

Shri H. N. Mukerjee (Calcutta North-East): May I make a submission? There are certain implications arising out of the report which the Prime Minister has given which I feel might very well be discussed in this House. I do not wish to suggest that anybody in this House countenances the idea of tampering with Foreign Missions in this country. But the way in which the report has been formulated—certain oblique way of even giving an objective report—and the implications which the Prime Minister has made more clear in a statement in the House yesterday and also outside this House, they all hang together. Especially after what has happened yesterday and the day before in different parts of the country and especially because of the repercussions in people's minds, I feel, Sir, that some good purpose will be served if we have a discussion in this House. You were pleased to suggest yesterday that perhaps on account of the events of the 15th August, there may be some discussion in the House provided the Prime Minister is agreeable. I think after having heard him and the report he has given, if you can very kindly allot some time it would be helpful to all concerned.

Mr. Speaker: I think we might consider this suggestion in a better rather calmer atmosphere and not just now. Let some time pass; Government will have time to get the correct information on that point and passions will cool down and then we will see as to whether such a discussion is at all necessary.

COMPANIES BILL—Contd.

Mr. Speaker: The House will now proceed with the further consideration of the Companies Bill. The balance of time left is 8 hours and 49 minutes.

Pandit K. C. Sharma (Meerut Distt.—South): Yesterday I was discussing about the various restrictions imposed by the proposed Bill.

One of the objections raised is about clause 197, that the remuneration should not exceed 11 per cent. of the profits. The objection is on the basis

of logic and contradiction—how the interpretation of this clause is to be reconciled with the provisions of clause 347, remuneration to the managing agent, and clause 308, remuneration of the directors and clause 387, remuneration of the manager; it is difficult and intriguing.

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

My submission with regard to this objection is that so far as clause 197 goes, there is nothing wrong in fixing the limit to 11 per cent. of the profits. Ordinarily, you have to consider that 10 per cent. is good for managerial expenses. Courts of law do not give more than 10 per cent. for the management of any property or estate. Ten per cent. is accepted as good remuneration for all managerial duties.

With regard to the reconciliation of the various clauses, I find no difficulty because every succeeding clause proceeds, 'subject to the provisions of clause 197'. The remuneration given in clause 197 is the highest. That it will not exceed such and such does not necessarily mean that it would be the minimum. By the nature of it, it cannot be the minimum. So, if it is said that 10 per cent. can be given to the managing agency, it does not mean that 10 should be given; it only means that it can go up to 10 per cent. meaning thereby that the various personnel can get up to that in the overall 11 per cent. I again submit that 11 per cent. is good remuneration.

With regard to the sum of Rs. 50,000, I submit that an amendment is necessary and if it is found to be so after further scrutiny. I think, it will be properly amended.

Then, I come to another aspect of the question, that is the provisions of clauses 264 and 407. An argument has been raised that clause 264 will create trouble if a company makes a rule that two-thirds of the directors be elected by proportional representation and clause 407 that two directors be appointed if an application is made by the shareholders representing one-tenth of the voting power in cases where the managing agency is working in a way

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oppressive to certain sections of the shareholders or against the interests of the company.

So far as the working against the interests of the company is concerned, I think the House will agree that the Government should step in. So far as the oppressive attitude towards certain sections of the shareholders is concerned, I think if certain sections of the shareholders feel oppressed, then, certainly, the working of the company would neither be peaceful nor helpful. So, in both ways, it is necessary. If my suggestion is accepted that the election of the directors should be by proportional representation by single transferable vote, then, these two clauses would be unnecessary. It would be better because it is accepted that every section of the shareholders should be satisfied that they have their say in the management of the company. We cannot escape this position. Therefore, it is much better to have straight-away a provision to elect the directors by the method of proportional representation by the single transferable vote.

I may add that situated as we are, it is necessary that the Bill should provide for the representation of the workers on the directorate. My friend, Shri Bansal, stated that the management will become impossible. I would respectfully submit that in future the management would become impossible unless you take the workers into confidence for the simple reason that the attitude of the workers has changed. They have realised their importance; they have made their demand and, because they are a significant factor in the production of wealth, their demand cannot be ignored.

The second thing is, unfortunately, business managerial agency has failed to appreciate the conditions of the workers, their demands, the new outlook on life and the position in which they—the workers—are placed. It has been recognised long before that it is equally necessary or better to invest in the

human material than in the machinery and other factors in the building up of an industry. All over the world investment in human factor has paid, but our managerial system has failed to appreciate this. Yesterday my friend from U.P. pointed out how 250 people are treated, living in a dirty place and no facilities being given. Something has been done and more will be done. But to feed two persons is no argument to kill two others. The very fact that certain people are obliged to live under unhealthy conditions and are required to work for the production of wealth for the community is bad enough and should not be tolerated. How can we tolerate a person, who is producing wealth for the community, living in unhealthy conditions? Therefore, I say that under the present conditions it is necessary that the workers should be represented on the directorate. You say that if you bring the workers' representative on the directorate, then the company will not work. My respectful submission is that if you do not satisfy the labour, your organisation will fail. It is better to satisfy them and to work in co-operation with them and thereby have greater production and better work.

I now pass on to the other clauses about the managing agency, of which so much has been talked in this House.

Mr. Deputy-Speaker: Hon. Members must now hurry up as I find the time for closing is drawing nearer and nearer, and there are a number of hon. Members who want to speak. I will allow only fifteen or twenty minutes hereafter. If the hon. Members do not come up earlier, I will have to request some other hon. Members to fill the vacancy.....

Pandit K. C. Sharma: I will conclude in ten minutes.

These are the other restrictions on the managing agency which have been discussed and to which objection has been taken. Clause 323 deals with the power of the Central Government to notify that companies engaged in specified classes of industry or business

shall not have managing agents. This is a power given to the Government. It does not mean that the agency in very industry would be finished. Only certain industries would be chosen where, by experience and scrutiny of the working of the management, it would be found desirable that they should not have managing agencies, and I think there can be no objection to this. Clause 324 says that a managing agency company need not have a managing agent. This also is quite a good provision and no objection could be raised against it. Any hue and cry against this provision is simply useless. Clause 325 empowers the Central Government to approve of appointment, etc., of managing agents and details the circumstances in which approval may be accorded. My friend, Dr. Krishnaswami, took pains to question why the Government should sit in judgment as to whether a managing agent is to be appointed or any existing managing agent is to be re-appointed and how to find out whether a person is fit enough to be appointed as a managing agent or not. My respectful suggestion is that this clause is very necessary. He is to be appointed if he is intellectually fit and has enough of moral integrity—these are the two criteria. A man should not be appointed if by experience he has proved himself to be inefficient and dishonest.

Pandit Thakur Das Bhargava (Gurgaon): Where is the barometer to judge it?

Pandit K. C. Sharma: The barometer is the experience. Human mind has nothing except the lamp of experience to see the light. It shows the whole conduct and whether he is intelligent and honest. Everybody cannot be put in charge of big concerns and some necessary qualifications are to be looked into.

Clause 329 states that the term of office of existing managing agents should be terminated on the 15th August 1960. My respectful submission is that the term of office of existing managing agents should be terminated at the commencement of this Act and they should be re-appointed

by the vote of the shareholders of the company, because this law changes the entire set-up of the managing agency system. This law has come into existence or is being discussed because by experience we have found that the system requires a change. Once you have accepted that the system did not work well, and that the people in power or the managing agents have misbehaved, then *ipso facto* it follows that in order to keep those men in office, they must seek the confidence of the shareholders. Mere logic necessitates that with the commencement of this Act, the existing managing agencies should cease to exist unless their terms are renewed by the company. Clause 331 states that no person shall be a managing agent of more than ten companies. I think experience has shown that too many companies would not help in good management. Of course, there will be ways to circumvent the law by having too many branches or too many departments, but there is no law which cannot be circumvented. Stronger the lock, easier to break.

There are other restrictions about which my friend, Shri Somani, said that they would be too rigid, too obstructive, complicated and restrictive. The argument goes that at a time when India is having an industrial revolution, these restrictive, rigid and complicated provisions of law are not compatible with the situation as it is or are not adjustable to the objective aimed at. My respectful submission is that an industrial revolution without a moral revolution will create more of trouble than poverty and ignorance have created. Great industries give greater powers in the hands of a few people, and to have great powers without exercising the minimum decencies of human life would be a dangerous situation. Therefore, these restrictive, rigid and complicated laws are necessary. Let me put forward a simple proposition—the more evolved a society is, the more complicated will be the law. The criminal law is not meant for criminals; it is meant for the citizens. There is no criminal class as such: the criminal

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is the result of social environment. It tells you how to behave and how not to behave. Human beings cannot do what they like. They are restricted. They have certain responsibilities. They have a duty to perform, and therefore, the better or more well up you are, there should be more restrictions on your conduct. I suppose it is an honour to the industrial and managerial magnates that rules of conduct are prescribed for them—and they are too many.....

Shri S. S. More (Sholapur): This proposition would mean that with increasing freedom, we shall forge more fetters.

Pandit K. C. Sharma: Take the case of the learned professions. How many rules are there for the lawyer? They are not for the businessman. For a lawyer is superior in society. Therefore, the more evolved a person, system or organisation is, the greater would be the number of rules and the more restricted his activities would be. The finer the building the more chiselled are the stones. It is not raw stones that are put in the Taj. So, it is not in derogation to any profession or industry or business that the rules are made too rigid. The rules are made too rigid so that they may progress well and be better.

