put in cold storage. After this enactment is made, he should use this. We had expected the Government of India in the post-independent era, after 10 years, to nationalise the key industries like iron and steel. Government's industrial policy has laid down that these things will be there and we expect at least after 15 years of independence, such important industries should be in the public sector. Let Tatas and others be there for some time, but under this enactment, Government must go and convert its loans into shares. Also, the public eye should be watching these friends as to how they are behaving.

With these words, I support the Bill and I feel there is nothing unconstitutional or illegal about it. That is a very necessary measure and it has come up before the House in right time.

Shri Himatsingka (Godda): Sir, our Finance Minister has been good enough to recognise the position that the investment climate needs to be improved and with that intention in view, he has been trying to take steps, so that the market may improve. In fact, today he made certain important statements with that end in view. I want to look at this measure from that point of view, *viz.*, whether or not this measure and the other measures that he has on the agenda this session will serve that purpose.

I feel that some of the amendments that have been introduced are certainly salutary and they might improve the morale of the businessmen. But this provision of giving retrospective effect will apply only to two companies. The question is whether it is so important a step that should have been taken, because it will create a certain impression outside, in the minds of those who are not fully informed as to the purpose why this measure has been made retrospective. I refer to the right

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conferred on Government to convert loans and debentures prior to the date of this enactment into shares. After all, these two companies have been functioning quite well. Therefore, to create an impression outside or in this country that the Government intends to interfere and to upset the present arrangement in the company and to dilute the rights of a large number of shareholders by converting loans into shares is a point which should be taken into consideration by the dynamic Finance Minister who understands these things quite well.

So far as the other proposals are concerned, I feel that in our country the judiciary is, by and large, wholly independent and has very good reputation. Therefore, we should not take any step which will create an impression in the country that by and by the powers of the judiciary are being attempted to be curtailed and such powers are being attempted to be given to the tribunals. At present the power to take action under the various sections is vested in the High Court. Now the proposal is to refer them to tribunals. Of course, there has been some improvement made by the Select Committee inasmuch as how the Chairman of the tribunals will be persons experienced in law and who have been or who are qualified for appointment as judges. Certainly, it is an improvement but, all the same, a tribunal is still a tribunal. Moreover, appeals from such tribunals are limited only to questions of law. As a matter of fact, at the present moment when a matter is decided by the High Court, it can be appealed against a bench of the same High Court and then to the Supreme Court. Now, very many powers are intended to be given to the tribunal under the various sections mentioned in clause (8), i.e. sections 388B, 388C, 388D and so on. They all will be referred to the tribunal. Will it be sufficient to provide an appeal only on a point of law? That is also a point which, I feel, should be taken into consideration.

The growers that are proposed to be taken under clause (9) are very wide. The proposed section 388B reads:

"(1) Where in the opinion of the Central Government there are circumstances suggesting:—

(a) that any person concerned in the conduct and management of the affairs of a company is or has been in connection therewith guilty of fraud, misfeasance, persistent negligence or default...."

There is no harm in it. That power should be with the Government. But sub-clauses (b) and (c) in my opinion, are very vague. For example, sub-clause (b) reads:

"that the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices;"

What will be the yardstick? Who will judge whether the method that is being adopted or the way in which the business is being conducted is in accordance with sound business principles or prudent commercial practices? It differs from one business house to another. As a matter of fact, it will differ from one member of the tribunal to another. It is very vague. Similarly, sub-clause (c) reads:

"that a company is or has been conducted and managed by such person in a manner which is likely to cause, or has caused, serious injury or damage to the interest of the trade, industry or business to which such company pertains;"

What will be the test? How are you going to decide it? Is it not very vague? Will it not give very wide powers to the executive to take action?

After all, if it were the case where an intelligent person like the Finance Minister is taking a decision, one can be sure that no injustice will be done. But, in this case, it will be decided by a person very much lower down. So, it will be very easy to influence such a person and, very likely, wrong action may be taken. Therefore, I feel that all these lacunae should be removed, loopholes plugged, and sub-clauses (b) and (c) deleted.

So far as appeal is concerned, I feel that an appeal should be permitted not only on a question of law but also on a question of fact.

Coming to the question of trusts, I feel the intention of the Government is that the powers of persons who invest the trust money in companies managed by themselves should be curtailed. But suppose the trust money is invested by a person in the shares of a company with which he has no connection, he has nothing to do with the management of that company, how can he influence the decisions of that company in favour of the management? In a case where a person who is managing the company holds trust shares in his own name and also holds shares of that company in the name of the trust, this power may be justified. Otherwise, to take away the rights of all trustees, even when they have got nothing to do with the management of companies in which money has been invested, is, I think, depriving the real owner, the real beneficiary of the real rights that he would otherwise possess. So, I feel that the voting rights of persons in respect of trust shares should not be taken away.

Then I come to the amendment of section 153. It has been provided in the Bill that notice of trust shares has to be given by the trustees to the company also. But section 153 prevents the company from taking notice of any trust. Therefore, it becomes almost contradictory. I feel that when notice is being provided to be given under new sections 153A and 153B, there should be an amendment of the original section so that a company may receive notice of the trust. After all, when a trustee gives notice, how is it going to be recorded? Where is it going to be recorded? That will save the trustees from one difficulty. At present what happens is that trust shares are recorded and registered in the names of individuals. But if the notice is recorded in the company's register as "so and so trustees of such and such trusts", there will be protection for the trust also. So, I feel that section 153 should also be amended.

Shri Basappa: Mr. Deputy-Speaker, according to me the most important question to be decided in this Bill is whether this sovereign Parliament, under certain circumstances, in the larger interests of the nation, can do certain things which will, to a certain extent, modify the contractual obligations laid down on us. In this matter, I have to congratulate the Government for not yielding to the pressure tactics that have been used. In this country, the vested interests, in the name of the sacredness of the contract, in the name of prestige and sanctity of law, want to thwart progressive thinking. Therefore, I would like the Government to be strong in their attitude. After all, we are developing a democratic socialist State in which the public sector is bound to enlarge day by day, a State in which the private sector has to be controlled properly and the monopolistic tendencies have to be checked.

A large number of joint stock companies are registered in this country every year. So, the dominant role of the corporate sector has been increasing day by day. Under these circumstances, a full and comprehensive company law becomes essential, particularly in the context of the Vivian Bose Commission report and in the context of the statement of the Finance Minister that the abuses are increasing day by day. It is only the top of the ice-berg that we are seeing today. That is what the Finance Minister says. We do not know what is underlying and what is

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happening in these various corporate sectors. We have been noticing that in all these objects of these companies, the objects are not clearly stated so that they are making use of their money in any manner they like. The loans are given to directors sometimes without security at lesser rate of interest or to their relatives. There is, misappropriation and mal-practices and all these things are there. Sometimes the sole-selling agency is given to their relatives. Under these circumstances when the Finance Minister brings a Bill of this kind, with a limited objective, it should be welcomed. I hope the Finance Minister will give a little attention to what I say also. He would bring a more comprehensive Bill at an early date to plug the loopholes that I have been narrating and which has been pointed out in the Vivian Bose Commission's report and also by the Daphtry|Shastri report.

Sir, after all the limited purpose of the Bill is only to prevent the concentration of wealth in the hands of the few people and also it has been brought with a laudable objective of increasing the assets of the company concerned. The tribunal that has been suggested must have necessary powers to check, to remove, some of these directors who are involved in all these things and it has to be welcomed because of speedy remedy that is given here, whereas earlier whenever malpractices took place on the part of a director, it used to go to a court. How many cases are there? Hundreds and thousands of cases are there. So, a separate tribunal is a necessary thing and it will give us a speedy justice.

Then, the most controversial point is about the conversion of loans into share capital. It is a very strange logic when some of these people say that they have no objection to that when a company is not prosperous; they have no objection to the Government converting their loans—but only when it is in default they can convert it. But when it is in prosperous conditions, the Government should not look forward to that. Look at the strange logic that they have got! After all assurances have been given, my friends have expressed apprehension that only an official is going to decide what is the public interest. Assurances have been given that it will not be left to the individual discretion of the official to decide what the public interest is. The Government will consider whether in the public interest, it is necessary to do so. When such apprehensions are removed and when assurances are given, there should be no objection to it. These cases come only where the Government has directly given loans. Supposing an autonomous Board has given loans, the Government is not coming into the picture at all. So, this is the limited objective that we have in view and the apprehensions have been removed. Ater all, when the Government becomes a partner in a public company, it adds to the assets of the company also. Under these circumstances, I cannot understand why these people, even on my own side, have expressed doubts about this Bill.

Again, reasonable terms have been provided. If they do not find there are reasonable terms, they can go to a court of law. These are certain things which have been provided and there should be no hesitation on the part of anybody to accept a Bill of this kind.

About the vesting of the voting rights in a public trustee, why should there be any objection. We have seen how the private trustee has misused his powers in the interest of some directors and how he has used this power to enrich some of his individuals, whereas the trust is meant for a public purpose. The purpose is stated clearly. That purpose is violated. Under those circumstances, to see that larger interests are provided for, if a public trustee is appointed and he looks after the trust, I do not see anything wrong about it.

Now, about the appointment of a board, an independent body, to look after this, it has been accepted by all people. The one thing which I have noticed is, as if the procedure followed by this Parliament is almost a mockery of this Parliament. That is what has been expressed in some quarters. I do not know how could it be a mockery of Parliamentary procedure. After all, the Government, the Cabinet, which has come forward with a decision is only confirming and sticking to its own decision. Under these circumstances, I do not know how can it be a wrong way of interpreting a parliamentary procedure. After all, the Select Committee is a body of this House. The sovereign Parliament has got a right to decide when the Select Committee goes wrong. We know the circumstances under which this Select Committee was formed. It was not originally formed by the Government; it was a committee which was adopted by Government formed by some persons in the House. I would strongly say that there is no mockery of parliamentary procedure. This sovereign Parliament has a right to see that certain things are upheld. Even though the Select Committee may have gone wrong, the Parliament has right to correct those things. I stand by what the Government has done and we must all support the Bill of this kind because it is in the larger interest of the country. We have not even hesitated to amend in amending the Constitution when so required. Under those circumstances, let me explain that the change in the contractual obligation in the nature of things is not so sacred as it apears to be and the larger interests of the country must prevail over other interests.

श्री रामसेवक यादव (बाराबंकी) : उपाध्यक्ष महोदय, मिश्रित अर्थ-व्यवस्था या डाल्डा अर्थ-व्यवस्था के पेट से जन्मा यह कानून आज सदन के सामने प्रस्तुत है। मैं शुरू में ही निवेदन कर दूं कि मैं सार्वजनिक क्षेत्र का हामी हूं। और सार्वजनिक तथा निजी क्षेत्र की खिचड़ी पकाने के मैं हरगिज पक्ष में नहीं हूं। यदि हम इस दृष्टि से इस विधेयक को आंकते हैं, तो यह पाते हैं कि वित्त मंत्री सार्वजनिक और निजी क्षेत्र की खिचड़ी पकाना चाहते हैं और उस में भी शायद सार्वजनिक क्षेत्र का नमक बहुत कम या दाल कम और निजी क्षेत्र का चावल ज्यादा रखना चाहते हैं।

एक माननीय सदस्य : खिचड़ी खाने में अच्छी होती है।

श्री रामसेवकयादव : इस विधेयक के बारे में कहा गया है कि इस से कम्पनी कानून में सुधार होगा। मेरे इधर और उधर बैठने वाले जो माननीय सदस्य अपने को प्रगतिशील या क्रान्तिकारी कहते हैं, उन्होंने इस विधयक का बहुत लम्बा स्वागत किया है। और कुछ लोगों ने इस विधेयक का अपने व्यवहार से विरोध कर के इस को क्रान्तिकारी बना दिया है। वस्तु-स्थिति यह है कि न तो यह सुधार है, न यह क्रान्तिकारी है और न यह प्रगतिशील है।

मैं समाजवादी वित्त मंत्री से कहूंगा कि वह इन बातों पर ज़रा ध्यान दें। कम्पनी कानून में कई तरह की खामियां हैं। कम्पनी के लोगों को अपने मनचाहे राजनीतिक दल को चंदा देने का हक है। इसी तरह सरकार कम्पनी पर ज़ोर डाल कर अपने दल के लोगों और अपने रिश्तेदारों और भाई-भतीजों को लम्बी तन्ख्वाह पर नौकरी दिलाती है। कुछ दिन पहले बर्ड कम्पनी का प्रश्न यहां पर उठा था, लेकिन मंत्री महोदय ने उस का जवाब नहीं दिया। इसी तरह से जनहित के नाम से कुछ ट्रस्ट खुलते हैं, जिन को ये कम्पनियां पैसा देती हैं। इन बातों पर ध्यान नहीं दिया गया है। कोई एसा संशोधक-विधेयक लाया जाना चाहिए था, जिस से इन खामियों को दूर किया जा सकता। जो विधेयक मंत्री महोदय लाये हैं, उस को आंकने से मालूम होता है कि जिन अवगुणों और खराबियों का मैं ने अभी ज़िक्र किया है,

[श्री रामसेवक यादव]

उन को इस से और बल मिलेगा । वे अवगुण और खराबियां इस विधेयक से ख़त्म नहीं होंगी, बल्कि इस विधेयक से समाजवाद को बल मिलने के बजाये इस सरकार के हाथ में अधिक सत्ता और अधिक अधिकार जाते हैं । यह सर्व-विदित है कि सरकार ने अपने अधिकारों का प्रयोग किस के पक्ष में और किस तरीके से किया है । उस ने अपने अधिकारों का प्रयोग जनहित के लिए नहीं, बल्कि भ्रष्टाचार, पक्षपात और कुनबापरवरी को प्रश्रय देने के लिए किया है ।

इस विधेयक में बहुत सी बातें हैं । उन में मैं जाना नहीं चाहता हूं । असल में यह जो धारा ८१ का पैरा ५ है, यही इस में महत्वपूर्ण है । यह जो ट्रिब्यनल वाली या कंट्रोल बोर्ड वाली बात है यह तो इस की धुरी पर चारों ओर घूमने वाली बातें हैं । इस संशोधन में कहा गया है :

"If in its opinion it is necessary to the public interest to do so".