सेठ अचल सिंह (जिला आगरा, पश्चिम): हमारा कम्पनी ला में संशोधन की बहुत जरूरत है क्योंकि इसका सम्बन्ध इन्शोरेंस कम्पनीज, बैंक और तमाम इंडस्ट्रीज से है।

पहले कम्पनी एक्ट में काफी कीमियां थी जिस की वजह से बम्बई शेयर होल्डर्स एसोसियेशन ने उसके खिलाफ आवाज उठायी। मैं समझता हूँ कि हमारा कम्पनी एक्ट में सुधार होने की अत्यन्त आवश्यकता है। हमारा देश में अंगरेजों के आने से पहले इतनी बड़ी कम्पनियां नहीं थीं। ज्यादातर यहां के साहूकार काम करते थे और कुटीर उद्योग और छोटे छोटे उद्योगों के रूप में काम होता था। लेकिन इन छोटे छोटे कामों से इतना बड़ा काम पैदा होता था

कि हमारा व्यापारी लाखों करोड़ों रुपये का माल विदेशों को भेजते थे। जो धनी और साहूकार लोग थे वे ही सारा व्यापार को चलाते थे। लेकिन जब अंगरेजों ने हमारा देश पर कब्जा किया तो उन्होंने व्यापार को अपने हाथों में लिया। इंग्लैंड में कम्पनी एक्ट जारी था। इसलिए उन्होंने यहां पर भी उसके अनुसार जाइंट स्टॉक कम्पनी एक्ट सन् १८५० में जारी किया।

ब्रिटीश गवर्नमेंट ने हिन्दुस्तान को अपने हाथ में लिया तो उन्होंने सन् १८६२ में कम्पनी एक्ट बनाया और इंडस्ट्रीज को अपने हाथ में लिया और लोगों को भी उसके अनुसार काम करने का मौका दिया। लेकिन जब उन्होंने यह देखा कि लोगों ने उस कम्पनी एक्ट का दुरुपयोग किया है तो फिर सन् १८८२ में सुधारपूर्वक कम्पनी एक्ट बनाया। उसके उसमें सन् १९१३ में और फिर सन् १९३६ में ग्रीन कैमीशन की सिफारिशों के अनुसार उसमें संशोधन किये गये।

दूसरे विश्व युद्ध के दौरान में और उसके बाद यहां जो कम्पनियां थीं उनके मैनेजिंग एजेंट्स ने बहुत नाजायज फायदा उठाया। खास बात यह थी कि लड़ाई के दौरान में बाहर से कंज्यूमर्स गूड्स आना बन्द हो गया था। इसलिए यहां पर अनेक इंडस्ट्रीज जारी हुईं और उन चीजों के काफी दाम बढ़ते गये और मैनेजिंग एजेंट्स ने इस तरह से नाजायज फायदा उठाया कि वह अपनी चीजों को किसी अपने रिश्तेदार को बेच देते थे और फिर उन को बहुत ऊंचे दामों पर बेचते थे। इस वजह से बाम्बे शेयर होल्डर्स एसोसियेशन, फिस्कल कमीशन, इनकम टैक्स इनवेंस्टीगेशन कमीशन, इंडस्ट्रियल फाइनेंस कारपोरेशन और प्लानिंग कमीशन ने आवाज उठायी और कहा कि कम्पनी एक्ट और मुख्यतः मैनेजिंग एजेंट्स में काफी सुधार होना चाहिए। इसके फलस्वरूप गवर्नमेंट ने सन् १९५० में एक कम्पनी ला कमेटी नियुक्त की जो भाभा कमेटी के नाम से मशहूर है। उस

कमिटी ने अपनी रिपोर्ट सन् १९५२ में दी। उसके अनुसार गवर्नमेंट आफ इंडिया ने कार्रवाई शुरू की।

सन् १९५२ में प्रथम पंचवर्षीय योजना शुरू की गयी। उसमें गवर्नमेंट का ध्यान इंडस्ट्रीज की तरफ गया। विदेशी राज्य में हमारे भारत-वर्ष को अपनी इंडस्ट्रीज की तरक्की करने का पूरा मौका नहीं मिला था। इस बीच दूसरे देशों में इंडस्ट्री की काफी तरक्की हो चुकी थी। जब हमारी नेशनल गवर्नमेंट बनी तो उसने देखा कि हमें अपनी इंडस्ट्रीज को तरक्की देनी चाहिए। जब तक हमारी इंडस्ट्रीज तरक्की नहीं पा जायेंगी तब तक हम सेल्फ सपोर्टिंग नहीं हो सकते और हमको बहुत सी चीजें बाहर से मंगानी पड़ती हैं। तो इस ओर सरकार ने काफी ध्यान दिया और पार्लियामेंट के सामने सन् १९५२ में मौजदा बिल पेश किया गया और अब यह सिलेक्ट कमिटी से होकर हमारे सामने आया है।

ए० आइ० सी० सी० ने और हमारी सरकार ने भी हमारे देश में समाजवादी समाज की स्थापना करने का उद्देश्य अपने सामने रखा है। इस का मतलब यह है कि हमारे देश में कोई आदमी नंगा, भूखा और बेरोजगार न रहे और हर एक आदमी के रहने और खाने पीने का इन्तजाम हो जाय।

हमारी प्लानिंग कमीशन ने और नेशनल डेवलपमेंट काउंसिल ने सुझाया कि किसी तरह से हमको अपने देश की इंडस्ट्रीज को बढ़ाना चाहिए। कुछ देशों में सरकार इंडस्ट्रीज को चलाती है और कुछ में जनता लिमिटेड कम्पनियों द्वारा चलाती है। लेकिन हमारे यहां यह सांचा गया कि मिक्स्ड इकानमी होनी चाहिए अर्थात् 'हेवी इंडस्ट्रीज को गवर्नमेंट चलावेगी और छोटी इंडस्ट्रीज को व्यक्तिगत कम्पनियां चलाती रहें। इससे काम ठीक चल सकता है' ऐसा विश्वास है। इस वक्त जो

कम्पनी बिल हमारे सामने है उसका यही उद्देश्य है।

इस समय हमारे देश में २६ हजार से ज्यादा लिमिटेड कम्पनियां हैं जिनमें एक हजार करोड़ रुपया लगा हुआ है। आठ सौ से ज्यादा विदेशी कम्पनियां हैं जो कि बाहर रजिस्टर हुई हैं। उनमें १४०० करोड़ से ज्यादा रुपया लगा हुआ है। इस तरह काम चल रहा है। हमारी गवर्नमेंट ने सोचा कि वह किस तरह से इन कम्पनियों में सुधार कर सकती है क्योंकि लोगों ने उनके खिलाफ अपनी आवाज उठायी है। इसी सुधार को करने के लिए यह कम्पनी बिल लाया गया है। इस कम्पनी बिल में खास तौर से मैनेजिंग एजेंसी सिस्टम के खिलाफ आवाज उठायी गयी है। इसमें सन्देह नहीं कि मैनेजिंग एजेंट्स ने काफी अपने राइट्स अर्थात् इकों का दुरुपयोग किया। इससे उनके खिलाफ लोगों को बहुत शिकायत है। मैं अपने जाती तर्जुब से कह सकता हूँ कि किस तरह से मैनेजिंग एजेंट्स ने नाजायज फायदा उठाया है। लाहौर में पीपिल्स बैंक आफ नदर्न इंडिया लिमिटेड बैंक थी। उसके डाइरेक्टर्स ने जनता का कई करोड़ रुपया लेकर अपने डाइरेक्टर्स में बांट दिया और कारखाने खोले गये, आदि लेकिन आज तक एक पैसा शोअर होल्डर्स को नहीं मिला और तमाम रुपया मारा गया। इसी तरह से बहुत सी कम्पनियां खुलीं और उन्होंने जनता का विश्वास प्राप्त करके रुपया इकट्ठा किया और उसका नाजायज तौर से इस्तेमाल किया और तमाम शोअर होल्डर्स का रुपया मारा गया। इसलिए यह अत्यन्त आवश्यक है कि हमको मैनेजिंग एजेंसी की तरफ काफी ध्यान देना चाहिए। हमारे सामने जो बिल है उसमें मैनेजिंग एजेंसी व्यवस्था पर बहुत बन्दिशें लगायी गयी हैं। इन बन्दिशों के कारण अब काम ठीक से चलेगा। लेकिन अफसांस इस बात का है कि आज जनता का और सरकारी अफसरों का नैतिक स्तर बहुत गिर गया है। इसलिए जब तक हम अपने मोरल को नहीं उठावेंगे तब तक हमारा कोई काम ठीक से नहीं चल सकता।

[संठ अचल सिंह]