एक सवाल मैं समाजवादी मंत्री महोदय से पूछना चाहूंगा । क्या समाजवाद जनहित में है या नहीं है । अगर समाजवाद जनहित में है तो फिर समाजवाद और सार्वजनिक क्षेत्र ये दोनों ही एक अर्थ बताते हैं । जनहित और निजी क्षेत्र ये दोनों परस्पर विरोधी हैं । जब समाजवाद और जनहित, सार्वजनिक हित एक ही हैं, सार्वजनिक क्षेत्र और समाजवाद जनहित में हैं तो फिर जो शब्दावली यहां पर रखी गई है, इस को जब हम जैसे आदमी पढ़ते हैं तो उन के मन में शंका पैदा होती है कि सरकार इस विधेयक को लाने में हर्गिज़ ईमानदार नहीं है, सार्वजनिक क्षेत्र को यह बढ़ावा देना नहीं चाहती, वह तो केवल इस के रूप का प्रचार करना चाहती है जिस से ज़रा ऊपर से मालूम हो कि समाजवाद सार्वजनिक क्षेत्र की ओर बढ़ता जा रहा है । लेकिन अगर आत्मा को टटोल कर देखा जाये तो पता चलेगा कि सरकार, सरकारी मशीनरी, सरकारी दल सभी निजी क्षेत्र को मज़बूत करना चाहते हैं और इस तरह के प्रयासों से वही लोग मजबूत होते हैं ।

एक माननीय सदस्य : आप क्या चाहते हैं ।

श्री रामसेवक यादव : मैं ज़रा भी अगर कोई कदम समाजवाद की तरफ उठाया जाता है तो उसका पक्षपाती हूं । मैं इफ्स एंड बट्स को नहीं चाहता हूं, दीज़ शुड नाट बी देअर । अगर और मगर से काम नहीं चलेगा । अगर और मगर का इस्तेमाल करने से तो जनता का अहित ही होगा । आप कहते हैं कि पब्लिक इंटिरेस्ट में है या नहीं, इस को देखा जायेगा और तब इस्तेमाल होगा । मैं कहता हूं कि इस का इस्तेमाल करने में भेदभाव से काम लिया जायेगा, या फिर किसी कम्पनी पर सरकार की नाराज़गी होगी तो उस के साथ एक तरह का सलूक किया जायेगा और जिस के साथ मुहब्बत होगी, जिस ने ज्यादा चुनाव में पैसा दिया होगा, उस का बचाव होगा

श्री भागवत झा आज़ाद: बन्धु, आप को भी तो बैंक डोर से पैसा मिलता है ।

श्री रामसेवक यादव : इससे एक बात का पता तो चल गया कि इन को चुनाव में पैसा मिलता है और अब उन्होंने मान लिया है कि कम्पनी वाले इन को सीधे दरवाज़े से पैसा देते हैं, चन्दा देते हैं । अगर हमारी पार्टी को इस तरह से चन्दे मिल जाते तो हमारी हार न होती । चन्दे न मिलने के कारण ही होती है । क्योंकि हमारे पास पैसा नहीं होता है, इस वास्ते हारते हैं ।

जो प्राविसो है, यह जो कानूनी व्यवस्था है, उस में यह है कि वे हिस्से जिन में कर्ज़ का पैसा, डिबेंचर्ज़ का पैसा लगा हुआ है वह

बदला नहीं जा सकेगा क्योंकि जो सरकार की मशीनरी है वह सोचेगी कि जनहित में यह है या नहीं है और अगर वह कहेगी कि है, तब करेगी । सोचेगी या नहीं सोचेगी, यह तो मैं नहीं जानता हूं, लेकिन मैं कहना चाहता हूं कि साफ तौर पर यह निश्चित हो जाना चाहिए और मंत्री महोदय को ऐसा संशोधन लाना चाहिए कि जहां जहां जिन जिन कारखानों में सरकारी पैसा या धन लगा हुआ है कर्ज के रूप में या डिबेंचर्ज के रूप में वह बिना किसी अगर मगर के, बिना किसी प्राविसो के तत्काल शेयर में बदल जायेगा, सरकार उन को ले लेगी । मैं तो इस हद तक जाना चाहता हूं कि अब यह सार्वजनिक और निजी क्षेत्र की खिचड़ी पकाना बन्द होना चाहिए और सभी निजी क्षेत्र का राष्ट्रीयकरण हो जाना चाहिए ।

जहां तक इस कानूनी अड़चन का सवाल है, हमेशा इस तरह के प्रश्न उठा करेंगे और उठाने वाले उठाया करेंगे । आज भी शहरों और देहातों वाली चीज चल रही है । जैसा कि हमारे मित्र भागवत झा आजाद साहब ने कहा जब हम किसान की जमीन लेते हैं जब हम गांव की जमीन लेते हैं, जब हम जमींदार की जमीन लेते हैं तब हम जनहित, समाजवाद, समानता, जनतंत्र इन सब चीजों का नारा लगा करके उस को जस्टिफाई करते हैं, उसका प्रतीक बताते हैं लेकिन जहां पर पूंजीपतियों का सवाल आता है, कलकारखानों पर आंच आती है, वहां पर कानून के पक्ष, ईमानदारी के पक्ष, न्याय के पक्ष का सहारा लिया जाता है । मैं चाहता हूं कि माननीय मंत्री जी कम्पनी कानून में जबर्दस्त तरमीम करें ताकि सार्वजनिक क्षेत्र का विस्तार किया जा सके और अच्छा हो कि जितने भी निजी क्षेत्र हैं वे जल्दी समाप्त हों । दूसरे यह जो चन्दा वाला मामला है, भ्रष्टाचार वाला मामला है या यह जो नाते रिश्तेदारों को नौकरियां मिलती हैं, ये सब मामले ठीक किये जायें । जो संशोधन हुआ है कि जब जरूरी समझें सरकार का रुपया जोकि कर्ज के रूप में या डिबेंचर्ज के रूप में लगा हुआ है वह शेयर पूंजी में आ जाये, वैसा न रह कर वह तत्काल इस के अन्दर आ जाये ।

Shri T. T. Krishnamachari: It is not very heartening for me to have to reply to this debate. It is also my misfortune that sometimes one hon. Member opposite takes a lead and a very powerful lead to have references made to him constantly in replying to any debate in this House.

I have laid no claim that this is a socialist measure. In fact, if socialism has to be introduced, it cannot be through the company law. But, at the same time, there are many things that can be done by company law to check abuses, to check concentration of power and misuse of that power. So, hon. Members will forgive me if I cannot speak very much about socialism; what socialism they want and how it should be done must be done by other means.

Shri D. N. Tiwary (Gopalganj): They want 'Lohia socialism'.

Shri T. T. Krishnamachari: But so far as this measure is concerned, this is a regulatory measure.

The last speaker whose speech I had to get translated for my benefit, being ignorant of the particular type of dialect which he spoke, I do not think, has contributed very much to my knowledge. His is a negative approach, a negative approach which does not really have any sound or firm footing on the earth. Of course, I agree that much of what we do might appear to be a sort of mixture, olla-podrida, or, as he calls it, a *kichdi*. But a *kichdi* mind can never suggest a clear line of approach to anybody. This is where my hon. friend and his party fall between two stools. What do they want? We do not know.

Shri Ram Sewak Yadav: I want nationalisation, and socialisation and the finishing up of all this.

Shri T. T. Krishnamachari: As a matter of fact, these are not achieved by merely shouting them from house-tops, nor by obstructing proceedings in the House, nor by personal reflections on a few unfortunate Ministers.

श्री रामसेवक यादव : एल० आई० सी० का मामला आप के बारे में है।

Shri T. T. Krishnamachari: I know that the hon. Member is very facile with his tongue and sometimes makes very cruel remarks which we have to put up with.

But the point is that these are done by sound methods and by steadily pursuing them and by people who have at any rate an objective, and that is where that objective of my hon. friends is lacking because they are negative in their approach.

Coming to the main brunt of the attack, I do not know whether to be sad or to be happy. I am sad that here is the reputation of this country, which has been acknowledged to be very high in the capitals of the world being denigrated by an individual here, as one single act bring down the whole edifice. Here, we see a new Samson bringing down the temple. Apparently, Samson belonged to the historical past. After all, I think to a large extent they are allegorical figures. It is very difficult to repeat the achievements of Samson in this era, when temples cannot be easily demolished and one swallow does not make a summer. If my hon. friend happens to demolish a pretty little temple somewhere, it does not mean that the temple on which this country's honour and prestige stands can be demolished.

As I said, I am happy that if I have to stand at the dock of public opinion, I would rather stand with my leader and be honoured by it rather than stand with anybody who belongs to that group. Of course, it makes us angry to hear the name that the masses of this country still cherish and speak of with affection and still look at with awe and admiration as somebody who stands in the dock, as a Marxist and as a Hitler. My hon. friend should take care to see when he quotes that he quotes correctly. What my leader said at the party meeting—I do not mind repeating it here—was 'Those are Hitler's ways; we do not propose to adopt them'.

Shri M. R. Masani (Rajkot): You have adopted them.

Shri T. T. Krishnamachari: Of course, my hon. friend is not merely wearing dark glasses, but he is completely blind. What could I do about it? I am sorry that on every occasion I have to speak I have to cross swords with him. As I said before, he is a friend; he has been with us, he is still my friend—I hope I can count on him as one. But when he functions as the leader of the party, he cannot expect any mercy from this side. . . .

Shri M. R. Masani: No mercy is expected.

Shri T. T. Krishnamachari: . . . . . for this reason, that his party cannot have any mercy at the hands of any patriotic individual in this country. If any member of the party has the temerity to stand on the floor of this House to say that the credit of India has gone, what shall I call him? Shall I call him a patriot?

Some Hon. Members: No.

Shri T. T. Krishnamachari: Not the Patriot newspaper that is published in Delhi every day. No, Sir. I think my hon. friend does not mean it. I am sure he does not mean it because no sensible man in this country can get angry like that. He may be temporarily angry with me—I do not mind it. I do not mind if in moments of anger he calls me names. But I would rather he does not call my leader

names; even if he does, it does not matter. But I will ask him in all humility to desist from calling down the name of India, the India that this Parliament represents. It has a credit which is high, which will remain high, notwithstanding all the parties opposite. And we who are led by a leader whose sacrifices on behalf of the country are unparalleled anywhere else in the world, are not going to permit this kind of thing to be said. I can tell you that I shall, during the period that I have the pleasure of serving this Government and this House, hold the reputation of India very high in the capitals of the world notwithstanding people who come from the Swatantra Party. I know the hon. gentlemen who when they go from here to various countries and speak about India, speak denigratingly about her. There are people in this country who do it. (*An hon. Member*: 'Formosa'). I do not want my hon. friend to do it; I do not want him to be the cause of it. I am sure he will correct that error.

Let me come to the basis of the Bill. I do not think I need take long on it. Let me repeat. The Bill seeks to do three things. One is to establish a tribunal presided over by a person with a judicial background, judicial bias. I do hope it will be possible for us to get Judges. It is not easily possible for us to get Judges who are functioning. The courts will not spare them. No man wants any individual in this country to be hurt; no man wants anybody to be hurt by executive fiat. I do not want, it, nor do the party and the Government want it. We shall have a tribunal to go into the misdemeanour of persons. If the tribunal finds that there has been misdemeanour, certain action will follow, and it should follow.

The second important thing is that we seek to prevent aggregation of power by means of voting strength being exercised pseudonymously. I have not taken the advice of my hon. friend, even of Shri Nath Pai for that matter, to put before this House any legislation to stop concentration of power. It may come, but that will be done openly. But what we do not want people to do is to assume another name, get under the cover of a trust and add the power of the trust to their own in regard to controlling certain companies. We do not want it to be done. I am perfectly sure there are many trusts owned by companies which are being probably properly run, where abuse of power is not even thought of. But sometimes it may come. You never know. Vested interests, if they are provoked, sometimes get angry. And there are people—I know it to my knowledge—who misuse the power they have as trustees by means of keeping control over certain institutions. It is that that we are fighting. Therefore, the amendment the Select Committee made in regard to this provision in regard to trustees is perfectly correct. The public trustee will step into the position where the holding of a trust in one company's shares is a little above one lakh in some cases and five lakhs in all others and having stepped into that position, he can, in the case of good trustees, authorise the trustees themselves to act on his behalf. Oftentimes, shareholders do not exercise their rights. Dumb creatures in this world are often shareholders; they never exercise their rights. The public trustee could permit a trustee to do it. Provision has been made for that. But when he finds that it is not wise to do so—he will have the information at his disposal—he will exercise it, if necessary, for the purpose of preserving the interest of the trust. The real thing is that normally we say that the public trustee shall not vote except where he has to defend the rights of the trust. That is all the position and nothing more.

The last thing is about loans. Much has been said about vitiation of contract. If you will permit me, I am prepared to move an amendment. Of course, we are not accepting the pro-

[Shri T. T. Krishnamachari]

viso to the clause made in the Select Committee But I am prepared to suggest one amendment to the effect that any action to be taken in this regard shall be laid on the Table of the House, shall remain on the Table of the House for 30 days and no action will be taken until that period of 30 days lapses. Hon. Members might take any action that they like. I am doing it because I do not want it to be said that sometimes a Minister who is not controlled by a Prime Minister like Jawaharlal Nehru might misuse this power. It is possible. Here the biggest security we have is the reputation of the leader, his sound principles, his ideals.

Shri Kishen Pattanayak (Sambalpur): What sycophancy?

Shri T. T. Krishnamachari: The interruption is puerile.

What that check is removed, something might happen. I am certainly one with hon. Members that a Minister who misuses his power must be prevented from doing it. After, all, which is the court that is best in India? In any country with Parliament, it is the Parliament of the country which is the biggest court. Therefore, I shall move that amendment, provided you permit me to do so, that any draft statement on action to be taken should be placed on the Table of the House and shall remain there for 30 days during which the House is in session. Thereby I give the biggest safeguard anybody in this country can possibly require and obtain.

Then I have only one minor verbal amendment. I propose to accept the amendment that any hon. Member might move to eliminate that proviso. I think the proviso is no longer necessary in view of the fact that the House is seized of the problem. The House can check misdemeanour; the House can say 'do not do it' or can approve of it.

I have nothing further to add.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Companies Act, 1956, as reported by the Select Committee, be taken into consideration".

The motion was adopted.

Mr. Deputy-Speaker: There are no amendments to clause 2.

The question is:

"That clause 2 stand part of the Bill".

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3—(*Insertion of new sections after section 10 in Part I*)

Shri Warior: I beg to move:

Page 6,—

after line 7, *insert*—

"(4) No such appeal shall lie against any interim order of the Tribunal but only against the final order of the Tribunal.'" (1)

Shri P. R. Patel: I beg to move:

(i) Page 2,—

for lines 7 to 9, *substitute*—

"10A. (1) The Supreme Court at the request of the Central Government shall constitute a Tribunal consisting of one or more members as it thinks fit, to exercise and discharge". (16).

(ii) Page 2,—

for lines 25 to 31, *substitute*—

"(2) A member of the Tribunal shall be a judge of a High Court in India." (17).

(iii) Pages 2 and 3,—

for lines 32 to 37 and 1 respectively, *substitute*—

"(3) If the Tribunal is composed of more than one judge-member, the Supreme Court shall nominate one of the members to be the Chairman of the Tribunal." (18).

(iv) Page 3, lines 32 and 33,—

for "Central Government" *substitute*—

"Supreme Court". (19).

(v) Page 5,—

for lines 26 to 34, *substitute*—

"10D. (1) An appeal shall lie to the Supreme Court against the decisions of the Tribunal." (20).

(vi) Page 5, line 36,—

for "High Court" *substitute* "Supreme Court". (26).

(vii) Page 6, line 5,—

for "High Court" *substitute* "Supreme Court". (27).

Shri Himatsingka (Godda): I beg to move:

Page 5, line 28,—

omit "only on questions of law". (21).

Shri Solanki (Kaira): I beg to move:

(i) Page 5, line 28,—

omit "only". (22).

(ii) Page 5, line 31,—

after "out of any" *insert* "decision,". (23).

(iii) Page 5, line 31,—

after "finding" *insert* "or order". (24).

(iv) Page 5, line 32,—

after "section 388D" *insert*—

"and on any other question with the leave of the High Court". (25).

Mr. Deputy-Speaker: Shri M. R. Masani's amendments No. 49 and 50 are barred because the same amendments have already been moved.

The clause and the amendments are now before the House.

Shri Warior (Trichur): It is not clear whether the interim orders passed by the Tribunal will also be appealable, in which case the Tribunal will be able to proceed with its work only after the appeal is heard and decided, which will mean a great handicap in the way of its functioning efficiently and effectively. By my amendment I want to make this clear. That is why I have moved my amendment.

15 hrs.

[MR. SPEAKER *in the Chair*]

Shri Morarka: I think there is a misunderstanding on the part of Shri Warior. The proposed section 10D(1) clearly says:

"An appeal shall lie to the High Court having jurisdiction in relation to the place at which the registered office of the company concerned is situate, only on questions of law arising,—

(a) in cases against managerial personnel falling under Chapter IVA of Part VI, out of any finding of the Tribunal under section 388D."

Section 388D deals with the final order, and it is against that that an appeal is provided. Section 388C deals with interim orders, and it is clear that against that no appeal is provided.

Shri P. R. Patel: People's faith in justice should be maintained. Not only should justice be done, but everybody should have the confidence that justice would be done. So, my amendment is that the Government should request the Supreme Court to constitute the Tribunal.

I am of opinion that the members of the Tribunal should be all High Court Judges, because the Tribunal is given very wide powers. As you will see from page 4, the Tribunal will enquire into misdeeds and so many other things. You will see from page 11 that the Tribunal will be asked to enquire into circumstances suggesting—

> "that any person concerned in the conduct and management of the affairs of a company is or has been in connection therewith guilty of fraud, misfeasance, persistent negligence or default in carrying out his obligations....
>
> "that the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices; or
>
> "that a company is or has been conducted and managed by such person in a manner which is likely to cause, or has caused, serious injury or damage to the interest of the trade, industry or business to which such company pertains; or
>
> "that the business of a company is or has been conducted and managed by such person with intent to defraud its creditors, members or any other persons or otherwise for a fraudulent or unlawful purpose or in a manner prejudicial to public interest,"

These are wide terms. Keep them there as they are if you want, but these should be enquired into by a tribunal composed of Judges. We have every faith in the High Court and the Supreme Court and their Judges. Why not utilise the services of the High Court Judges? Why nominate a retired Judge on this Tribunal? Appointing a retired Judge to the Tribunal sometimes comes to political corruption. Anybody may be put in tribunals of this kind, and people's faith in justice will be shaken. Damn all directors if you want, I have no love for them, but if you want to damn a director or remove him or replace him or deprive him of his remuneration, it is a big penalty which should be given by a proper tribunal consisting of the judiciary.

The members of the Tribunal, it is provided, should be persons with adequate knowledge of and experience in law. A pleader of three to five years standing may be put. He may be said to possess adequate knowledge. If such persons are appointed, it would only strengthen the hands of the Executive, and they will always look to the Executive for their future career. This is not a good development. We are drifting away from the judiciary and having such a tribunal. It is not a good sign for democracy. So, the House may be pleased to accept my amendment.

I have every faith in the Finance Minister, but after all, the Finance Minister may be a man in business or in some company. We cannot exclude such a man becoming a Finance Minister, and he may have his own likes and dislikes. After all, human weaknesses are there. So, I think it would be proper and in the interests of democracy that the Tribunals should be composed of High Court Judges and appointed by the Supreme Court and none else.

Shri Solanki: In page 5, line 28, I want the word "only" to be deleted, because the appeal should be also on facts to the High Court. If the Tribunal comes to a wrong decision on facts, then the High Court can give relief. The evidence before the Select Committee is there to support us.

Lastly I want to insert the words 'or order' after the word 'finding' in line 31 on page 5. There is difference between 'finding' and 'finding in order'. That is the amendment.

Shri B. R. Bhagat: I do not accept the amendment of Shri Warior because as the hon. Member said, section 10D (1)(a) refers to—

"cases against managerial personnel falling under Chapter IVA of Part VI, out of any finding of the Tribunal under section 388D".

He may mean that the interim order in the proposed amendment is in regard to application made under section 397 or 398 as the case may be under the provisions of section 493. It is not open to a party aggrieved by an interim order under this section to go to any High Court in appeal. Perhaps he may mean that sort of appeal. So, that amendment is not necessary.

The other point made by an hon. Member was that the tribunal should consist of High Court Judges. I think the Select Committee has deliberated over this. The Chairman will be of the status of High Court Judge. In a matter like this experience in management of companies, law, accountancy, etc. is necessary. I think his point is met because the Chairman is of that status.

Mr. Speaker: I shall now put all the amendments to the vote of the House.

The amendments were put and negatived.

Mr. Speaker: The question is:

"That Clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4— *Insertion of new Part IA after Part I*

Mr. Speaker: We go to clause 4— Are any amendments moved?

Shri Warior: Yes, Sir. I have an amendment—No. 2. I beg to move:

Page 6,—

(i) in line 16, *for* "such powers" *substitute*—

"all powers."

(ii) in line 17, *after* "Act", insert " , ".

In the constitution of the board on company law administration, it says here 'such powers'. Formerly this administration had other powers also, other than those mentioned in this clause, such as control of capital issues, stock-exchanges, financial corporations, etc. So, these powers also must vest in the board. They fall in the same category of activities. It cannot be visualised now which activity of the companies will have to be covered. It is necessary that there must be a co-ordinated action. So, all the powers that were formerly vested in the company law administration must be given to them. I see no reason why when the board is constituted some of these powers are taken away but not given to the board for more efficient and co-ordinated administration.

Shri Morarka: Sir, I think the amendment of Mr. Warior is based on some inadequate appreciation of the provisions of the Bill. All the powers under the Companies Act are delegated to this board. The clause here says:

"As soon as may be after the commencement of the Companies (Amendment) Act, 1963, the Central Government shall, by notification in the Official Gazette....to exercise and discharge such powers and functions conferred on the Central Government by or under this Act or any other law as may be delegated to it by that Government."

The powers over stock exchanges or capital control are powers under

[Shri Morarka]

separate Acts and they could also be delegated. This enabling power has been taken here. All these powers cannot be embodied in this Act; they could not come under the purview of the Company Law Amendment Bill.

The Minister of Planning (Shri B. R. Bhagat): To supplement what the hon. Member has said clause 14 also gives the power to the Central Government to delegate any of its powers or functions, other than the power to appoint a person as public trustee under section 153A and the power to make rules, to the company law board. Except in respect of these two important and policy matters, the Central Government can delegate all its powers.

Shri Indrajit Gupta: These two powers are excluded. Does it mean that all the other powers are necessarily to be delegated?

Shri B. R. Bhagat: They can be delegated.

Mr. Speaker: I shall put amendment No. 2 to the vote of the House.

The amendment was put and negatived.

Mr. Speaker: The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Clause 5—*Amendment of section* 81

Shri Warior: I beg to move:

3. Pages 7 and 8,—

omit lines 34 to 42 and 1 to 4 respectively.

Shri P. R. Patel: I beg to move:

(i) Page 7, lines 29 to 31,—

omit "on such terms and conditions as appear to that Government to be reasonable in the circumstances of the case".

(ii) Page 8, line 16,—

for "thirty days" *substitute*—

"six months". (33).

Shrimati Subhadra Joshi: I move No. 46 and 47.

Mr. Speaker: 46 is the same as 3 and 47 is the same as 4. So, they are barred.

Shri B. R. Bhagat: I beg to move:

(i) Page 8,—

(a) *after* line 13, *insert*—

"(6) A copy of every order proposed to be issued by the Central Government under sub-section (4) shall be laid in draft before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions."

(b) in line 14, *for* "(6)" *substitute* "(7)". (56)

(ii) Pages 7 and 8,—

omit lines 34 to 42 and 1 to 4 respectively. (57)

Shri Hari Vishnu Kamath: While I do not wish to go into the merits of the amendments that have been moved, I wish to raise an important point of order with regard to the role of Select Committees of the House. I would invite your attention to the Lok Sabha debates of the 17th July, 1956. I am reading the relevant extracts, excerpts, from the proceedings of the House on that date, 17th July, 1956. A Member of the Select Committee, Shri Raghavachari, was about to speak or was speaking at that time, slightly differently from what the report had recommended, and the point of order was raised by the hon. Member Shri Barman. He

raised the objection, and Mr. Speaker—I believe it was Shri Ananthasayanam Ayyangar at that time—gave a very elaborate ruling covering nearly two or three columns of the debate. I will read excerpts from that, the ruling that he gave at that time. He said:

"I think the object of a Bill being sent to a Select Committee is for the purpose of having the considered opinion of its members....Members of a Select Committee are expected to give a lead to the House; either they agree with the report or they do not agree. If every Member of a Select Committee bypasses the report of that Committee, what is the object of having sent the Bill to a Select Committee? Whose opinions are we considering here? Therefore, it is proper that any Member who differs from the majority report must append a note of dissent."

He went on to say, further:

"But having been a party to the Joint Committee, I expect him—

that is the Member concerned who was speaking against the report of the Committee—

"and all Members who were members of the Joint Committee to stand by the report. Otherwise, the whole thing will be a waste—

He used strong words—

"and it will result in a false impression being given to this House. I do not say they are debarred from expressing their views now. They may say by announcing that 'I am very sorry; I am not aware of it'."

Then, there are the Directions of the Speaker—87 and 88—where it is said that the Member should definitely say before he appends a Minute of Dissent that he has read the report, and if he does not append a Minute of Dissent, it is understood that normally he agrees with the recommendation of the report. I am making this point at this stage because I do not know whether the Members of the Select Committee who have not appended a Minute of Dissent will speak here against the report of the Committee. I am not aware; I do not know at the present stage. But the stage will come a little later on when the voting stage is reached. I want a definite ruling from you whether Members of the Select Committee who failed to append a Minute of Dissent to the report of the Committee will be in order if they vote against a particular recommendation of the Committee from which they have not dissented, to which they have not appended a Minute of Dissent. That is an important point for salutary parliamentary convention and tradition to grow in this country. Otherwise, the Select Committee will become a farce if a contrary convention grows in our country, where a Member, not appending a Minute of Dissent, speaks and votes as he likes, opposes a recommendation of the Committee even if he did not append a Minute of Dissent. You will please consider this point with regard to clause 5 which is a very controversial clause, which has been the subject-matter of debate inside and outside this House, and guide the House and the Members of the Select Committee who, so far as this clause is concerned, speak differently from the recommendation of the Committee, and vote on it also likewise, even though they have not appended a Minute of Dissent.

Shri Morarka: Before you give a ruling on the point raised by Shri Kamath, I want to know whether it would be proper for us to discuss what exactly transpired in the Select Committee, because that has a bearing as to why the hon. Minister did not append a Minute of Dissent. He wanted to, but would it be proper for

[Shri Morarka]

me to tell the House under what circumstances he did not append a Minute of Dissent? If you permit me, I would say. I would like to proceed only if you permit me to say what happened.

Mr. Speaker: I would not allow that, but if it was such a situation . . .

Shri Warior: Can a Minister put in a Minute of Dissent?

Mr. Speaker: He is also a Member of the Select Committee.

Shri Indrajit Gupta (Calcutta South West): There was some doubt on that question.

Shri Warior: If there is a doubt, you must give a ruling.