हम देखते हैं कि इंग्लैंड में भी यह कानून लागू है। लेकिन वहाँ के लोगों का क्रेडिट बहुत जबरदस्त है। जो नमूना या स्टैंडर्ड वह बतलाते हैं उसी स्टैंडर्ड या नमूने का माल यहाँ आता है। लेकिन हमारे देश में जो कम्पनियाँ काम कर रही हैं उनका नमूना कुछ होता है और जो माल वह सप्लाई करती हैं वह घटिया तरह का होता है। इससे उनका विश्वास करना कठिन हो जाता है। इसलिए चाहे वह गवर्नमेंट हो या मैनेजिंग एजेंसी हो, जब तक लोगों का मोरल या चरित्र ऊँचा नहीं उठेगा तब तक काम ठीक से नहीं चल सकता। गवर्नमेंट ने भी जो योजनाएँ बनायी हैं, भाखरा नंगल की और हीरा कुड आदि की, उनके बारे में भी हम सुनते हैं कि काफी रुपया गबन किया गया है। आखिर गवर्नमेंट में भी मनुष्य तो हिन्दुस्तान के ही काम करते हैं। वह चाहे कहीं काम करें, अगर उनमें सचाई और ईमानदारी नहीं है तो अच्छा काम नहीं हो सकता। गवर्नमेंट कानून बनाती है तो वे उससे बचने का रास्ता निकाल लेते हैं। गवर्नमेंट ने इनकमटैक्स का कानून बनाया है। लेकिन उससे बचने के लिए हमारे बहुत से भाई दो दो बहीखाते रखते हैं। सरकार को एक दिखाते हैं और अपने काम के लिए दूसरा रखते हैं।

मैं समझता हूँ कि हमको चाहिए कि हम ऐसा कानून बनाएँ जो कि न तो बहुत कड़ा हो और न जिसमें बहुत डील पोल हो। ऐसा कानून होना चाहिए कि उसमें गवर्नमेंट के भी राइट्स रहें और पब्लिक को भी काम करने का मौका मिले ताकि वह देश की तरक्की करने में अपना भाग ले सके। मैं इस बिल का तहे दिल से समर्थन करता हूँ और समझता हूँ कि मैनेजिंग एजेंसी सिस्टम में सुधार करने की बहुत जरूरत है। पर इसको रखना चाहिए क्योंकि इसके बगैरे काम चलना बहुत मुश्किल है। लेकिन जो लोग इसमें रखे जायें वे अच्छे आदमी हों

और बा वक्त आदमी हों और साथ ही जो गवर्नमेंट की मैनेजररी काम करे उसमें भी ऐसे ही आदमी होने चाहिए ताकि वे इस काम को ठीक से कर सकें। आज हम देखते हैं कि एक्साइज इंस्पेक्टर, पुलिस इंस्पेक्टर, सैनेटरी-इंस्पेक्टर लेबर इंस्पेक्टर आदि वे सब इसलिए रखे जाते हैं कि काम ठीक से चले। लेकिन होता यह है कि बहुत कुछ गड़बड़ी करते हैं और ये लोग नाजायज फायदा उठाते हैं। इसलिए यह अत्यन्त आवश्यक है कि सरकारी अधिकारी अपने मोरल को ऊँचा करें। जब वे ऐसा करेंगे तभी कानून से काम ठीक से हो सकेगा। अगर ऐसा नहीं होगा तो इसमें काफी गड़बड़ी हो सकती है।

इसलिए मैं इस बिल का समर्थन करता हूँ। साथ साथ ही मैं यह चाहता हूँ कि मैनेजिंग एजेंसी सिस्टम कायम रहे और इसमें समय की पाबन्दी न रखी जाय और जनता को मौका दिया जाय कि वह आजादी से काम कर सकें। गवर्नमेंट के हाथ में तो हमेशा ताकत रहेगी। वह जब चाहे तब मैनेजिंग एजेंसी को खत्म कर सकती है।

Shri T. S. A. Chettiar (Tiruppur): When we heard the speech of my hon. friend Shri Somani yesterday, I was rather afraid when he said that many managing agency houses are thinking of not starting companies in the future. I do not know whether the news that I have heard is correct—that he himself has floated a company, involving a few crores, with managing directors. I have had occasion to refer to certain statistics and to see whether these amendments which have been introduced have resulted in a lesser number of companies being floated in the immediate past. You know and this House knows and the public knows very well that the amendments that we are contemplating in this Bill have been spoken about for the last one year. If there had been an effect of those amendments, to a certain extent it would have been perceptible in the registration of companies. Many of these

people, the big wigs, who gave evidence before us were very well aware of these trends in company legislation. If I may quote from the latest issue of the *Journal of Industry and Trade*, page 1134,88 new companies, limited by shares, with a total authorised capital of Rs. 15:36 crores have been registered during the month of February, 1955. This brings the total number of companies registered during the period of eleven months in the fiscal year 1954-55 to 1,076 with an authorised capital of Rs. 227:48 crores. During the corresponding period of last year, the number was 1,087—not very much more—with an authorised capital of Rs. 43:65 crores. So, the amount involved in the registration of these 1,076 companies is nearly four times more than what was registered in the corresponding period in the previous year. Therefore, I do not think there is real fear that capital will not be forthcoming and that companies will not be registered under the provisions of this Bill.

Now, coming to some of the provisions of this Bill itself, the managing agents, as all people know, abused the measures, and I think my hon. friend overdid it when he criticised some of the provisions. I should think that many of these provisions are welcome. There are more than a hundred provisions which impose a penal clause. I do hope that the business community will realise this, and I hope that there will be no need to use these provisions. But to have these provisions in the Bill is perhaps the best safety for them not to have it used against them. I am one of those who believe that a nation cannot be legislated into morality. My learned friend who spoke before me said that before we have an industrial revolution we must have a moral revolution. I do not think there is any morality implied in this Bill. In fact, what we seek to do is to face certain immoralities that are obtaining in company management. We do hope that with all these restrictions—though one feels, when one goes through the Bill, it is sickening to go through those restrictions which are everywhere in the Bill—

the people will get themselves accustomed to this procedure. Previously, whenever any social legislation came up, we protested against it. How can Government interfere with the private lives of people? But we have got accustomed to that interference. More than that, I feel that when lakhs and crores of shareholders are concerned, when abuses have been pointed out, when committees after committees have pointed out that something must be done about them, the people will accustom themselves to these provisions while the provisions may look irksome. I do hope that this will really result in a purer and better administration of companies.

Now, I would like to come to another point. There was a claim put forward by certain sections of the House that representation must be given to labour in the directorate. According to the existing Act,—originally—the managing agents were all-powerful. Naturally, abuses were lessened when a limitation on the powers was laid by the recent legislations, but today what is being done in the various sections, if we see the provisions from a large point of view, is to enlarge the powers of the directors, to enlarge the powers of the shareholders and the general body so that they will be able to have a better and greater control. To me, Mr. Deputy-Speaker, when we come to see labour as a fourth estate, if I may say so, which wants to claim power in the management, when we want to seek to limit the profit and remuneration of the directors and the managing agents, I should think we should have a greater and a larger view and see how those profits are made. These profits are made not only due to the cleverness of the managing agents, not only due to the investment of capital by shareholders, not only due to the output of labour but by the set-up of protection which this country gives to them. Protection is given in certain cases; imports are made in certain cases to develop the industry; exports are permitted to develop industry, and

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so, to my mind, all the profits are not due merely to the capital, to the management and to the labour but also to the protection which the State provides. In these circumstances, why should we not contemplate a limitation on dividend. I know even this year there have been companies who have given 30 per cent. dividend or who have given more than 30 per cent. dividend. Why has it happened? Because the economic set-up of the country has been such. To me, on any investment, 12 per cent dividend is about the maximum which must be given in any company. If the profits that are due to those companies are out of the set-up that has been provided in this country, I do not see any reason why we should not put a limitation on the dividend; if we can put a maximum limit on the profits, I should think that the community must be enabled to reap the benefits of those higher dividends which it may get because of the protection and the arrangements that the State makes for the running of those companies.

My friend who spoke yesterday said that economic policy should not be confused with company legislation. I say that company legislation, as is being contemplated in this Bill, is not only consistent with, but tries to enforce, our economic policy. It is stated that the Companies Bill is a handmaid for enforcing our economic policy. Not only should we put a limit to the remuneration of managing agents, as we have done rightly, but we should put a limitation on the amount of dividend to be given. I should think that 12 per cent. dividend is about the maximum that should be allowed. After all, it is an unearned profit as far as the shareholder is concerned. In a socialistic pattern of society, the human material must have greater value and capital must have a lesser value, though it must also have some value.

Let me come to the next point of labour being represented on the Board of Directors. To my mind, labour is a very important element. But I must

also say that as we have seen from recent trends, the root cause of trouble is the go-slow policy which has been adopted in some cases, I shall be happy if the wage of labour is inter-connected with the profits of the company, so that if the profits go down, the wages also will go down up to a certain point. This will ensure that the labour will be interested in the greater production of the company. We have heard about Russia. In Russia labour is being associated with the industry in order to increase production and not to decrease production. Therefore if we should connect labour with management, it should be to find ways and means of increasing production and not merely to claim a larger wage. Today if something wrong happens to a company, some people seem to enjoy it. That is not the approach which labour should have. If the wages given to labour are connected with the profits of the company and if the wages are cut subject to a minimum, I believe then only will they have a real interest in the progress of the company. I should think that if representation is to be given to labour on the Board of Directors, it must not be an irresponsible representation, but a responsible one dependent upon greater produce and greater output.

I would like to deal with certain aspects which have not been mentioned in the previous speeches. I may, in this connection, be permitted to refer to certain clauses of the Bill. Coming to clause 613, in the pattern of industry which we contemplate, we are bound to have more and more companies which are called Government companies. According to our industrial policy, certain aspects of industries have been reserved for Government management. Clause 614 provides that,

“The Central Government may by notification in the Official Gazette direct that any of the provisions of this Act shall not apply to any Government company.”