Mr. Speaker: He is as good a Member of the Select Committee as anybody else. Therefore, if the decision is different from what he holds, he can always say there that he does not agree, but if such were the situation, the Minister could explain it: he could explain the grounds on which he could not by that time append a Minute of Dissent. If he differed from the point of view that had been taken, he should explain to the House, and the House should be aware of such a situation having arisen. The House should not be taken unexpectedly under the impression that all Members had agreed to the report that was made by the Committee and particularly the Minister who is in charge of the Bill and who is sponsoring the Bill. There would be a presumption that probably he had agreed to what the decision had been.

Shri A. N. Vidyalankar (Hoshiarpur): I was a Member of the Select Committee. The Minister made it clear there that he did not agree with that amendment.

Shri P. R. Patel: But he did not append a Minute of Dissent

Mr. Speaker: What Shri Kamath says is that if the House is not told the reasons, and if any Member of the Select Committee stands up and begins to oppose the decision that has been taken without having appended any Minute of Dissent to that report, then Members may remain under the impression that probably he was not a Member of the Select Committee. Therefore, if in any extraordinary circumstances, a case has arisen where a Member has changed his opinion or at that time also was of a different view but was unable to append a Minute of Dissent, then, when he stands up, he should make it clear here before the House so that the House must be forewarned that though at hat time he had not appended that Minute of Dissent, he was of that opinion or that later he changed his opinion. Both cases must be let known to the Members when they hear the Member of the Select Committee, so that with that background, knowing all the information that he has given, the debate may proceed.

Shri A. N. Vidyalankar: The convention is that the Minister does not append a Minute of Dissent. It was pointed out there: that according to the convention the Minister cannot append a Minute of Dissent.

Mr. Speaker: He must explain that and say that under the convention he has not appended a Note of Dissent. He owes it to the House that he should explain to the Members that "this is the report, but I did not agree at that moment; I did not append or could not append a Note of Dissent" etc. Or, if he has changed his mind, subsequently, he should make it clear before the House.

Shri Morarka: Before you part with this subject, may I say a word or two? I was partly responsible for this particular episode. In 1953 or 1954, the Income-tax (Amendment) Bill was referred to the Select Committee. Shri C. D. Deshmukh who was then the Minister in charge of

that Bill did not agree with the majority view of the Select Committee, and he wanted to append a Minute of Dissent. A similar objection was taken, and I believe the matter was referred to the then Speaker: I think it was Shri Mavalankar. He gave his opinion or rather advice that the Minister should not append a Minute of Dissent. Otherwise, it would be very embarrassing and though the Minister is a Member of the Select Committee he is a little more than that, and it would be highly embarrassing if a Minister appends a Minute of Dissent. I had followed that, and based on that experience of mine, it was I who told the Minister that it is not proper for a Minister to append a Minute of Dissent.

Mr. Speaker: Then, he must explain it to the House. That is due to the House.

Dr. M. S. Aney: Did that Member reserve the right of expressing a contrary view on the floor of the House? He must have reserved that right at that time and specifically said that he reserves the right to express a contrary view on the floor of the House. Then alone he can come here and express a different opinion.

Shri A. N. Vidyalankar: Unfortunately, I was not present then. May I move my amendment?

Mr. Speaker: Now his amendment is barred, because Mr. Warior has moved his amendment, which is just the same.

Shri A. N. Vidyalankar: My name is also associated with it.

Mr. Speaker: I will give him an opportunity to speak on that.

Shri M. R. Masani: Sir, the choice before the House is between the clause as contained in the Report submitted by the Select Committee and the two amendments moved by the hon. Minister. That is the narrow issue before the House. Before I explain it, may I say I was rather amazed to hear the Minister blaming me for warning Government and Parliament against rejecting the advice of the Select Committee? I explained that the Select Committee had modified the clause and put in the proviso because they thought that the Bill as it was would damage India's credit abroad. The Minister thinks that my speech will damage India's credit abroad. Nobody very much cares what I say in the House. It is the actions of the Parliament and the Government of this country that will decide the credit of India abroad. My warning was that, if this clause is passed in the form that the Government wants and not in the form recommended by the Select Committee, it will deal a great blow to the credit-worthiness of this country, which needs foreign capital so badly. On the contrary, the Ministry now says that my speech will damage the credit-worthiness of India. Sir, I am very much flattered at the importance he gives me, but unfortunately, it is the action of the Government that will damage India's credit abroad and not speeches....

Mr. Speaker: Foreign investors may also see that Mr. Masani had already warned the Government.

Shri M. R. Masani: I am grateful to you for the compliment, but the fact is that they do not need my warning. They move very fast and they know exactly what is happening in the country. They are not going to be guided by a small man like me. It reminds me of the saying:

चोर कोतवाल को डांटे ।

Sir, following the advice given by your hon. predecessor, Shri Mavalankar, which has just been read out by Mr. Kamath, I propose to do my duty as laid down by Mr. Mavalankar, of standing by the report of the Select Committee. Mr. Mavalankar said that it is the obligation of any member of the Select Committee who has not dissented to stand by the report

[Shri M. R. Masani]

of the Select Committee. I stand by that clause as modified by the Select Committee. It provides two safeguards. One is that there should be default and the other is that there should be three months' notice to the defaulting company to put itself right. If it does so, nothing arises. But if the company does not take notice and continues in default for three months, then the contract should be modified and Government could take action. That is what the Select Committee recommended.

The Finance Minister has moved two amendments Nos. 56 and 57. 57 comes first in point of drafting. It refers to omitting lines 34 to 42 and 1 to 4 of the respective pages. That, Sir, is the whole proviso put in by the Select Committee. The Minister wants to undo what the Select Committee did to safeguard India's credit abroad and prestige at home. I oppose this amendment and I stand by the report of the Select Committee for the very good reasons given by Mr. Mavalankar, your predecessor.

So far as the other amendment is concerned, I am glad that the strength of feeling on this matter in all quarters has persuaded the Minister to put in one safeguard. As I mentioned, the Select Committee had put in two safeguards: one is default and the other is 3 months' notice. The Minister still does not accept default. But I am glad to see that he has met part of the point of view of the majority of the Select Committee by bringing in an amendment which certainly will give notice of 30 days if not 90 days. This is a matter of detail and I do not think we are interested in the number of days. But the fact remains that notice is given to the party concerned and, what is more, notice is given to Parliament and Parliament under its rules will be able to discuss a motion on it, if it so desires. So I think this amendment certainly meets half way the position of the Select Committee.

Shri Bade: Not half way, but quarter way.

Shri M. R. Masani: It means one of the two points made by the Select Committee has been met. What percentage it is, I am not concerned with. I do recognise that the Minister has met opinion on this subject half way and I welcome it. But I still think that the deletion of the proviso, as recommended by the Select Committee, is unfortunate and it will harm the country and the flow of foreign capital. Therefore, following your hon predecessor's advice to members of the Select Committee, I propose to vote for the clause as it was recommended by the Select Committee and to oppose amendment No. 57, which has been moved by the hon. Minister.

Shri Daji (Indore): Sir, I have first of all to request the House through you that the matter should not be viewed as it is being sought to be viewed, namely, that one should not alter a report of the Select Committee on the ground of constitutional propriety.

Mr. Speaker: No body has said like that.

Shri Daji: Not exactly like that, but Mr. Mavalankar's ruling was quoted as a precedent as if . . .

Mr. Speaker: He only takes advantage of that because he supports the Select Committee's view.

Shri Daji: But I would request the House to look at the question more fundamentally. Really speaking, what we propose to amend is one good salutary provision that existed in the Bill which was placed before the House and which was referred to the Select Committee.

In ordinary cases, giving powers to the Government may be a different matter. But considering the particu-

lar background in which this clause has come, this is not only essential, but I would go to the extent of saying that instead of "may" my hon. friend who has moved the amendment should have used the word "shall". It is not a question that Government may convert loans into shares but Government should in each and every case convert loans given to private parties into shares. After all, there is nothing very shocking about it and I certainly join issue with my friend, from Rajkot when he said that foreign investors would be shaken.

Sir, we have heard so many times and too much about frightening away foreign investors. It is a case which in Hindi is called:

माई को उतना न लगे जितना दाई को लगे

Some of our friends are behaving as if they are more exalted protectors of foreign interests than the interests themselves. It only shows where their heart lies. Only a week back, we were told by no less a person than the British High Commissioner in India . . .

Mr. Speaker: He is not protecting foreign interests here. He has said that if our credit-worthiness goes down, we will suffer.

Shri Daji: I want to say that nothing like that is likely to happen because of this clause even remotely. I saw with restraint and respect that even to thing that our credit-worthiness will fall because of this is libellous and anti-national. Because of this clause, our credit-worthiness is certainly not going to fall. It is quite strong in the world and we are not taking any drastic expropriatory or any such measures that our credit-worthiness in foreign countries will fall because the Government is given this very halting power that Government "may", if they want, convert the loans into shares.

Shri Morarka: Both may be right. It may fall in America and it may not fall in Russia.

Shri Daji: It would not fall in America also. Since my hon. friend has provoked me, I would say this that even if our credit-worthiness will fall, it will only fall in quarters who regard profit-making as the only dominant motive in investing here and looting the poor people of India. This clause is not going to affect anyone who wants to help India in a friendly manner. I have not got an iota of doubt about this. For an hon. Member of this House to get up and say that our credit-worthiness is going to fall is not in the best traditions of nationalism, to put it at the least.

An hon. Member: We have to learn nationalism from you?

Shri Daji: Yes, you have to learn many things from me. Some of my friends, sitting with me are putting silly questions like this. There is a scar on my face, which is because of my participation in the national movement, which many of you cannot boast of.

An hon. Member: It may be from Chinese.

Shri Daji: Please do not bring in Peking here.

Mr. Speaker: Order, order.

Shri Daji: Only the other day, the British High Commissioner in India made a statement which said that the climate and conditions for foreign investment in India are quite healthy and he was expecting a good amount of foreign investment. He went on to say, which was more remarkable, that the rate of profit in India on normal business was quite attractive. That was the statement made by the British High Commissioner in India, and I think he certainly knew what he was talking about. So, I cannot understand why the Government has used the word "may". I would submit that it is a mild term.

Shri Bade: Is he speaking on the amendment or giving his view on the report of the Select Committee?

Mr. Speaker: He is talking on the amendment.

Shri Daji: What I was submitting was that even the word "may" casts a duty on the Government to act when public interest warrants it.

Shri Gauri Shanker Kakkar (Fatehpur): Sir, I rise on a point of order. I do not think that we are now having a regular discussion on the amendment. A point of order was raised earlier by my hon. friend, Shri Kamath. He made a reference to a certain ruling given by the hon. Speaker and then, Sir you also gave the opinion that the Minister concerned is expected to explain the actual circumstances in which he changed his mind or explain certain incidents which have led him to change his mind. I think we were on that discussion and that will not be over until you give your ruling on that.

Mr. Speaker: That was over long ago.

Shri Gauri Shanker Kakkar: No, no.

Mr. Speaker: Order, order. Perhaps, he has not followed it because of the pace at which we have been travelling. That we finished long ago. Now we are discussing the amendment.

Shri Daji: I think that coupled with the words "public interest" the word "may" may give wider powers to the Government and it may be interpreted to mean that a duty is cast on the Government by the Act whereever possible to force the issue of shares in place of the existing loans. I do not know, we have been told that the defaulting companies which have been given loans and to which this clause will apply will be hardly 3 or 5. As far as I know, not even one of them is a foreign company, and the most important case in the case of a big steel magnate who has been given Rs. 10 crores almost gratis and nothing has been returned. The money has been invested, profits are being earned and yet those Rs. 10 crores are not being returned even by instalments; not only that, even as interest, not a single pie has been paid by that company as yet. Therefore, in order to hide this glaring fact, this bogey of frightening the foreign investor may be used as a smoke-screen. So, let us face the facts as they are. Certain business houses have managed to get loans from Government which they are not repaying. Not only that, they are not even paying interest on that. Under these circumstances, there is no other go but to bring in this provision which will arm the Government with the powers to convert the loans into shares in order to safeguards the public interest.

If we are going to speak about the principles of equity and all that, I think no principle of equity can be said to be violated when the interests of one are set as against the interests of the whole nation. There is groups of 4 or 5 individuals, concerns or companies which has managed to lay its hands on the national wealth and it is not returning it. If, under these circumstances, we give such powers to the Government in order to secure national interest by converting loans into shares, I do not think any principles of natural justice are violated.

Lastly, default is not the only question which can be covered by "public interest". "Public interest" is a wide term. It includes the interests of the whole economy, whole nation. Therefore, it is certainly not correct to restrict this only in the case of defaults. Technically speaking, man may not be defaulting. I cannot go into the details. Only the other day, the Minister of Steel, Mines and Heavy Engineering, Shri Subramaniam was saying in reply to a question that one of the terms of the agreement is such that the firm will never be in default. It seems under one of the terms Government should pay in another name a sum of Rs. 10 crores to that firm and from that payment the firm will pay back what it has taken earlier! So, it

is as good as written off. Under these circumstances, technically a man may not be defaulting. Even then, if public interest demands, strong action should be taken, because it is a question of national wealth. Therefore, I submit that the House should consider this dispassionately and should accept this amendment.

Shri Bade: Mr. Speaker, I have heard my hon. friend from Indore, Shri Daji, who is an advocate of long standing. But when he makes an academic discussion, when his principles are brought in, his mind becomes biassed because of the views of his party. As a matter of f t, when we are making or enacting a law which will have retrospective effect, we have to consider whether Government is discharging a governmental function or the function of a creditor to a debtor. Here the question is whether a creditor is entitled to abrogate or modify the terms of the contract unilaterally. If my learned friend goes into that question, certainly he will come to the conclusion that a contract between a debtor and a creditor, a money-lender and a borrower, should not be wiped out like a scrap of paper.