I hope that the Finance Minister will indicate in his reply the provisions from which he expects the Government companies to be exempted. We would like to have not only an indication of that type, but we would also wish that a very important matter like this should not merely be dealt with by a notification by the Government, but should go for consultation to the Advisory Commission mentioned in clause 409. Clause 409, as he may be aware, provides for the appointment of an Advisory Commission and clause 410 mentions the sections under which cases may be referred to that Commission. Clause 614 does not come under clause 410. I think that it is very important that a notification like this should be made only on the advice of a Commission constituted by Government which is considered to be composed of great experts in this matter.

I would also like to refer to the opinions of the Comptroller and Auditor-General circulated to the Public Accounts Committee. He has pointed out certain very important aspects which do not find a place in the Bill. He very rightly says:

"There is no provision requiring Government to place the accounts and audit reports of each such Government company before the Parliament or the State Legislature as the case may be. This appears to be contrary to the declarations made by Government from time to time in the Parliament. In his speech on the 11th December, 1953, on the control of public corporations etc. before Parliament, the Finance Minister stated *inter alia* that in case of limited companies, audit by the Comptroller and Auditor-General shall be obligatory and his report will in the usual way be submitted to the Parliament and it is scrutinised by the P.A.C. The Finance Minister also stated that the budgets of these companies will also be placed before Parliament and if so desired by Govern-

ment, by providing a suitable clause in the Companies Bill."

I am sorry that has not been done in the provisions of the Companies Bill. There is no provision for giving the Comptroller and Auditor-General the right to arrange for external audit; he should have the right to examine the accounts of Government companies. Also, it has not been provided as to how the auditors will be appointed under this Act. To avoid favouritism and public criticism, only qualified auditors should be appointed in consultation with the Comptroller and Auditor-General, and I should think that amendments on the lines suggested by the Auditor-General should be incorporated in the Bill.

I now come to another clause which has also not been discussed yet. Clause 610 deals with the application of this Act to insurance, banking, electricity and other companies governed by special Acts. This House knows that there is the Insurance Act and the Banking Act under which a certain method of maintaining accounts is being prescribed. The insurance companies are under the surveillance of the Superintendent of Insurance and the banking companies are under the surveillance of the Reserve Bank of India. But now we are forming a department separately for the administration of company law. The insurance companies and the banking companies are also companies. We should consider whether it is not right that with regard to certain aspects—I mean certain non-technical aspects—of the company management, all these companies should not come under the same management as the Department which the Government of India are going to form. Coming to this department, there are nearly 94 clauses which provide for interference of Government in company administration. Of these 94 clauses, some deal with very important matters and there are also some clauses which are not so important. I should think that this department should work in a quasi-judicial way with set principles before them

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and also have precedents. They should publish these precedents if necessary, so that the public may know that on the same facts, one decision is given in one case and another decision is not given in the other case. I think that developing good precedents in company law administration is of the utmost importance. I hope that the department which Government propose to set up will not be wooden. I should also think that it will not be regarded as other departments of Government where interference may be possible; this department should function as a quasi-judicial body with precedents to guide them. While doing so, they should take the advice of the Advisory Commission mentioned in clause 409 as much as possible. The clauses referred to in clause 410 are not sufficient. They must be considerably increased. Even clause 323 which refers to the notification of industries in which managing agents need not be appointed, is not included. To my mind, this is a very important clause and in these matters, no executive decision should be taken unless the advice of the Commission is taken. They must also develop a tradition that as far as possible, the advice of the Advisory Commission will be accepted, because, I do not think that really competent people will serve on the Advisory Commission unless their words are given weight. Government nominate the members of the Advisory Commission. It is not an elected body. The Government choose the best men in the business community for the Advisory Commission. So, we must develop this tradition that the Government will accept the advice of this Commission, though the details will necessarily have to be worked by the department itself.

1 P.M.

Coming to the question of Secretaries and treasurers, referred to in clauses 378 to 383, these are put forward before the House as an alternative management to the managing agency system. It is true that there are important differences between the

secretaries and treasurers and managing agents. These people are not represented in the directorate; they cannot nominate anybody in the directorate. Their remuneration is limited to 7½ per cent. Still I think that certain restrictions which apply to the managing agents should also apply to the secretary and treasurer. The restriction that no company can be the managing agent of more than 10 companies should as well apply to the secretary and treasurer. The amount of management that one can do depends certainly on the organisation which he has at his disposal. But, we generally think that for any organisation to be the managing agent for 10 companies is good enough. If we think so in the case of the managing agents, I should think that that should be so in the case of the secretary and treasurer also. There is another matter with regard to the secretary and treasurer which some people might refer to. That is, that the notification referred to in clause 323 must also apply to the secretaries and treasurers.

An Hon. Member: Yes.

Shri T. S. A. Chettiar: My hon. friend says, yes. I think power may be taken by the Government. As the secretary and treasurer are offered as an alternative management to companies instead of the managing agency, I do not think there will be much point in saying that we must abolish these also. Because no other alternative management has been suggested. The managing director is there. The managing director is also as good as the managing agent.

Another point which has been very much discussed in this House is about the system of proportional representation under clause 264. To my mind, it will be wrong to say that every company should elect the directors on the principle of proportional representation. It is a new thing. Even in the United States which has been referred to, it is only in a very few States that it has been introduced. In

a large number of States, it is an optional matter. We must leave the question of proportional representation for election of the directorate on an optional basis, so that, if the shareholders want, it may be adopted. Nothing prevents them from amending the articles of association in a Special meeting. The Bill as it is, providing for it on an optional basis, is good enough. I do not think we should go to the extent of making it compulsory.

Another important aspect of company law is covered by clauses 84 to 87 which provide for two kinds of capital. The House knows that there are other kinds of shares under the existing Act. The Joint Committee have thought it fit to amend the law, so that there will not be any other kind of shares with extra privileges. There will be only two kinds of capital, equity and preference. What I do not like is the savings clause, that is, clause 89 which says:

"Nothing in sections 84 to 88 shall (a) in the case of any shares issued before the commencement of this Act, affect any voting rights attached to the shares save as otherwise provided in section 88,....."

From the commencement of this Act, as has been provided in certain other cases, 3 years' time must be provided and after that no extra voting rights should be given. The only two kinds of shares provided in clauses 84 to 88 should obtain in all companies after the three years provided in the Bill.

The notifications under clause 323 are placed before Parliament. But, we must make sure that not only are they placed on the Table of the House, but that the House is enabled to discuss them and move amendments so that the House may express itself on this question. Placing on the Table of the House may not mean that amendments can be moved, the matter can be discussed and the House can express itself effectively on this. I do not think I have many more things to say now. There are certain detailed

matters about which I shall speak at the time of the discussion of the clauses.

Mr. Deputy-Speaker: Shri V. B. Gandhi. Hon. Member will be sweet and brief.

Shri V. B. Gandhi (Bombay City—North): I shall try.

The Finance Minister and the Joint Committee deserve compliments. The Bill before this House is a big job well done. Many good things have been achieved by this Bill.

I shall mention that the first good thing coming out of this Bill is the provision for disclosure of information. This disclosure is going to be the fullest practicable and also, this disclosure is going to be made in the prospectus, in the balance-sheet as well as in the profit and loss account. This provision is going to prove a very valuable safeguard for the shareholders, for the creditors and for the investing public. There is the abolition of the disproportionate voting rights. This provision again, will remove an old source of injustice and oppression. Thirdly, there is a provision which limits the period of the renewal of the managing agency to only 10 years. So, under this provision, the managing agents will have to go before the shareholders to get their consent for a renewal. And this provision again will help to eliminate all practices which amounted in the past to serious abuses.

Then, there are other provisions for the Government to investigate. There are provisions for shareholders to apply to courts in cases of oppression and in cases of prejudicial management. Finally, there is also the provision in clause 407 for Government to intervene and to appoint two directors and to prevent oppression and mismanagement. Some of these provisions did exist in the 1951 amending Act, but they are now emphasized and strengthened. These provisions, therefore, are very welcome, and the combined effect of all these will be to improve the regulation of joint

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stock companies. But, even the best of laws have to be administered effectively, and there is a belief, among those who know something about the regulation of joint stock companies—a belief which exists not only in official circles, but also in company circles—that the existing Act was by no means inadequate to deal with situations that arose in the past. If only it had been administered with greater energy and with greater resolution, perhaps we could have improved the regulation very materially.

In this Bill we get an impression that the whole scheme of it is directed towards dealing with the big men among the managing agents, the big ones among joint stock companies. The very fact that a provision has been inserted fixing the minimum remuneration that could be allowed when there is no profit at a figure of Rs. 50,000 shows that the kind of managing agents and the kind of joint stock companies that are there in the minds of the framers of this Bill are the big ones. The minimum remuneration is to be Rs. 50,000 and to avoid the necessity to have to take advantage of this minimum remuneration, the company would have to have a profit normally of about Rs. 5 lakhs and more. There are in this country among the 29,000 joint stock companies registered, a very large proportion of companies which are small companies.

Take again, the provision that limits the number of managing agencies that a person could hold to ten. There again it is clear that the managing agents that this Bill has in mind and which the Bill is taking care to deal with, are the big ones, the ones who have ten managing agencies or more. But we know a vast majority of the companies out of the 29,000 registered companies are managed by people who probably have only one company to manage. Now, with all these 149 penal clauses in this Bill, with all the 94 clauses in which some kind of

Government approval has to be secured by these companies, with all the restrictions and prohibitions that are there spread over so many clauses, I am afraid that this Bill is going to work hardship on the small companies.