The question that has to be considered is not whether it will affect three, four or five concerns. That is not the question. The main question is whether this Parliament should pass a law whereby we arm the Government and the Government servants with wide powers without any restrictions. Any Government servant can take action under the proposed law by saying that it is in the public interest. My learned friend, Shri Daji, knows—he has conducted so many cases—that the term "public interest" in the words of a High Court is very nubalous, vague and mischievous. There are any number of conflicting cases on this point of "public interest". Any officer in his sweet will can interfere by bringing in "public interest". So, the question that I ask is whether this Parliament should arm such officers with wide powers to act "in public interest" and that too when the provision has retrospective effect. So, there is every objection to making it retrospective.

Then there are two clauses that notice should be given to the defaulter. The Select Committee has amended the clause, and I think it is very proper. If my hon. friend, Shri Daji, looks at this provision from the point of view of an advocate, I have no doubt that he will come to the same conclusion to which I have come.

Mr. Speaker: Are both hon. Members practising in the same High Court?

Shri Bade: Lastly, we have taken a decision that we will have a mixed economy. If there is a mixed economy, a private company should not be taken over by making or converting the loan into capital, thus making it a company in the public sector overnight. That is my objection, and I hope the House will consider it.

Shri A. N. Vidyalankar: Mr. Speaker, I have given notice that the proviso to sub-clause (4) should be omitted. In the report of the Select Committee also I appended a minute of dissent. On the very first day when our hon. Finance Minister commended the report of the Select Committee for the consideration of the House, he made quite clear the reasons for which he could not accept the proviso that was added by the Select Committee. I have also agreed with the reasons given by him. It has been stated in the course of general discussion that constitutional difficulties come in the way. If the constitutional provisions did not permit conversion of loans into equity shares, then in the case of defaulters also the same provisions will stand in our way and in the case of defaulters also the conversion will not be possible as provided. Therefore, I cannot understand the position of those who say that in the case of defaulters, the constitutional provisions did not stand in the

[Shri A. N. Vidyalankar]

way, but in the case of other conversions, they stood in our way. The proposal that the hon. Finance Minister has put before us is based on some past experience. Past experience with whom? It is based on the past experience with those who are at present loanees who have taken loans from the Government and they have behaved in a manner and have used loans in a manner that the Finance Minister has thought it fit to come to the House.

Sir, several times in the course of various discussions this House has desired that disparities in income should be reduced. At present, the tendency is that a few persons are getting richer and richer and the poor are getting poorer. This tendency should be checked. On one side we desire the Finance Minister to put certain checks, to take suitable measures to see that this tendency should be checked, and on the other hand when the Finance Minister proposes some measures on the basis of past experience with those who have taken loans when he wants to prevent them from misusing those loans and influence when he wants to put certain checks on them, some of our friends stand in the way and they say, "No, these loans should not be converted into equity shares." I do not understand them. On one side we desire the Finance Minister to follow certain policies and when in pursuance of those policies the Finance Minister desires to take effective action. Some of us try to prevent him from doing so. Therefore, I think, in this matter the Government may be given full powers. It has been stated that it will be done in the public interest. I think that the proviso added by the Select Committee should be removed and the rest of the clause should be passed.

Shri P. R. Patel: Mr. Speaker. Sir, this clause gives power to the Government to convert loans into equity shares and in this clause the words are:

> ". . . on such terms and conditions as appear to that Government to be reasonable in the circumstances of the case."

Now, when a contract is there, the general principle is that it can be amended or repealed by both the parties with consent. Now, here the clause gives the authority to Government to convert loans into equity shares unilaterally without the consent of the other side. Whether it is proper or not, I do not want to go into that. But to convert loans into equity shares on such terms as the creditor chooses........

Shri Morarka: The proposed sub-section 6 of section 81 provides for a right of appeal to the court.

Shri P. R. Patel: The right of appeal is there. But there it is stated:

> " . . . as appear to that Government to be reasonable in the circumstances of the case."

So, it should appear to the Government as reasonable. Under the circumstances, its decision is to be taken on such terms as the Government decides. If the other side is not satisfied it may go for an appeal. That is a different question. But here to give that power to the Government, to the creditor, to dictate terms on which the conversion is to be done is not proper. I would cite one example. Suppose today's market price of the equity share is Rs. 144 or Rs. 145 and the Government thinks it reasonable that the loan be converted into shares at the price of Rs. 199 and the Government thinks that that is reasonable. To give such an authority to the creditor is not proper. That is my submission. In the circumstances I request that my amendment may be accepted.

Shri D. N. Tiwary: Mr. Speaker, Sir, I support the amendment of the Government. During the general discussion here, two objections were taken against the amendment. My hon. friend from Rajkot said that by introducing this amendment, the Government is guilty of breach of contract and the second argument that he put forward was that the leader of the Congress Party hoodwinked the Party Members and dictated them to do things in a certain way. I think, both the charges are wrong. Whether it is in the interest of Mr. Masani or not, I cannot say. But if he comes to the breach of contract, I may give an instance that in Bihar and U.P. there was permanent settlement of zamindaries and they were abolished. It was permanent settlement; no voice was raised by Mr. Masani at that time when that contract was breached and the poor zamindars like us have now become almost paupers. He did not object to that because that was in the national intterest. (*Interruption*).

Mr. Speaker: Hon. Members should presume that very hon. Member is speaking to further the interests of the nation. It is only the difference of opinion. One might think that it is in the public interest to take to one policy and the other might think just the contrary. Every hon. Member is speaking in the public interest.

Shri D. N. Tiwary: What I want to bring home to this hon. House or to our esteemed friend from Rajkot is that no contract is sacrosanct and this Parliament has got powers to change any contract at any time if it thinks in the public interest. Not only the zamindari was abolished in Bihar and U.P., but even our marriage contracts are being changed every day. Where is the question of it being sacrosanct.

Mr. Speaker: He need not come to the marriage contract at this hour of the day.

Shri D. N. Tiwary: Is it taken that the Portuguese had some contract with some ex-kings here and that they should not have been ousted? Does he mean to say that?

The second point refers about the attack on our leader. He is perhaps mistaken. The back-benchers, as you call them, or the Members of the Party wanted to go a step further. If there was a failure of payment on this or on that, they wanted to make the loan of the Government turned into equity share in every company that has taken the loan. So, the leader exercised control on the Members of the Party and then he made this *via media*. There was a wrong casting of aspersion on our leader.

With these words, I support this amendment.

श्री शिवनारायण (बांसी) : अध्यक्ष महोदय, मैं इस अमेंडमेंट का इसलिए समर्थन करता हूं कि इस से देश की ९० प्रति शत जनता को फायदा पहुंचेगा । सोसाइटी के हत में सरकार ने जमींदारी का एबालिशन किया और गरीब काश्तकारों को इधर से उधर नचाया उस समय हमारे विरोधी दल वालों ने कोई आवाज नहीं उठायी । लेकिन आज जब कुछ बड़े लोगों का मामला सामने आया तो मसानी साहब परेशान हो गये और कहने लगे कि इससे दुनिया में हमारी नाक कट जायेगी । मैं कहता हूं कि यह बहुत अक्लमंदी का कदम उठाया गया है और इस मामले में गवर्नमेंट ने हम को फोर्स नहीं किया है, लेकिन हम मेम्बरों ने गवर्नमेंट को यह चेंज करने के लिए फोर्स किया है । हम मेम्बरों ने एक्जीक्युटिव और सेलेक्ट कमेटी के गलत डिसीशंस को ठीक किया है । ऐसा हम ने किसी के डिक्टेट पर नहीं किया है । इस के लिए हम लोगों पर अपने लीडर का कोई दबाव नहीं था बल्कि यह तो कांग्रेस पार्टी का अपना डिसीशन है । **इट इज इन दी पबलिक इंटरेस्ट** । यह मेजर किसानों और गरीबों के इंटरेस्ट में है ।

[श्री शिवनारायण]

इन अपोज़ीशन वालों की तो हम कांग्रेस वालों की नुक्ताचीनी करने की आदत सी पड़ गयी है । जब भी हम कांग्रेस वाले कोई नेक और जनता की भलाई का काम करते हैं तो अपोज़ीशन वाले हमारी नुक्ताचीनी करते हैं और गाली वग़ैरह देते हैं । लेकिन हमारे इस क़दम से मैं समझता हूं कि हमारे विरोधी भाइयों को भी इस बात का इतमीनान हो गया है कि यह मेजर पूंजीपतियों के हित में न हो कर देश की ६० फ़ीसदी जनता के हित में है । इसलिए मसानी साहब बेकार में परेशान न हों और घबरायें नहीं, हमारी नाक जैसी उन की आशंका है, कटने वाली नहीं है, अपितु ६० प्रतिशत: जनता के हित में किया जा रहा हमारा यह कार्य हमारा मान देश में और बाहर बढ़ाने वाला ही सिद्ध होगा ।

Mr. Speaker: Now, the hon. Minister.

Shri Warior: Before you call the hon. Minister, I just want to make one submission.

16 hrs.

Mr. Speaker: When I wanted to call the hon. Member earlier he just pointed to Shri Daji, but now he wants to speak.

Shri Warior: I only wanted Shri Daji to speak first.

At page 8 of the Bill, in the proposed sub-section (5) of section 81, it has been provided that:

"In determining the terms and conditions of such conversions, the Central Government shall have due regard to the following circumstances....".

Then, the circumstances have been mentioned. In the light of the new amendment which the hon. Minister has proposed, which seeks to place the intention of Government or the proposal of Government on the Table of the House for one month's time, what will be the position of the market value of the shares? Will the term 'market value' mean the original value of the shares or the value after one month's time? When Government announce their intention and it is published, the market value of the shares may go up and if Government give the market value as it obtains after one month, then they may have to pay much more than the original value.

Mr. Speaker: That would be a good opportunity for the hon. Members to clutch at them.

Shri Warior: I want a clarification on this point because this is a new amendment which Government have brought forward.

Shri Hari Vishnu Kamath: I would like to move an amendment to amendment No. 56, as follows:

"That in the amendment proposed by Shri B. R. Bhagat, printed as No. 56 in List No. 7 of amendment,—

in (a), add at the end:

"and if before the expiry of the session in which it is so laid or the successive sessions aforesaid, both Houses agree in making any modification in the order or both Houses agree that the order should not be made, the order shall thereafter have effect only in such modified form or be of no effect as the case may be.".

Shri M. R. Masani: That is usual.

Shri Hari Vishnu Kamath: Usually, that is the formla that has been adopted in all Bills so far.

Mr. Speaker: Let me know the reaction of the hon. Minister.

Shri Hari Vishnu Kamath: But the hon. Minister has gone only half way. I want to assert the supremacy of Parliament in so far as legislation is concerned, and I hope the hon. Minister will agree to this amendment, because that will be in consonance with precedent in regard to all the Bills that we have adopted so far in this House.

Shri T. T. Krishnamachari: Before framing this amendment, I had looked into other provisions of this nature, particularly section 620 of the parent Act.

My own feeling is that in a matter like this, it will be sufficient to place it on the Table of the House, and if Members of the House want to raise a discussion, as you know, their powers are unfettered. A positive sanction is not necessary in this sense that hon. Members may not take any notice of it or they might leave it alone. I want to leave it free to them either to take notice of it or not. I am sure that in this House, in the future, not only Shri Kamath will be here for a long time, but there will be other Members like Shri Kamath, and they would not let any grass to grow under their feet.

Mr. Speaker: The hon. Member's point is this. Supposing it is placed on the Table of the House just towards the end of the session, when there are just one or two days for the session to end, and it is prescribed that....

Shri T. T. Krishnamachari: If you read the amendment, you will find that it may be placed in one session or in more than one session; the language of the amendment is:

> "for a total period of thirty days which may comprise of one session or in two or more successive sessions....

So, it has to be before the House for 30 days when the House is in session. So, what you are suggesting is not something which can be done.

I have taken the wording from section 620 of the Act, and I have bodily lifted it here.

Mr. Speaker: But modification is not provided for.

Shri T. T. Krishnamachari: It is for the Members to act. If we put it down in the provision, it becomes a positive sanction. Members might ignore it. If they ignore it, then that does not happen. I have not asked here for a positive action. I merely bring it to the notice of the Members, and they can take action if they want. I do not think that the position is one where a positive sanction is needed; getting a resolution to be moved is not needed. I think the Members are watchful enough.

Mr. Speaker: I shall just make myself clear about it. Would it be possible for the Members to bring forward any modification?

Shri T. T. Krishnamachari: When once any paper is laid on the Table of the House, they can table a motion and ask for a debate. Once there is a positive resolution that Government shall not do it, Government shall not do it. I have examined this matter very carefully. As I said, I have copied the language of section 620 of the Act.

Mr. Speaker: But there are cases where it is only laid for the information of the House. There are others where it has been specifically laid down that the House is empowered to make any modification in the rules etc.

Shri T. T. Krishnamachari: That is so. Who could take away the power of the House to direct Government to do something else? It is generic. Nobody can really curtail the power of the House. We do not want an express thing that there should be a positive action. My feeling is that the powers of the House cannot at all be curtailed, and it is open to the Members to take it up.

Mr. Speaker: The hon. Minister was referring to section 620?

Shri T. T. Krishnamachari: I have only taken the language of the first part of section 620 and left the latter half of it.

Mr. Speaker: Would it not make a difference if he leaves out the latter part?

Section 620 reads:

"A copy of every notification proposed to be issued under sub-section (1) shall be laid in draft before both Houses of Parliament for a period of not less than thirty days while they are in session and if within that period, either House disapproves of the issue of notification or approves of such issue only with modifications, the notification shall not be issued or, as the case may require, shall be issued only with such modifications as may be agreed on by both the Houses.".

Shri T. T. Krishnamachari: That is implied.

Mr. Speaker: I think Shri Kamath has taken the language of his amendment from this provision.

Shri T. T. Krishnamachari: He may have taken it from somewhere else. I do not mind that. But the point is that it is really implied in it.

Mr. Speaker: If the hon. Minister is sure, the House may not mind it. But, otherwise, the House is very jealous of its rights and wants to retain the rights which it has got.