This Bill has its shortcomings, as a Bill of this size and this importance is bound to have. First, there is a tendency in this Bill to place very wide powers in the hands of Government without providing a proper check over these powers. Secondly, there are provisions regarding managing agency and some others which are characterised by indecision and vacillation. Thirdly, there are provisions in which unnecessary rigidity and dogmatism have been introduced. I am referring here to clauses like those on minimum remuneration and also those that fix or limit the number of managing agencies that a person can hold. Then again, while we have been pleading for safeguards

Mr. Deputy-Speaker: The hon. Member does not want any limit, is it?

Shri V. B. Gandhi: I do want and I am presently going to show that that limitation may be brought about in some other way rather than by having a very rigid provision of the kind we have in the Bill.

While pleading for safeguards for the shareholders, what we have really accomplished is that we have completely eliminated the shareholder from the picture. The shareholder's rightful role as the virtual owner of the company has been reduced almost to a shadow. And lastly, the definition of Government companies needs to be made more comprehensive, and also the duty should be clearly laid on Government to place the reports of the Comptroller and Auditor-General on Government companies before Parliament.

Talking about these wide powers to Government, as I have said, as many as 94 clauses are there in this Bill which require managing agents and companies to go to Government to

secure some kind of approval from Government. I do not want to suggest that Government should not have these powers. Probably over 80 or 85 of these clauses are necessary. After all, Government is the representative of public interest. Government represents the interests of the community and as such, it should be armed with powers and enabled to step in in cases where gross abuse exists. But, after all, how does Government function in these matters? Government can function only through a department. Here, I would like to add that we believe that such officials as Government may entrust with the task of administering this law in this Department could be men of integrity, and could be just as able and just as efficient as we can desire. Even then, the fact remains that these officials will be taking decisions, and they would not be, naturally, responsible to the shareholders, while their decisions would have to be carried out by the managing agents and directors, who would in their turn be responsible to the shareholders. And in the nature of things, we do not expect Government officials to be responsible to the shareholders. But the other fact remains just the same. I am, therefore, opposed to giving such wide powers to the executive without proper checks.

I also would urge that in specified matters, the decisions of Government should be subject to appeal in a court of law. We may fear the excesses of managing agents. But we must also avoid the risk of indiscretion by an uncontrolled executive. I would, therefore, urge upon this House to insist on proper safeguards by providing that at least in a few specified cases, there should be provision for the decisions being subject to appeal in a court of law.

I now come to some of these provisions in which unnecessary rigidity has been introduced. I am referring first to clause 197. This clause provides that the minimum remuneration should not exceed Rs. 50,000. Why do we have this clause at all? Why

do we need it? It is claimed that ninety per cent of the companies are small and would be covered by this limit of Rs. 50,000. Very well, then they do not need this limit. Then, that leaves ten per cent of the companies. These ten per cent also are going to be companies to which this limitation is not going to be applied outright. Their cases are going to be considered on merit; cases of what they call *bona fide* hardship are going to be considered by Government, and the limit relaxed. So then, where is the fun in having such a very rigid clause, which for ninety per cent of the companies is not needed and which for the remaining ten per cent is not going to be applied and is going to be relaxed after consideration by Government of *bona fide* hard cases.

Shri Barman (North Bengal—Reserved-Sch. Castes): May I ask the hon. Member whether he has changed his mind since the submission of the Joint Committee's report? These are changes that he is pointing out after the submission of that report. The hon. Member was himself a Member of the Joint Committee.

Shri V. B. Gandhi: Am I not free to express myself? I hope I am. We are all in favour that the managing agents should be prevented from having excessive remuneration.

Mr. Deputy-Speaker: As far as possible, it is expected that hon. Members who are parties to the Joint Committee's report, and who have not appended any minutes of dissent, will stand by their recommendations, unless it be a matter of very minor importance. Matters of this kind which are very important, namely whether there should not be a minimum or a maximum, that it is neither useful to the one nor harmful to the other, etc. ought to have been raised there, in order to give an opportunity to the House as a whole to appreciate, accept or reject that kind of recommendation now.

Shri V. B. Gandhi: I shall try to moderate my thoughts. As I said, we are not against limiting it.

Mr. Deputy-Speaker: I am not here to give any directions in this regard, but normally the House will expect hon. Members who have given certain recommendations to the House through the Joint Committee to stand by those recommendations, and to say as to why in the face of opposition, these recommendations have been made by them. That side must be placed before the House by them. It is open to other hon. Members who have appended minutes of dissent to say as to why their view ought to be accepted. It is for the other hon. Members to accept or not to accept.

Shri Kamath (Hoshangabad): He might have changed his mind since then.

Shri V. B. Gandhi: I wholeheartedly support the principle of limiting this remuneration. My only plea is whether without being so rigid as we appear to be in clause 197 we could not do it in some other way.

Shri S. S. More: My question is this, Did the hon. Member raise this point before the Joint Committee?

Shri V. B. Gandhi: What I am suggesting is that it would be interesting to see if we could not do that through clause 325 (2) (b). I shall read out the relevant portion of that clause. Without being rigid, Government have the power, and could have the power, and my suggestion is that we could perhaps use this. Clause 325 reads like this:

"In respect of any company.... a managing agent shall not be appointed or re-appointed,—

(a).....

(b) unless the approval of the Central Government has been obtained for such appointment or reappointment."

In sub-clause 2(b), we have further this provision, namely:

"The Central Government shall not accord its approval under sub-section (1) in any case, unless it is satisfied—

(a).....

(b) that....the conditions of the

managing agency agreement proposed are fair and reasonable;....".

Here, probably Government could have an opportunity to regulate this remuneration question, without having a rigid provision as in clause 197.

I would say just the same thing about clause 331 also. It is also rigid, and it is going to present difficulties. It provides that a person cannot hold office as managing agent in more than ten companies. The problem is definitely going to be of too many, too few, too large and too small. In some cases, ten would prove to be too many; in some other cases, ten would prove to be too few. There may be companies which are too large to be taken up in ten, and all that. After all, the question has to be decided on the ability and capacity of the managing agents. And when we measure this capacity, we have to consider the kind of staff the managing agent has, the organisation, the experience that he has, the finance at his command and the credit he has in the market. Here also, my plea is that Government could see if they could not bring about this very desirable limitation by other means. Here again, let me repeat that I am in favour of limiting the number of managing agencies that a person could hold. But I suggest that by exploring the possibilities of using the power under clause 325 (2) (b), Government could do it without this rigid limit of ten. They could say to a managing agent, 'You can manage only five companies, considering the size of these companies, or considering the size of your organisation, or considering the level of your finance and credit, and so on'.

Now, I come to the question about the managing agency. We, of course, are free to end the managing agency system if we so choose. But can we do it now? I am sure we all agree that we can hardly do so now (*Interruptions*). Suppose we have a man in our service whom we have decided to dismiss after some time. Now,

we do not say to him, 'you are dismissed. Now go on and do your work and show your best results'. We do not do that. We just keep our decision to ourselves and communicate it to him at the proper time. I think it is a little premature for us to start talking about ending the system, if we are not sure that we can really.....

Shri S. S. More: Does that mean that Government have already decided the time by which managing agency would be liquidated, and they are only keeping it secret for the purpose of not offending the managing agents? That is the suggestion made by the hon. Member.

Shri V. B. Gandhi: Whatever I say, does not bind the Government.

Mr. Deputy-Speaker: Every hon. Member who sits on that side does not speak on behalf of Government.

Shri V. B. Gandhi: Now, we know that managing agencies still have work to do for us. Here there are 900 crores of rupees of the people's money invested in 29,000 companies. Now, their work has to be carried on. And let us not forget that the work is increasing. Every year about a thousand more new companies are being registered and about Rs. 50 crores annually, on the average, are being invested. Now, this work cannot be let down and we cannot end the system unless we have an alternative system of management ready and available at hand. That is not all. In our Second Five Year Plan, we are putting additional work to be done by the private sector. Here we say that of the total investment of Rs. 2200 crores, in the private sector so much has to be done. Out of Rs. 2200 crores, about Rs. 500 crores are expected to be invested in industry, mining and transport, and that probably will have to be done, through the agency of joint stock companies, and, therefore, also through the agency of managing agents. If we expect all this work to be carried on by the joint stock company system as a whole, I do

not know if it is part of wisdom to start shouting about ending this system at this stage. I say again that we are free to end it, if we choose to do so. I do say that the managing agency system is not indispensable, it can be replaced. The question is whether we are in a position to replace it today. In this Bill, we have provided an alternative form of management, in the shape of secretaries and treasurers. In my view, this new form of management is really not much different from the managing agency system. It is almost the same thing under a new name. But let us not quarrel over names and phrases.

Then I would say a word about the recommendation of the Company Law Committee for a separate statutory authority. The Company Law Committee has recommended a separate statutory authority. The Joint Committee has not, of course, accepted it. What is the alternative to a separate statutory authority? The alternative clearly is a government department. Now, such a department has already been created, and a government department, to carry on the administration of joint stock companies, is something which we can understand as logical. But then also we find that the old Advisory Commission is being retained. I do not understand why this Advisory Commission is being retained. How is it going to be very different from a section of the department or from a research section or inquiry section of the department, if they were to create one such? Because after all, the value that can be attached to the reports or the results of the inquiry of such a research section or inquiry section of the department would not be very different from the value that they are likely to attach to the reports or the results of the inquiries made by the Advisory Commission. So it is just a meaningless appendage, as it is, and I do not see why this department should be asked to stand on two stools.