Shri T. T. Krishnamachari: As a matter of fact, even as it is, if the House disapproves within that time, then Government cannot act.

Mr. Speaker: There is one difficulty in this case. The hon. Minister has only taken the first portion from section 620, and he has said that it shall be laid on the Table of the House for thirty days. Supposing the House is vigilant and the Members take it up also and a resolution is also passed, in that case, Government have to take action after that, that is, after some time. But if this form is there, then, as soon as a resolution is passed and a modification is recommended, then at that very time the modification can come into effect. One would be only a recommendation in the form of a resolution, and the other would be an action taken.

Shri T. T. Krishnamachari: Here, I am also giving an opportunity to withdraw it. One of the reasons why I took the latter portion out was to give an opportunity to Government to withdraw the notification. The present language of the amendment allows for a certain amount of elasticity, if it is not spelt out. Government can withdraw the notification also.

Mr. Speaker: Now, the difference becomes clear that at that time there will be an opportunity to Government to withdraw the notification.

Shri T. T. Krishnamachari: If Parliament says 'We do not like this', then we shall withdraw it.

Mr. Speaker: Then, it is left to the Government to withdraw it afterwards? That means that Government may take some time to withdraw it, and meanwhile, it might continue in force?

Shri T. T. Krishnamachari: The distinction is this. The distinction between the language of 620 and the language of the present amendment is this. This amendment relates to an executive order which we are placing on the Table of the House. Section 620 deals with subordinate legislation and delegated legislation only. So, I prefer the present wording, because it will give power to Government to retract and say 'No, we shall withdraw it, and no action will be taken at all.'.

Shri M. R. Masani: May I make a submission? While I appreciate Shri

Kamath's anxiety to put everything properly and to dot the i's and cross the t's, my own feeling is that the language of the amendment as it reads does mean what the hon. Member has said, because the amendment reads:

"....a copy of every order proposed to be issued....".

So, it is not an order, it is a mere proposal. It is not implemented at all, and it has no operative force. It remains as a proposal for thirty days before the House, and in respect of anything that is laid on the Table, we have a right to discuss it and to have a motion on it, and if the House passes a contrary motion or an amending one, obviously the order does not come into force or comes into force in the amended form....

Shri T. T. Krishnamachari: If a contrary motion is passed, Government will not issue the order at all.

Shri M. R. Masani: ....So, it is only a proposed order and not a completed fact at all.

Mr. Speaker: There should not be any objection in that case, if before issuing it, only the proposal is placed before the House.

Shri Hari Vishnu Kamath: May I submit one word? This harks back to the political history of the conflict between the executive and the legislature, and the supremacy of Parliament has since been fully established. It is not an accepted principle. I invite your attention to article 359. A similar question arose in that connection in regard to DIR orders placed on the Table. I raised that question then. It says 'Every order made under clause (1)....

Mr. Speaker: He should realise the distinction. The order is not *made* here.

Shri Hari Vishnu Kamath: Yes, proposed to be made.

Mr. Speaker: One is order made; the other is a proposal before Parliament. They are two distinct things. Here nothing would be done until 30 days have passed since the order proposed is laid on the Table.

Shri Hari Vishnu Kamath: Before the expiry of 30 days, will it be open to the House to modify it by an amendment or only by a Resolution?

Mr. Speaker: I am sorry I was rather confusing the two. There it was an order already made; here it is only a proposal.

That is all right.

Shri T. T. Krishnamachari: I do not know if you want me to reply to the points raised.

Mr. Speaker: Not that, but the other points made about amendments.

Shri Hari Vishnu Kamath: I raised a point whether the Minister, if he differed from a Select Committee's Report, should append a minute of dissent before he opposes it.

Mr. Speaker: We have finished that. I have made my observations.

Shri Hari Vishnu Kamath: Have you given a ruling on that?

Shri Bade: This is very important. I also raised the same point, whether the Minister can say something against the Select Committee's Report without appending a minute of dissent.

Mr. Speaker: I have made myself clear.

Shri T. T. Krishnamachari: So far as the arguments are concerned, they cut both ways. In all conscience, it is a difficult proposition. I do not say that it is something very simple. I have been at pains to find out how to accommodate at any rate the safety factor into it and not completely make it infructuous, at any rate in regard to some types of loans if the proviso is accepted. I mentioned—at that time the Speaker was not here—that Parliament is the biggest court that

[Shri T. T. Krishnamachari]

people could have. It is referred to this court. If it is improper action, it is subject to scrutiny by the House. Some Minister might do it. It is an executive order. There might be a Cabinet meeting or there may not be. But here the full glare of publicity is turned on it. I do not think it should be further tightened. 'The Central Government shall....'. 'Shall' means Government completely abdicating any right. It cannot say tomorrow the loan must be converted—that is not so. Whether we want to do it today or tomorrow or not at all is a different matter. In everything, there is the question of negotiation. It may be that only a part of a loan may be converted, a very small portion of it, or not at all.

So as I have said, the qualification of the wording of the clause by the use of the words 'public interest' makes it necessary for Government to justify any particular action in public interest. Secondly, I have provided the other safeguard, for Parliament to know about it; it can see that no improper action is taken; it can see that the right action is taken.

Therefore, I am unable to accept any other amendments. I want the proviso to be taken out and this particular clause to be inserted.

Shri Hari Vishnu Kamath: I rise to a point of order. I have got to raise this again. I had raised that question earlier and if I heard you aright —I could not get the reporters' copy, it is too early to get it—you stated in reply to a question by a Member on the opposite Benches whether it is open to a Minister to append a minute of dissent from the Select Committee's report if he disagreed with it, that the Minister is a Member of the Committee and, therefore, he is entitled to write a minute of dissent, if he dissents from the Committee's Report. If he does not do so, he should explain to the House, he owes it to the House, that he should explain why he is now taking a different stand; he should make his new stand clear to the House and give the reasons for the change in his attitude.

Shri T. T. Krishnamachari: I have said it many times.

Shri Hari Vishnu Kamath: He was not present here when I raised the point of order. I saw the Deputy Chief Whip of the Congress party running to fetch him.

Mr. Speaker: He must have read it or he will read it. He raised a point of order. I gave a ruling. What further does he want?

Shri Hari Vishnu Kamath: By your leave, Sir, I had gone to attend a meeting of the Committee on Private Member's Bills and Resolutions. I was not here when you gave the ruling, and I could not get the reporters' copy either.

Mr. Speaker: He should read it.

The question is:

"Pages 7 and 8,—

omit lines 34 to 42 and 1 to 4 respectively." (57).

The motion was adopted.

Mr. Speaker: The question is:

Page 8,—

(a) *after* line 13, *insert*—

"(6) A copy of every order proposed to be issued by the Central Government under sub-section (4) shall be laid in draft before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions".

(b) in line 14, *for* "(6)", *substitute* "(7)". (56).

The motion was adopted.

Mr. Speaker: Amendment No. 3 is barred because it is the same as No. 56. Then there are amendments Nos. 30 and 33.

Shri P. R. Patel: I beg leave of the House to withdraw them.

The amendments were, by leave, withdrawn.

Mr. Speaker: There is no other amendment left. I shall put clause 5, as amended, to the vote of the House.

The question is:

"That Clause 5, as amended, stand part of the Bill".

The Lok Sabha divided.

Some Hon. Members *rose*—

Mr. Speaker: Any corrections? I find that one 'No' has to be added, and one 'No' to be subtracted. So, the Noes remain as they are. Four 'Ayes' to be added, one Whip and one Minister also!

Division No. 12] **AYES** **[16.17 hrs.**

Achuthan, Shri
Alva, Shri A.S.
Aney, Dr. M.S.
Bal Krishna Singh, Shri
Balakrishnan, Shri
Banerjee, Shri S.M.
Barkataki, Shrimat Renuka
Barupal, Shri P. L.
Basappa, Shri
Basumatari, Shri
Baswant, Shri
Bhagat, Shri B. R.
Bhanja Deo, Shri L. N.
Bhattacharyya, Shri C. K.
Birendra Bahadur Singh, Shri
Bist, Shri J B. S.
Brajeshwar Prasad, Shri
Chakravartty, Shrimati Renu
Chakraverti, Shri P. R.
Chandrasekhar, Shrimati
Chaturvedi, Shri S. N.
Chaudhry, Shr C. L.
Chaudhuri, Shri D. S.
Chettiar, Shri Ramanathan
Chuni Lal, Shri
Daji, Shri
Das, Shri B. K.
Dasappa, Shri
Deshmukh, Shri Shivaji Rao S.
Dighe, Shri
Gahmari, Shri
Gandhi, Shri V. B.
Ganga Devi, Shrimati
Goni, Shri Abdul Ghani
Gopalan, Shri A .K.
Guha, Shri A. C.
Gupta, Shri Indrajit
Gupta, Shri Ram Ratan
Hansda, Shri Subodh
Hazarika, Shri J. N.
Hem Raj, Shri
Himatsingka, Shri
Jadhav, Shri Tulshidas
Jamunadevi, Shrimati
Jedhe, Shri
Jena, Shri
Jyotishi, Shri J. P.
Kadadi, Shri
Kapper, Shri
Karuthiruman, Shri
Kedaria, Shri C. M.
Keishing, Shri Rishang
Kisan Veer, Shri
Koujalgi, Shri H. V.
Kripa Shankar, Shri
Krishnamachari, Shri T. T.
Lakshmikanthamma, Shrimati
Lalit Sen, Shri
Laskar, Shri N. R.
Laxmi Bai, Shrimati
Mahtab, Shri
Malaichami, Shri
Malhotra, Shri Inder J.
Mandal, Shri Yamuna Prasad
Mariyargadan, Shri
Mehrotra, Shri Braj Bihari
Mirza, Shri Bakar Ali
Mishra, Shri Bibhuti
Misra, Shri Mahesh Dutta
Mohanty, Shri G.
Morarka, Shri
More, Shri K. L.
Mukerjee, Shrimati Sharda
Murti, Shri M. S.
Nair, Shri Vasudevan
Narda, Shri
Nehru, Shri Jawaharlal
Niranjan Lal, Shri
Pant, Shri K. C.
Patel, Shri P. R.
Patel Shri Rajeshwar
Patil, Shri D. S.
Patil, Shri S. B.
Pattabhi Raman, Shri C. R.
Prabhakar, Shri Naval
Raghunath Singh, Shri
Raja, Shri G. R.
Raideo Singh, Shri
Ram Sewak, Shri
Ram Subhag Singh, Dr.
Ram Swarup, Shri
Ramaswamy, Shri S. V.
Rananjai Singh, Shri
Rane, Shri
Rao, Shri Krishnamoorthy
Rao, Shri Muthyal
Rao, Shri Rajagopala
Rao, Shri Rameshwar
Rao, Shri Thirumala
Ray, Shrimati Renuka
Reddaiar, Shri
Roy, Shri Bishwanath
Sadhu Ram, Shri
Saha, Dr. S. K.
Sahu, Shri Rameshwar
Samanata, Shri S. C.
Satyabhama Devi, Shrimati
Shah, Shri Manabendra
Sham Nath, Shri
Sharma, Shri K. C.
Shashi Ranjan, Shri
Shastri, Shri Prakash Vir
Sheo Narain, Shri
Shinde, Shri
Shree Narayan Das, Shri
Siddananjappa, Shri
Siddiah, Shri
Sidheshwar Prasad, Shri
Singh, Shri D. N.
Singh, Shri J. B.
Singh, Shri K. K.
Sinha, Shri B. P.

Sinha, Shri Satya Narayan
Sinha, Shrimati Ramdulari
Sonavane, Shri
Soundaram Ramachandran, Shrimati
Subramanyam, Shri T.
Sumat Prasad, Shri
Surendra Pal Singh, Shri
Surya Prasad, Shri
Swamy, Shri M. P.
Swaran Singh, Shri
Tiwary, Shri D. N.
Tiwary, Shri K. N.
Tiwary, Shri R. S.
Upadhyaya, Shri Shiva Dutt
Vaishya, Shri M. B.
Varma, Shri Ravindra
Venkatasubbaiah, Shri P.
Vidyalankar, Shri A. N.
Virbhadra Singh, Shri
Vyas, Shri Radhelal
Wadiwa, Shri
Warior, Shri
Yadab, Shri N. P.
Yadav, Shri Ram Harkh
Yadava, Shri B. P.

NOES

Bade, Shri
Basant Kunwarni, Shrimati
Bheel, Shri P. H.
Deo, Shri P. K.
Kapur Singh, Shri
Mahananda, Shri
Marandi, Shri
Masani, Shri M. R.
Ram Singh, Shri
Reddy, Shri Narasimha
Sashank Manjari, Shrimati
Singh, Shri Y. D.
Singha, Shri Y. N.
Solanki, Shri
Yashpal Singh, Shri

Mr. Speaker: The result of the Division is Ayes: 147; Noes 15.

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Clause 6—*Amendment of section* 153

Shri Himatsingka: I beg to move:

Page 8,—

for clause 6, *substitute*—

'6. Substitution of new section for section 153.—For section 153 of the principal Act, the following section shall be substituted, namely:—

"153. Notice of all trusts, ex-express, implied or constructive, if given, shall be entered on the register of members, or of debenture holders." (6)

Clause 7 provides, under the proposed section 153B (2) that notice of a trust is to be given to the company:

"A copy of the declaration made under sub-section (1) shall be sent by the trustee to the company concerned, within twenty-one days, after the declaration has been sent to the public trustee."

But by clause 6, they are omitting the words "or be received by the Registrar" in section 153. Therefore, as the section remains, no notice of any trust, express, implied or constructive, will be entered in the Register of Members or of Debenture holders. So, by my amendment I suggest that section 153 should also be suitably amended.

Shri T. T. Krishnamachari: It is not redundant as pointed out by the hon. Member. I am afraid there are two different issues. One is the ordinary requirement under the law. The other is in regard to particular securities which are held by the trust. Since we have taken the precaution of saying in the new section 153B:

"Notwithstanding anything contained in section 153",

this is amply covered.

Shri Himatsingka: Sir, I withdraw my amendment.

Mr. Speaker: Has he the leave of the House to withdraw his amendment?

Hon. Members: Yes.

The amendments were, by leave, withdrawn.

Mr. Speaker: The question is:

"That clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7— *Insertion of new sections after section* 153

Shri Solanki: I beg to move:

Page 9,—

after line 12, *insert*—

"(a) where the trust is not a public charitable; or

(b) even if the trust is a public charitable trust, where the trust money is invested in shares in, or debentures of, a private limited company, or". (34)

I want family trusts and trusts comprising shares of private limited companies to be exempeted. These powers are taken by Government to safeguard the public interest. This can hardly apply to family trusts, because they are of interest only to the family. Also the trust of a private company hardly comes under public interest. These two should be excluded from Government interference.

Shri Bade: I want one clarification from the hon. Minister. He stated on the 28th November that there would be an amendment exempting charitable trusts, educational trusts and family trusts. I have got a copy of his speech here. Is the Minister going to keep the promise given on the 28th November or not? Then, why is he not making such an amendment?

The donor, when he makes a trust, does so with the intention that it should be useful for certain purposes, from a certain point of view. He has important rights, the right of property, and the right of vote. The right of vote is being taken away by a simple amendment. So, I think chartiable and family trusts should be exempted.

Besides, if any proxy or any person who is a Government official votes in a hundred companies, that will become a sort of monopoly of voting. There should be some clause protecting charitable and family trusts.

श्री व० प्र० सिह (मुंगेर) : अध्यक्ष महोदय, मेरे संशोधन ५३, ५४ और ५५ किस क्लाज में हैं।

अध्यक्ष महोदय : आप को पता होना चाहिये किस में है।

श्री व० प्र० सिह : यह ८ (ए) न्यू क्लाज है।

अध्यक्ष महोदय : असल में तो किसी में नहीं जायेंगे। ये आउट आफ आर्डर हैं।

Shri Morarka: There is a small printing error in clause 7. It says:

"After section 153 of the principal Act . . ."

The new section following should be section 153A.

Shri T. T. Krishnamachari: I hope it will be corrected. It is a printing error.

The onus is now placed on the Central Government to pick out particular stocks and ask the public trustee to give them exemption. It is not a possibility. As I have said, once the power is given to the public trustee, if the trustee himself wants to exercise the power, he can apply to the public trustee, and the public trustee may ask him to do so. The whole position is sought to be reversed. I am unable to accept the amendment.

Mr. Speaker: The question is:

Page 9,—

after line 12, *insert*—

"(a) where the trust is not a public charitable trust; or

(b) even if the trust is a public charitable trust where the trust money is invested in shares in, or debentures of, a private limited company, or". (34)

The motion was negatived.

Mr. Speaker: The question is:

"That clause 7 stand part of the Bill."

The motion was adopted.

Clause 8—*Insertion of new section after section* 187A

Shri Warior: I beg to move:

(1) Page 10, lines 3 and 4,—

omit "or the trustee himself". (9)

(ii) Page 10, *omit* lines 6 to 10. (10)

Shri Bade: I beg to move:

Pages 9 and 10,—

for lines 24 to 35 and 1 to 32 respectively, *substitute*—

"187B. (1) The Central Government may, by notification in the Official Gazette, appoint a person as public trustee to exercise the rights and powers conferred on him by this section.

(2) Notwithstanding anything contained in this Act or any other law or any contract, memorandum or articles, where any shares in, or debentures of a company are held in trust by any person (hereinafter referred to as the trustee), the Central Government may, subject to the provisions hereinafter contained, direct the public trustee to exercise at any meeting of the company or at any meeting of any class of members of the company or at any meeting of the debenture holders of the company, as the case may be, the same rights and powers (including the right to vote by proxy) as the trustee would exercise as a member or debenture holder as such meeting and thereupon the public trustee shall, and the trustee shall not, exercise any such rights and powers as aforesaid:

Provided that—

(a) the power under this subsection shall not be exercised except in a case where the Central Government is satisfied that the trustee has in breach of his duties as a trustee exercised his voting right for the advancement of the personal interest of himself or of the settler or to the deteriment of the interests of the trust;

(b) this power shall be exercised only after the trustee has been given an opportunity of showing cause against the action proposed to be taken; and

(c) any trustee against whom this power has been exercised shall have the right of appeal to the High Court having jurisdiction in relation to the place at which the registered office of the company concerned is situated.". (37).

Shri Masani: I beg to move:
Page 10,—

for lines 1 to 28, *substitute*—

"(2) (a) In exercising any such right or power under this section the public trustee shall either appoint as his proxy or proxies for the meeting such trustee or trustees as would otherwise be entitled to exercise such right or

power if this section were not enacted, or exercise such right or power in accordance with directions of such trustee or trustees, unless he has reasonable grounds for believing that by doing so he will be acting against the interests of the beneficiaries of the trust;

(b) If no proxy or proxies is or are appointed under sub-clause (a), the public trustee shall refrain from exercising such right or power at all unless he has reasonabse grounds for believing that the interests of the beneficiaries of the trust will be adversely affected by his not exercising such right or power in which case he shall exercise such right or power solely in the interest of the beneficiaries of the trust". (38).

Shri Warior: My amendment is to the effect that the trustee himself should not attend meetings for voting, once he is removed from that position. The public trustee should not allow him or hand over this right, once he is removed or the right is taken over.

Shri T. T. Krishnamachari: Nobody is removed; nothing is taken over.

Mr. Speaker: Nothing is removed; nothing is taken over. So, he should be satisfied and now sit down.

Shri Bade: My submission is this. Suppose for one year a trustee is not authorised to vote. That right to vote should not be extinguished for the trustee for ever. Once the right to vote is taken away by the Government, it should not be taken away for ever. Otherwise, there will be no trusts in future. That right is a very important right. There are two types. One type of person may act to the detriment of the trustee or to the donor. The other type of person may act in a way detrimental to the company, in which case Government can interfere. There is no clarification if he acts in a way detrimental to the trust. There is no clarification from the Government on this point. In Bombay and Gujarat they have the Trusts Act, by which they could overcome one of these difficulties. But there are two provisions: the Trusts Act and the Companies Act. The provision here is pucca. Once the trust man is removed, the right to vote will not be resumed by the trust. That is detrimental to the trusts and the donors who create trusts for certain purposes. Therefore, I have put this amendment.

Shri Masani: Mr. Speaker, the original scheme of this clause was that Government should act in individual cases in regard to the right to vote of individual trustees. The amendment moved by Mr. Solanki and Mr. Bade refers to that position. It wants that there should be individual deprivation of the right of trustees to vote subject to a specific charge of misbehaviour or misuse of rights for personal interests and also subject to the normal equitable guarantees to the trustee—the right of being heard and of having an appeal to the High Court.

My amendment No. 38 is an amendment to the Bill as reported by the Select Committee because the scheme has undergone a change. There is no longer any question of taking away an individual trustee's right to vote. All trusts lose their right to vote without any intervention on the part of Government. Automatically the right to vote vests in a Public Trustee. The hon. Minister thinks that this is an improvement because it takes away the interference of the executive from case to case and day to day. There is something in that point. On the other hand, a great deal depends upon who the public trustee is.

I am sorry that the Bill does not provide that the public trustee should either be full-time official who does not have any executive and official duties or an official of the Supreme Court or of the High Courts in the respective States. If a judicial official of the Supreme Court for the whole

[Shri Masani]

of India or the judicial officers of each Court were made public trustee, I can believe that this would be a good thing because the executive power, where all the economic power of the country that is being unfortunately concentrated today, would be out of the picture. But the Act leaves the appointment of a Public Trustee open. My fear is that he may be an executive limb of the Finance Ministry or some other department of Government who may be given this extra function. In that case the disinterestedness of the Government becomes somewhat deceptive.

My amendment tries to make the discretion of the Public Trustee subject to the possibility of appeal to the courts of law. My amendment is drafted in such language that if a Public Trustee were unreasonablity to deprive a normal trustee of his voting rights or to vote against the interests of the trusts perversely because of Governmental or political interference the normal trustees would have the right to go to the courts. The Bill as it comes from the Select Committee does not give this supervisory right to the judiciary. It does not make an action of the public trustee justiciable. If the hon. Minister really means that he wants to wash his department's and his own hands of the affair, I suggest two things, acceptance of the amendment so that the judiciary watches the Public Trustee and an assurance that the Public Trustee will not be a member of the executive limb of the Government but either a judicial officer or a full-time officer who has no other executive functions.

Shri T. T. Krishnamachari: Sir, the amendment of Shri Bade completely misunderstands the position. The votes in regard to equity holdings of trusts are misused for the purpose of concentration of economic power. What we would like to do is to freeze those votes completely. It will be open to the trustees to sell the shares or limit them to the extent that is mentioned or to invest in Government securities, house property or have widespread coverage even in regard to shares and not have any concentration which helps him to use his votes as a trustee along with his own to get power over a particular company. Mr. Bade has not understood the position; it is complete reversal of the intention.

Coming to Mr. Masani's amendment, I would not presume to say that he is not intelligent. He is very intelligent. The only trouble about him is that I have to search very carefully whatever amendment he moves. He knows my purpose. My purpose is not to get the right over these equity shares. Nobody wants to get the right or to get anything out of the trusts. Trusts' money can be invested within the limits of the law in each company so that it does not add to the power of the individual. If the holding of any particular trust is higher than this limit, then we have to immobilise and freeze it. Supposing the trusts' interests are to be safeguarded, the trustee can approach the public trustee and say: my interests are to be safeguarded, what do you do about it? If the public trustee feels that the trustee is a good person, all right, he says: I give you the proxy; you can act and you are only going to safeguard the interests of your trusts. But if he is not like that, if he thinks that there is ulterior intention or he suspects the *bona fides* of the trustee, he shall give his proxy to one of his officers to go and exercise the vote, if he thinks it necessary in the interest of the trust. But the normal thing for the public trustee would be not to act. Abnormally, when something comes to his notice, he acts either on the volition of the trustee or on his own volition. There is no intention of the Government to interfere with the property right; they only want that there is no misuse of the voting right because the trust has created certain equity shares

and it adds to the aggregate economic power in the hands of the trustee who has some interests in these companies. I think I have made the position very clear. It does not have anything to do with the trusts laws.

Shri M. R. Masani: I had asked the hon. Minister what his objection is to appointing a judicial officer and not one of his own officers as public trustee.

Shri T. T. Krishnamachari: The point really is that the exercise of the power is going to be an exception. To say that the trustee himself is not going to act, is going to do somebody's bidding, again shows that some interest is there. We want that interest to be controlled in a particular manner. I am afraid Shri Masani is not helping the interest which he wants to protect today.

Shri M. R. Masani: I do not want to protect any interest. I cannot agree with that.

Mr. Speaker: Are amendments 9 and 10 pressed?—Not pressed.

The amendments were, by leave, withdrawn.

Mr. Speaker: Amendment No. 37. I shall put it to the vote now.

The amendment was put and negatived.

Mr. Speaker: Amendment No. 38. I shall put it to the vote now.

The amendment was put and negatived.

Mr. Speaker: The question is:

"That clause 8 stand part of the Bill."

The motion was adopted.

Clause 8 was added to the Bill.

Mr. Speaker: New clause 8A. The amendments—Nos. 53, 54 and 55—are out of order, being beyond the scope of the Bill.

Clause 9—(*Insertion of new Chapter and sections in Part VI*)

Shri T. T. Krishnamachari: I beg to move:

Page 12, lines 35 and 36—*for*

"a finding of the Tribunal or a decision of a High Court under this Chapter" *substitute*—"a finding of the Tribunal under this Chapter or a decision of a High Court thereon". (15).

This is merely to correct a verbal error.

Mr. Speaker: The question is:

Page 12, lines 35 and 36, *for*

"a finding of the Tribunal or a decision of a High Court under this Chapter" *substitute*—"a finding of the Tribunal under this Chapter or a decision of a High Court thereon". (15).

The motion was adopted.

Shri Warior: I beg to move:

(i) Page 13, lines 5 and 6,—

for "a reasonable opportunity to show cause" *substitute*—

"an opportunity of being heard". (13)

(ii) Page 13,—

omit lines 15 to 18. (14)

Shri P. R. Patel: I beg to move: Page 11,—

for lines 1 to 21, *substitute*—

"388B. (1) Where in the opinion of the Central Government there are circumstances suggesting that any person concerned in the conduct and management of the affairs of a company has com-

[Shri P. R. Patel]

mitted a penal offence of misappropriation, breach of trust, criminal negligence or misfeasance in carrying out his obligations and functions under the law.". (40)

Shri M. R. Masani: I beg to move:

(i) Page 11,—

for lines 1 and 2, *substitute*

"388B. (1) Where it is the opinion of the Central Government—". (41)

(ii) Page 11, line 6,—
omit "negligence or". (42)

(iii) Page 11,—
omit lines 8 to 16. (43)

Shri Solanki: I beg to move:

Page 13, lines 29 and 30,—

omit "with the previous approval of the Central Government,". (45)

Shri M. R. Masani: Mr. Speaker, Sir, clause 9 has some features which are quite pernicious, and do not show any understanding of industrial management. There are four grounds on which it is suggested that a company manager or director may be referred to a tribunal. Two of these grounds are perfectly fair. If hon. Members will turn to page 11 of the Bill, section 388B, they will see that the first ground is:

"(a) any person concerned in the conduct and management of the affairs of a company is or has been in conection therewith guilty of fraud, misfeasance, persistent negligence or default in carrying out his obligations and functions under the law, or breach of trust;"

16.43 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

Such a case should go to the tribunal. Except for the word 'negligence', there is nothing wrong with this section and one would heartily support it.

Similarly, there is section 388B(d) which says:

"that the business of a company is or has been conducted and managed by such person with intent to defraud its creditors, members or any other persons or otherwise for a fraudulent or unlawful purpose or in a manner prejudicial to public interest."