Mr. Deputy-Speaker: I have already given the hon. Member 30 minutes.

Shri V. B. Gandhi: May I have five minutes more?

Mr. Deputy-Speaker: Yes, Therefore, I must ring the bell ten minutes earlier.

Shri V. B. Gandhi: Thank you I am very appreciative.

Shri S. S. More: We are discussing company law. Some bargaining must be permitted.

Shri V. B. Gandhi: Again I say that a statutory authority can give expert attention to all these problems. It can give objective consideration to all the problems that come before it. It is said that the administration of joint stock companies involves consideration of questions of policy. When that is said, I am afraid they are hardly convincing. The policy has already been taken into consideration when this particular shape was given to this Bill. Now, the Bill is there, it has been passed, and it will be the duty either of the department of the Government or of the statutory commission to carry out the provisions of the Act. So I do not think that that is a very valid objection to having this administration entrusted to a separate statutory commission. Since the Government have not accepted this recommendation of the Company Law Committee for a separate statutory commission, I would suggest that this House should insist on a provision that we should make the decisions of the department, as I said, in certain specified matters subject to appeal in a court of law.

Then I will just say briefly that the definition of 'Government company' deals only with companies which have a share capital of 51 per cent subscribed from government funds. What I would say is that there would be companies in which 51 per cent and more of government funds would be invested not in the form of share capital but in the form of, say, debentures, loans and various other kinds of assistance. There would also be companies in the form of government-owned corporations such as the new

development corporations—fully government-owned—which are going to be started. These corporations may make loans and advances to companies which would make more than 50 per cent of share capital. Shouldn't they be brought under the scope of this provision so that the other provisions and requirements may be applicable to them? Therefore, I would suggest that this question should be considered and the definition may be made more comprehensive.

Finally, the provisions on this subject are not very clear about the duty to be laid on Government to place before this House the comments and any supplementary reports which the Comptroller and Auditor-General may have to make on these government-owned companies. That should be made very clear and obligatory, and there should be no doubt about it. It will also be necessary to give powers to the Comptroller and Auditor-General of India to have access to accounts and to papers of these government companies. No such provision seems to be there in the clauses that are before us.

With these shortcomings, the Bill is, by and large such as should receive the support of the House.

श्री कृष्ण चन्द्र (जिला मथुरा पश्चिम):
ज्वायंट स्टाक कम्पनी विधेयक इस भवन में कई रोज से चल रहा है। ज्वायंट स्टाक कम्पनी इस देश में अपना एक बहुत बड़ा महत्व रखती है। आज हम देखते हैं कि देश के रोजगार, उद्योग और धंधे, प्रायः सभी बड़े बड़े रोजगार, चाहे वह व्यापार हों या उद्योग हों, सब के सब ज्वायंट स्टाक कम्पनी के द्वारा ही संचालित हो रहे हैं। ज्वायंट स्टाक कम्पनी एक तरह से रोजगार और उद्योग को चलाने का एक नया संगठन है। आज संसार में और हमारे इस देश में जैसे उद्योगों का विकास होता गया, व्यापार बढ़ता गया उसी तरह से यह ज्वायंट स्टाक कम्पनी का नया तरीका व्यापार और उद्योगों के संगठन के लिये संसार में आया। बहुत से

लांग इस संगठन के अन्दर अपने रोजगार को बढ़ाने के लिये या उद्योगों को कायम करने के लिये शरीक होते हैं, और आज ज्यादातर रोजगार इसी तरीके पर चल रहे हैं। इस संगठन को बनाने के लिये लोगों का संगठन किया जाय, उन्हें इकट्ठा किया जाय और किसी रोजगार की, व्यापार की या उद्योग की योजना बनाई जाय, उस योजना को लोगों के सामने रक्खा जाय, उस में उन की रुचि आकर्षित की जाय और तब उन को उन में शरीक किया जाय, इन सब के लिये इस संगठन को खड़ा करने के लिये किसी एजेंसी की जरूरत है जो कि उस को चलाये। आज तक मैनेजिंग एजेंट्स इस का संचालन करते रहे हैं। कुछ लोग मैनेजिंग एजेंट बनते हैं, वही तमाम व्यापार या उद्योग की योजना तैयार करते हैं। उस में यह बताते हैं कि इस तरीके से काम किया जायगा और यह मुनाफा होगा, वह उस योजना को लोगों के सामने रखते हैं और लोगों का ध्यान उस की तरफ आकर्षित करते हैं, उन को शरीक करते हैं और इस तरह से मैनेजिंग एजेंसी रोजगार खड़ा करती हैं और संगठन बनाती हैं। उस के बाद जब रोजगार चालू हो जाता है तब उस रोजगार की व्यवस्था भी वही मैनेजिंग एजेंसी करती हैं। इस तरह से अगर दखा जाय तो यह मैनेजिंग एजेंट्स इस दश में ही नहीं बल्कि संसार में उद्योगों और रोजगारों को बढ़ाने में बहुत बड़ा हाथ रखते हैं। जैसे जैसे समय बढ़ता गया और जमाना तरक्की करता गया, दूसरे दशों में और और तरीके निकलते गये जो मैनेजिंग एजेंसी से बेहतर थे। जैसा कहा जाता है और दशों में अमरीका या ब्रिटेन में मैनेजिंग एजेंसी का तरीका अब प्रायः इस्तेमाल नहीं होता क्योंकि वहाँ पर दूसरे तरीके इस्तेमाल हो रहे हैं, उसी तरह से हमारे इस कानून के अन्दर भी कई तरीके दिये गये हैं जिन तरीकों से कि कम्पनियों का संचालन किया जा सकता है, कम्पनियों को खड़ा किया जा सकता है और आगे जा कर कम्पनियों का इन्तजाम किया जा सकता है। आज जो कम्पनी

ला हमारे सामने हैं, उस में कई तरीके दिये हुए हैं। एक तरीका है मैनेजिंग एजेंट्स का, दूसरा तरीका है ट्रंजरस व संक्रेटरीज का यह नया तरीका इस बिल में रक्खा गया है, तीसरा तरीका मैनेजिंग डाइरेक्टर्स का अब तक चलता रहा है, मैनेजर का भी तरीका है। इस तरह से तीन चार तरीके इन कम्पनियों का संचालन करने के लिये हमारे इस बिल में मौजूद हैं। किसी भी तरीके को इस्तेमाल कर के कम्पनी को खड़ा किया जा सकता है और आगे जा कर उस का संचालन किया जा सकता है, लेकिन सोचने की यह बात है कि जब कई तरीके हमारे सामने हैं तो जो लोग कि उस कम्पनी को खड़ा करने का विचार अपने मन में लाते हैं और वह ज्यादातर वह हाते हैं जिन को व्यापार का और उद्योग का कोई अनुभव होता है, आज कल जो करोड़ों आदमी व्यापारों या उद्योग धंधों में लगे हुए हैं, वह पूंजीपति या सेंट साहूकार लोग हैं, वही कम्पनियों को खड़ा करते हैं, उन ही के दिमाग में यह खयाल आता है कि इस किस्म का रोजगार किया जाय, तो जब उन के दिमाग में कम्पनी को खोलने का खयाल आयगा तो इस बिल के कानून बन जाने के बाद उन के सामने तीन चार तरीके रहेंगे। वह सोचेंगे कि इन तीन चार तरीकों का इस्तेमाल कर के हम कम्पनी को खड़ा कर सकते हैं और आगे चल कर उस का संचालन कर सकते हैं, तब कुदरती बात है कि जब कोई रोजगारी किसी काम को चलाने के लिये खड़ा होता है तो वह यह दखता है कि किस तरीके से हमारा सब से ज्यादा मुनाफा होगा, किस तरीके से ऊंचा मुनाफा होगा और सहूलियत मिलेगी। वह उसी तरीके को इस्तेमाल करेगा। जो भी हम ने तरीके इस कानून में रक्खे हैं वह उन में से किसी को इस्तेमाल कर सकता है अपनी कम्पनी का इन्तजाम करने के लिये। हम ने सरकार को यह भी अधिकार दिया है कि सरकार आगे चल कर १९६० में यह भी तय कर सकती है कि इन कुछ निर्धारित उद्योगों के अन्दर जो कम्पनीज रहेंगी उन में मैनेजिंग एजेंसी

[श्री कृष्ण चन्द्र]