That is also perfectly in order. But sub-clauses (b) and (c) show an amazing lack of understanding of what industrial management is. It says that a man should be referred to the tribunal where "the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices." Similarly, sub-clause (c) says that where Government thinks that any man's conduct of business is likely to damage that business, the matter should go to the tribunal.

This is an absolutely outrageous proposal. The manager of a company and the directors represent those who have invested their own capital, those who have risked their own money so that they may make a profit. They and they alone are the best judges of what is good for the company. For a politician in office or a Government official to presume to sit in judgment over the correct conduct of a business, to say that Mr. XYZ should indulge in this business and should not undertake that business, should take this risk or should not take that risk, this is how he should do the job and not that way is presumptuous. Neither the politicians nor Government officials are competent to run businesses. Very few of them, with some exceptions like my hon. friend the Minister and a little like myself, show any capacity to run a business. For such people who are unqualified to run a business to presume to sit in judgment not only on those who know their jobs but who are risking their

money and nobody else's money is an impertinence. It just shows where we are drifting.

We are trying to impose bureaucracy on business. This is like the monkey playing the violin. It is, I say, an outrageous proposal. It would mean that every businessman has to think a hundred times before taking a decision. He may say "if I go in for this business in this way, suppose the Finance Ministry thinks this is not the right way to carry on business, or the Finance Ministry's ideas of sound business principles are different from mine, what will happen to me? I would be taken to a tribunal as a defaulter." Ultimately, the tribunal, having good sense, might say, "There is nothing wrong with it. Mr. XYZ was indulging in his own business transaction. Leave him alone." But the reputation of the man who is dragged before the tribunal is already damaged. Other people in business will say, "Better not deal with this man; the Government thinks there is something wrong with him." They may not realise that no allegation is made against him; his *bona fides* are not questioned. Some official who never ran a business, who could not make a hundred rupees in his life in business sits in judgment and says, "You are not running the business in a correct way. We think it should be run like this." What cheek! What impertinence! Is this what we are coming to? Is this the way that the hon. Minister wants to help industry and enterprise?

The Finance Minister made a very enlightened sattement in his broadcast of 11th October to which he referred this morning. When I read it I thought, 'Thank God, some sense is going to come into this Government's policy.' Let me read what he said.

Shri T. T. Krishnamachari: Very short-lived!

Shri M. R. Masani: Very short-lived, unfortunately. He said:

"The word 'socialism' has come to mean 'all things to all men.' In fact, it is rapidly on the day to being debased."

I entirely agree. He went on to say:

"To some, socialism appears to be synonymous with restraining the individual from exercising his initiative."

Sub-clauses (b) and (c) do exactly what the hon. Minister criticised in his broadcast of October 11. Then he said:

"To me, however, socialism, far from curbing the individual, seeks to stimulate and reward individual initiative and enterprise."

If he would be only consistent with himself as on October 11, he will be well-advised to accept my amendment and withdraw this idiotic clause. There is no other word for it.

Shri Warior: Sir, my amendment is to delete the proviso which reads as follows:

"Provided that the Central Government may, with the previous concurrence of the Tribunal, permit such person to hold any such office before the expiry of the said period of five years."

The earlier provision is more or less watered down; it says:

"The person against whom an order or removal from office is made under this section shall not hold office of a director or any other office connected with the conduct and management of the affairs of any company during a period of five years from the date of the order of removal."

The order of removal is on certain fiindings. What are the findings? They are that the man in question has done some mischief or something against the law. He is found guilty. The order is passed. Why should there be a proviso? This has been added by the Select Committee. Why should

[Shri Warior]

that man before five years be placed in such a position? The intention of the clause is that a term of punishment should be given which not only should be an example to others but to the person also who must be able to re-think his own misconduct and then rectify it. For that, a five-year period is given. So, I am not convinced why that man should be reinstated before the expiry of the term. Hence, that provision should not be there. It must be removed.

Shri Himatsingka: Regarding the proviso to section 388E(1) at page 12, I feel that the proviso should be omitted. You will find that cases are referred to the tribunal against one director or other persons concerned in the conduct and management. But in the proviso, somebody else can also be removed if there is some sort of finding against him. It may be that that person is not before the tribunal and he had no opportunity of presenting his defence and be represented there. Therefore, I have suggested in my amendment No. 44 to omit this clause or to add a proviso as you find in section 341, which reads:

> "In the cases referred to in clauses (b) and (c) of section 336, it shall be open to the managing agent, notwithstanding anything to the contrary in any other law or agreement, for the time being in force, to expel or dismiss the convicted partner, director or officer, within thirty days from the date of his sentence; and in that event the disqualifications imposed by the clauses aforesaid shall cease to apply."

Here, if there is some finding against one director or partner of a managing company or any other, if that director is removed by the company concerned, I think the others should not be affected. They should not be removed, unless they also were before the Tribunal and against whom there was some sort of report. I hope the Finance Minister will take this into consideration.

Shri Solanki: My amendment seeks to delete the words "with the previous approval of the Central Government." If an officer is removed from a company and when re-employment is made by that company, why should Government's permission be sought permanently after that also? It means that the Government's interference in the company remains even after the fault has been removed. Hence my amendment.

Shri P. R. Patel: I submit that a director has to take decisions very often and every time he shall have to think whether his decision is in accordance with the sound business principles or prudent commercial practices. If he thinks like this, I think he will not be able to take any decisions and the business will suffer. So, I am of the opinion that this is a very wide term. I would request the Minister to explain to me what is sound business principle and prudent commercial practice. I am not able to understand it because it differs from man to man. Mr. Krishnamachari sitting here may take one decision and some other person may take another decision. It is a matter of discretion. Whether that discretion has been used honestly or fraudulently should be the question. Otherwise, this will create much mischief and it will rather harm the industry.

Sub-clause (c) also is very vague. It says:

> "that a company is or has been conducted and managed by such person in a manner which is likely to cause, or has caused serious injury or damage to the interest of the trade, industry or business to which such company pertains."

Which trade? He has to look to the interests of the company itself. If he does something which gives profit to the company he represents, it may cause loss to the other. So, it should be in the interest of the company that he represents. That would be all right. But the clause says "interest of the trade, industry or business" to which that company pertains". Suppose it is a textile company. According to this clause, that company has to see whether the doings of the company will do any harm to any other textile company. We know that competition is always good. But if the company enters into competition, perhaps the Government may think that it is not in the interest of the trade, industry or business to which it pertains. So, it is a very general term and I would request the Minister to drop this.

Shri Bade: Sir, I want to speak on amendment No. 45.

Mr. Deputy-Speaker: Your amendment is barred because it is the same as Mr. Solanki's.

Shri Bade: I want to speak on that amendment. As my hon. friend said, on page 11 it is said.

> "that the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices."

Regarding sound business principles and prudent commercial practices, there is no standard at all. That is again the will of the officer. Further on page 12 it is said:

> "388E. (1) Notwithstanding any other provision contained in this Act, the Central Government may, by order, remove from office any director, or any other person concerned in the conduct and management of the company...."

So, not only can the director be removed, but also any other person concerned with the affairs of the company. I do not know whether any other person means a chaprasi also. It may be used in any way. The law should be definite. Then, after once a man is removed, the company should not be deprived of its right to appoint a person of its own choice. But according to this clause the previous approval of the Central Government will be necessary to appoint another person. Why should it be necessary? Why is the Government not having any trust or confidence in the companies? That is too much interference in the companies. So, this should be dropped.

Shri T. T. Krishnamachari: In regard to what Mr. Himatsingka said, I have to say that Managing Agents, Secretaries and Treasurers should be responsible for the action of their Chief Executive Officer. So far as what Mr. Patel has asked is concerned, the language has been taken out from our section 233A, which justifies its special origin. So far as Mr. Bade is concerned, he has had so many explanations from me so many times and I hope he does not want one more from me.

Mr. Deputy-Speaker: Does Mr. Himatsingka want to press his amendment?

Shri Himatsingka: No, Sir; I do not press it.

Shri P. R. Patel: I withdraw my amendment No. 40.

Mr. Deputy-Speaker: Does the hon Member have the leave of the House to withdraw his amendment?

Some Hon. Members: Yes.

The amendment was, by leave, withdrawn.

Shri M. R. Masani: I press my amendments Nos. 41, 42 and 43.

Mr. Deputy-Speaker: I will now put amendments Nos. 41, 42 and 43 to the vote of the House.

The amendments were put and negatived.

Mr. Deputy-Speaker: I will now put Mr. Solanki's amendment No. 45 to the vote of the House.

The amendment was put and negatived.

Shri Warior: My amendments Nos. 13 and 14 may also be put.

Mr. Deputy-Speaker: I will now put these two amendments to the House.

The amendments were put and negatived.

Mr. Deputy-Speaker: A Government amendment has been adopted to this clause. The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Clauses 10 to 14, clause 1, the Enacting Formula and the Title were added to the Bill.

Shri T. T. Krishnamachari: I beg to move:

"That the Bill, as amended, be passed."

Mr. Deputy-Speaker: Motion moved:

"That the Bill, as amended, be passed."

Some hon. Members *rose*—

Mr. Deputy-Speaker: Then we will have to sit longer and finish this Bill. After that, if the House feels like it, we will take up the half-hour discussion.

Shri Kapur Singh (Ludhiana): Mr. Deputy-Speaker, Sir, I rise to oppose this Bill and plead with this House that this Bill be rejected, and I do so for three reasons of principles and for three reasons of practical consequence.

There are three principles involved in this Bill, which flow from clauses 5, 7 and 8 of the Bill, which I think are most harmful not only for the the economy and interests of the country but also for the social stability, the cause to which we are all bound and pledged. The three principles involved are the sanctity of contract, repugnancy of retrospection of laws and, thirdly—and that is the basic objection—the subordination of the individual to the Collective Monster called State Socialism.

Then I come to the three practical consequences which flow from the adoption of the clauses which I have already mentioned. The practical consequences are, firstly over-regulation of the social activities of our citizens; secondly, the inevitable discouragement of charitable trusts and, thirdly,—I was almost going to say discouragement of investment of foreign capital, but I do not wish to be called unpatriotic by my friends on my right—so I will merely say that it is shyness of investment that must result both at home as well as from abroad.

Now I shall take one or two minutes to elaborate these points. Clause 5 of this Bill is based on the principle that the Government have the inalienable right to convert loans given and debentures issued into equity shares. In the Select Committee this principle was accepted, but subject to another more basic principle that it should not apply retrospectively to the loans given or debentures issued already. Our objection to this matter is not, as my hon. friend Shri Bhagwat Jha Azad, has said that there should be no acceptance of the principle of the conversion of loans or debentures into equity shares, but our objection is

that the much more fundamental principle, namely, that the sanctity of contract should not be violated and the other objection which we have today is that the fundamental, that the pernicious doctrine of legal retrospection should not be brought on to the Statute Book of this country.

With regard to clauses 6 and 7 our objection is that it takes away a very valuable individual right of the trustee without assigning any cause and without giving any valid, objective reasons for this "national interest", whatever "national interest" might mean. Once the principle is accepted that there is such a thing as public interest, whatever may be its content, on the basis which it is permissible to subjugate the individual wholly, and to submerge his rights so as to hand them over to what is euphemistically called the "State" and which in practice is nothing but the ruling party, once this principle is accepted, we shall never see the end of this process and we shall be striking at the very roots of what we in this country have known from ancient times as *dharma*. Our ancient wisdom has told us :

Dharmo rakshah rakshate dharmeshu hanteh hante

'Those who abide by *dharma*, *dharma* protects them; those who disregard *dharma*, *dharma* destroys them.' Mr. Deputy-Speaker, I am aware that *dharma* can also be changed and altered, as the recent history has shown, and as some of my friends on my right in this House hold. But if *dharma* is to be altered, I say that *dharma* should be altered by the means which already stand sanctioned by history. The *dharmas* which are altered by means which are meta-legal, by brute powers that go by the name of 'the law of the jungle'. Dharma should not be altered, *dharma* should not be subverted by constitutional means, by amending a statute and by the legal process. This is my last, though not least, objection to this Bill. With these words, I urge upon this House to reject this Bill wholly and totally.

Some Hon. Members *rose—*

Mr. Deputy-Speaker: There is no time now. The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

17.06 hrs.

C.H.S. AYURVEDIC DISPENSARY NEW DELHI*

श्री यशपाल सिंह (कैराना) : उपाध्यक्ष महोदय, ५ दिसम्बर को मेरे सवाल का जवाब देते हुए माननीय मिनिस्टर साहब ने यह फरमाया कि उन्हें यह पता नहीं है कि मेडिसन का ताल्लुक धर्म के साथ है । अगर मेडिसन का ताल्लुक धर्म के साथ नहीं है, तो किसी चीज का भी ताल्लुक धर्म के साथ नहीं हो सकता है, क्योंकि जीवन की सब से इम्पार्टेंट चीज औषधि है । अगर जीवन को नापाक कर दिया जाए, तो फिर मनुष्य बेकार हो जाता है । हमारे देहात में और शहरों में करोड़ों आदमी ऐसे हैं, जो कि जलवायु से, सूर्य से, प्राणायाम से, शीर्षासन से सेहत पाते हैं और उन को दवाओं की जरूरत नहीं होती है ।

मिनिस्टर साहब से मेरी अर्ज यह है कि मेडिकल और हैल्थ के लिये जो ३४२ करोड़ रुपया थर्ड फाइव-ईयर प्लान में रखा गया है, उस में से ३०० करोड़ रुपये आयुर्वेद के लिये होने चाहियें और सिर्फ ४२ करोड़ रुपये एलोपैथी के लिये होने चाहियें ।

दिल्ली में आयुर्वेद की डिस्पेंसरी खोली गई है गोल मार्केट में, जहां सिर्फ १२०० क्वार्टर हैं, जब कि विनय नगर में कई

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*Half-an-hour discussion.