का तरीका नहीं होगा बल्कि दूसरा तरीका होगा, ट्रंजरर का या मैनेजिंग डाइरेक्टर का या कोई दूसरा तरीका। तो जब सरकार वहां पर यह तय कर दंगी कि मैनेजिंग एजेंसी का तरीका नहीं होना चाहिये, तब बात दूसरी है। लेकिन जब तक किसी उद्योग के लिये यह तय नहीं किया जाता है तब तक कुदरती बात है कि जिस तरीके में सब से ज्यादा मुनाफा दिखाई देता है वही तरीका हर कोई इस्तेमाल करेगा। इस वास्तु में सा कि कहा जाता है कि हम ने आज तक कोई तरीका कम्पनी के इस्तेमाल के लिये दूसरा नहीं निकाला, जब तक हम कोई बेहतर तरीका कम्पनियों के संचालन के लिये न निकाल लें तब तक हमारा इस मैनेजिंग एजेंसी के तरीके को खत्म कर देना बहुत अच्छा नहीं होगा, क्योंकि उस से हमारे राजगार खत्म हो जायेंगे। आज जो उद्योग धंधे चल रहे हैं वह भी रुतम हो जायेंगे। यह सभी तरीके अपने स्थान पर काफी महत्व रखते हैं, लेकिन जब हम देखते हैं कि कई तरीके हमारे सामने हैं तो जो तरीका कि सब से बड़े मुनाफे का होगा, जिस तरीके में हमें सब से ज्यादा मुनाफा हो सकता है, जिस तरीके में हमें सब से ज्यादा सहायित हो सकती है, जिस तरीके से मैनेजिंग एजेंट्स को, जो कि कम्पनी को चलाने वाले हैं, सब से ज्यादा मुनाफा कमाने का मौका मिल सकता है, और जब तक कि वह तरीका मौजूद रहता है, तब तक कुदरती तौर पर जो लोग कम्पनी को चलाने वाले होंगे वह उसी तरीके को अपनावेंगे। जब तक हम मैनेजिंग एजेंसी के तरीके को निकाल नहीं देंगे, तब तक लोगों का ध्यान दूसरे तरीकों की ओर आवेगा ही नहीं। यह जो कहा जाता है कि हम ने कोई रास्ता नहीं निकाला, हम ने कोई दूसरा तरीका नहीं निकाला, उस के सम्बन्ध में मेरा विनीत निवेदन यह है कि जब तक हम मैनेजिंग एजेंसी सिस्टम को चालू रखेंगे, जब तक लोगों के सामने यह रहेगा और वह उस का इस्तेमाल कर सकेंगे, उन के लिये खुला

हुआ रास्ता रहेगा, तब तक किसी दूसरे तरीके में लोगों की रुचि नहीं हो सकती है क्योंकि वह उस तरीके को जिस में उस को ज्यादा सहायित है, ज्यादा मुनाफा है और इन्तजाम भी जिस में अच्छा हो सकता है, छोड़ने को तैयार नहीं होगा क्योंकि यह मनुष्य का स्वभाव है, मनुष्य की प्रकृति है कि जो प्रतिकूल तरीका है, जिस में उस का लाभ कम है, उस की आजमाइश करे। हम ने कितने ही प्रतिबन्ध इस मैनेजिंग एजेंसी सिस्टम पर लगाये हैं, हम ने इन प्रतिबन्धों को लगा कर यह कोशिश की है कि मैनेजिंग एजेंट्स को जो अपने अधिकारों का दुरुपयोग करते रहे हैं और जिन की वजह से मैनेजिंग एजेंसी काफी बदनाम हुई है और जिन की वजह से लोगों का तीव्र विरोध उन के खिलाफ उठा है, उन के उन तरीकों को हम बन्द कर दें। इस बिल में कितने ही तरीके हैं कितनी ही व्यवस्थायें हैं कि जिन के जरिये से मैनेजिंग एजेंट्स जो खराब तरीके अख्तियार करते हैं उन को बन्द किया जा सके। अब मैं उन प्रतिबन्धों का विवरण करूंगा कि जिन से खराबियां दूर करने की व्यवस्था बिल में रखी है। पेशतर इस के कि मैं उन का विवरण करूं मैं यह बात कह देना चाहता हूं कि जिस वक्त यह बिल हमारे सामने पहले पहल पेश किया गया था उस वक्त इस बिल में बहुत सी खराबियां थीं, बहुत सी कमियां थीं-----

श्री कामत : अभी भी हैं।

श्री कृष्ण चन्द्र : हां अब भी हैं। जब यह बिल ज्वायंट सिलेक्ट कमेटी के सामने गया और ज्वायंट सिलेक्ट कमेटी के मॅम्बरान ने जो इस में मेहनत की है, परिश्रम किया है, मनन किया है उस ने इस को बहुत करके सुधार कर इस हाउस के सामने पेश किया है। जो कमियां पीहले बताई गई थीं, जो खराबियां बताई गई थीं, उन पर इस कमेटी ने विचार किया और काफी इस बिल को दुरुस्त करने की कोशिश की है और अब जो बिल

हमारे सामने आया है वह बिल पहले बिल से काफी सुधरा हुआ है। आज इस में बहुत कम कीमियां रह गई हैं और अब जो कीमियां दिखलाई देती हैं वह ऐसी कीमियां हैं कि बिजनेस के बारे में मतभेद हो सकता है। पहले जो कीमियां थीं वह साफ तौर से मालूम पड़ती थीं लेकिन अब ज्वायंट सिलेक्ट कमेटी ने उन्हें बहुत कुछ दूर कर दिया है।

पहली बात जो इस बिल में रखी गई है वह यह है कि मैनेजिंग एजेंट्स का जो रिम्युनेरेशन है उसकी एक सीमा निर्दिष्ट कर दी गई है। यह रिम्युनेरेशन चाहे वे मुनाफे के किसी भाग के रूप में लें, चाहे बीजनेस के तौर पर लें उसकी सीमा धारा १६७ में निर्दिष्ट कर दी गई है। यह सीमा १० फीसदी निर्दिष्ट कर दी गई है और कोई इस से ज्यादा नहीं ले सकता है। यदि कोई मैनेजिंग एजेंट अपनी मातहतता में कोई मैनेजर रखकर कम्पनी का इंतजाम कराये और उसको तनखाह दे तो यह व्यवस्था रखी गई है कि मैनेजर आदि की तनखाहों को शामिल कर के और मैनेजिंग एजेंट्स के मुनाफे को शामिल कर के कम्पनी के मुनाफे से ११ फीसदी से ज्यादा नहीं लिया जा सकेगा। दो तरीकों से सीमा निर्धारित कर दी गई है। इस में एक सामी रह गई है और वह यह है कि इस में कोई व्यवस्था ऐसी होनी चाहिये कि जिस से गवर्नमेंट को यह अख्तियार दिया जाए कि वह इस ११ फीसदी और १० फीसदी की सीमा के अन्दर रहते हुए हर कम्पनी के लिए या हर उद्योग के लिए या तो उनकी पूंजी के ऊपर या उन के मुनाफे के ऊपर किसी तरह की सीमा और लगा दे। अगर ऐसा हुआ तब तो यह जो हमारी सीमा है अच्छी तरह से काम करेगी। एक कम्पनी दो करोड़ रुपये की लागत से चल रही है, बहुत बड़ा काम कर रही है, दस बीस लाख का मुनाफा कमा रही है उस के लिए भी ११ फीसदी की सीमा और जो कम्पनी दस लाख की पूंजी से चल रही है,

बहुत थोड़ा मुनाफा कर रही है, उस के लिए भी ११ फीसदी की सीमा, यह उचित नहीं। इस के बारे में इस बिल में कुछ न कुछ प्राविजन होना चाहिये।

इस बिल के अन्दर गवर्नमेंट को यह भी अख्तियार दिया गया है कि अगर शेयर होल्डर्स चाहें और वह गवर्नमेंट के पास इस किस्म की कोई दरखास्त दें कि कम्पनी का इंतजाम गलत तरीके पर चल रहा है, कम्पनी के इंतजाम से, मैनेजिंग एजेंट्स के तौर तरीके से कुछ शेयरहोल्डर्स को नुकसान पहुंच रहा है तो गवर्नमेंट को यह अख्तियार होगा कि वह सारे मामलों को इन्वेस्टिगट कर सकती है और अपने इन्स्पेक्टर मुकर्रर कर सकती है। इस के अलावा अगर गवर्नमेंट को इस बात का इत्मीनान हो जाए कि कम्पनी गलत तरीके से चल रही है तो अपने आप भी वह उस के मामलों की तहकीकात करवा सकती है। मैं मानता हूँ कि यह एक बहुत अच्छी चीज है। लेकिन इस के बारे में एक चीज जो मैं अर्ज करना चाहता हूँ वह यह है कि इस में एक पाबन्दी लगा दी गई है कि अगर १० फीसदी शेयरहोल्डर्स दरखास्त करें, उस कम्पनी के बिलाने भी शेयरहोल्डर्स हैं उन का दसवां हिस्सा अगर गवर्नमेंट को दरखास्त दे तभी गवर्नमेंट तहकीकात करवा सकती है वरना नहीं। मैं यह चाहता हूँ कि इस बिल में यह रख दिया जाए कि अगर गवर्नमेंट समझे कि शेयरहोल्डर्स की शिकायत काफी हद तक ठीक मालूम होती है और उन शिकायतों को देखते हुए अगर गवर्नमेंट मुनासिब समझे तो थोड़ी तादाद भी अगर शेयरहोल्डर्स की हो तो उस सूरत में भी गवर्नमेंट इन्वेस्टिगेशन का हुकूम दे सकती है।

इस बिल में एक बात यह भी की गई है कि एक सीमा लगा दी गई है कि एक मैनेजिंग एजेंट १० कम्पनियों से ज्यादा का मैनेजिंग एजेंट नहीं रह सकता। वह बहुत बड़ी चीज है। आज तक जो कानून था उस में वह था कि

[श्री कृष्ण चन्द्र]

एक मैनेजिंग एजेंट चाहे जितनी कम्पनियों का मैनेजिंग एजेंट बन सकता था। उस पर एंसा करने के लिए कोई रोक नहीं लगाई गई थी। कितनी ही कम्पनियों के कुछ लोग मैनेजिंग एजेंट हो सकते थे। इस बिल में पहली दफा इस किस्म की सीमा बांधी गई है। इस में इसके अलावा एक और भी चीज की गई है और वह यह कि मैनेजिंग एजेंट्स के जो एसोसियेट्स होते हैं उन को भी डिफाइन कर दिया गया है। इस से पहले एंसा भी होता था कि कुछ मैनेजिंग एजेंट अपने आप तो कुछ कम्पनियों के मैनेजिंग एजेंट बन जाते थे और इस के अलावा कई और कम्पनियों का काम ले लेते थे जिन में कि उन का सीधा तो कोई हाथ नहीं होता था लेकिन किसी तरीके से उन का मुनाफा भी उन के पास आ जाता था। इस तरह से वे कितनी ही कम्पनियों का इंतजाम सम्भाल लेते थे। अब एंसा नहीं हो सकेगा। इस बिल में एसोसियेट की भाषा काफी विस्तृत तौर पर लिख दी गई है ताकि कोई गुंजाइश न रहे और वे इस का उल्लंघन न कर सकें। यह बहुत अच्छी चीज है। मैनेजिंग एजेंट्स जो कारिबल होते हैं, अपनी कारिबलियत से, अपनी योग्यता से, अपने प्रभाव से वे कम्पनी को चलायें हैं, उसका इंतजाम करते हैं, उसको मुफीद बनाते हैं, उसको फायद की चीज बनाते हैं। अब तक एंसा हुआ करता था कि यह मैनेजिंग एजेंट्स पहले से ही यह शर्त कर लिया करते थे कि उन के लड़के और उन के घरे उन के बाद उन के उत्तराधिकारी होंगे। इस तरह से जो मैनेजिंग एजेंट हुआ करते थे वे बराबर मैनेजिंग एजेंट ही चले आते थे क्यों कि उन के बाद उन के लड़के और उन के पाते काम को सम्भाल लिया करते थे। लेकिन इस कानून के अन्दर यह तय कर दिया गया है कि आइंदा के लिए उन के लड़के और उन के पाते, चाहे उन्होंने कितना ही अच्छा काम क्यों न किया हो, उन के उत्तराधिकारी नहीं हो सकेंगे और केवल इसी बिना पर मैनेजिंग एजेंट नहीं बन सकेंगे।

जो कर्ज मैनेजिंग एजेंट्स को दिए जाते हैं उन के बारे में भी इस बिल में काफी सख्त पाबन्दी, बड़े प्रतिबन्ध लगा दिये गए हैं। जो प्रतिबन्ध रखे गए हैं वे ऐसे हैं जिन के बारे में जहां तक अक्ल काम करती है उन प्रतिबन्धों को टाला नहीं जा सकता है, उन का कंट्रोल नहीं किया जा सकता है, घुमा फिरा कर उन को तोड़ा नहीं जा सकेगा।

2 P.M.

इस में यह प्रतिबन्ध भी रख दिया गया है न सिर्फ मैनेजिंग एजेंट बल्कि उनके एसोसिएट, रिश्तेदार, दूर के रिश्तेदार, उनके साथ मुनाफा कमाने वाले शरीक कोई भी अगर कर्ज लेंगे, तो उनको नहीं दिया जायगा। इसके अलावा अब तक यह होता रहा है कि कम्पनी से कर्ज नहीं लिया, दूसरी जगह से ले लिया और कम्पनी की जमानत दे दी। अब यह प्रतिबन्ध लगा दिया गया है कि कम्पनी से भी कर्ज नहीं लिया जा सकता है और अगर कोई दूसरा कर्ज दे, तो कम्पनी जामिन भी नहीं होगी।

अब तक यह व्यवस्था थी कि मैनेजिंग एजेंट्स को अख्तियार था कि वे अपने डायरेक्टर्स मुकर्रर कर दें, क्योंकि मैनेजिंग एजेंट्स के ऊपर डायरेक्टर्स रहते थे—मैनेजिंग एजेंट्स बोर्ड आफ डायरेक्टर्स के आधिपत्य में रहते हुए अपना काम करते थे। मैनेजिंग एजेंट्स को पूरा अख्तियारात थी, लेकिन बोर्ड आफ डायरेक्टर्स का उन के ऊपर कंट्रोल रहता था। अब तक मैनेजिंग एजेंट्स को अख्तियार था कि वे एक तिहाई डायरेक्टर्स खुद मुकर्रर कर दें और दो तिहाई जेनरल मीटिंग में मुकर्रर हो जायें। इस पर भी अब प्रतिबन्ध लगा दिया गया है। अब यह कर दिया गया है कि वे एक तिहाई या दो, इसमें जो भी ज्यादा हो, डायरेक्टर्स मुकर्रर कर सकते हैं। वे एक तिहाई मुकर्रर कर सकेंगे और या दो-दो से ज्यादा मुकर्रर नहीं कर सकेंगे।

गवर्नमेंट को यह भी अख्तियार दिया गया है

कि अगर वह दूखें कि किसी कम्पनी में बड़ी बढ़-इन्तजामी हो रही है और मैनेजिंग एजेंट्स ने बड़ी धांधलेबाजी कर रखी है, तो शेररहोल्डर्स के हितों की रक्षा करने के लिए उनमें से अपनी तरफ से दो डायरेक्टर्स मुकर्रर कर सकती हैं।

इन पाबन्धियों के रहते हुए उम्मीद तो यह की जाती है कि आईन्दा मैनेजिंग एजेंट्स की धांधलेबाजी, उनके गलत तरीकों में काफी कमी हो जायगी। जरूरी यह है कि इन प्राविबन्धों को ठीक तरीके से इस्तेमाल किया जाय और उम्मीद है कि किया जायगा। यह प्राविबन्ध भी रखा गया है कि अगर इसके बाद भी ये खामियां, ये खराबियां दूर न हों, तो गवर्नमेंट को अख्तियार होगा कि वह १९६० के बाद तय करे कि इन उद्योगों में मैनेजिंग एजेंट्स सिस्टम नहीं रहेगा। यह काम धीरे धीरे किया जायगा।

इसके साथ ही साथ संक्रेटरीज और ट्रंजरर्स के बारे में भी प्राविबन्ध है। मैं अर्ज करना चाहता हूँ कि संक्रेटरीज और ट्रंजरर्स का जो नया रूप बनाया गया है, उसमें और मैनेजिंग एजेंट्स के रूप में कोई ज्यादा भेद नहीं है। एक गया और दूसरा आया। चेहर-मोहर में फर्क हो गया, लेकिन आदमी वही रहते हैं। संक्रेटरीज और ट्रंजरर्स कोई आदमी नहीं हो सकता है। जिस तरह मैनेजिंग एजेंट्स कोई फर्म ही हो सकती है—वह कार्पोरेट हो या इनकार्पोरेट—, उसी तरह संक्रेटरीज और ट्रंजरर्स के लिए भी रख दिया गया है कि वे भी फर्म्स ही होंगे, कोई व्यक्ति नहीं होंगे। ऐसा नहीं हो सकता है कि कोई व्यक्ति अपने नाम से संक्रेटरी या ट्रंजरर हो जाय। वह तो सिर्फ फर्म ही हो सकती है—चाहे वह कार्पोरेट हो या इनकार्पोरेट। मैनेजिंग एजेंट्स में जो बात थी, वही संक्रेटरी और ट्रंजरर में रखी गई है। कोई अच्छा आदमी कितना ही काबिल और होशियार क्यों न हो, कम्पनी को अख्तियार नहीं कि वह उसको संक्रेटरी या ट्रंजरर बना दे—वह तो कोई व्यापारिक फर्म ही हो सकती है। उसके लिए भी वही

अख्तियार रखे गए हैं, जो कि मैनेजिंग एजेंट्स के थे। हमारे बिल में लिखा गया है कि संक्रेटरी और ट्रंजरर को भी कुछ को छोड़ कर सब वही अख्तियार मिलेंगे। सिर्फ यह फर्क किया गया है कि मैनेजिंग एजेंट्स के मुनाफे की सीमा जहां दस परसेंट से ज्यादा नहीं हो सकती है, वहां संक्रेटरीज और ट्रंजरर्स का मुनाफा साढ़े सात परसेंट से अधिक नहीं हो सकता। एक बात और कर दी गई है संक्रेटरीज और ट्रंजरर्स डायरेक्टर्स मुकर्रर नहीं कर सकते हैं। यह उम्मीद की गई है कि संक्रेटरीज और ट्रंजरर्स मैनेजिंग एजेंट्स से ज्यादा बेहतर साबित होंगे। उनमें वे खराबियां और खामियां नहीं रहेंगी। उनके सामने इतने टैम्प्टेशन्स नहीं रहेंगे। वे इतने नहीं गिरगंत जितने कि मैनेजिंग एजेंट्स गिरते हैं। इन छी बातों को छोड़ कर, जिनका कि मैंने अभी जिक्र किया है, उनके अख्तियार भी वही रहेंगे, जो कि मैनेजिंग एजेंट्स के हैं। मैनेजिंग एजेंट्स को अख्तियार था कि वे पहले से इकरारनामा कर सकते हैं, पहले से शर्त कर सकते हैं। संक्रेटरीज भी यह कह सकेंगे। जब सार अख्तियारात वही है, तो इतने थोड़े से फर्क करने से संक्रेटरीज और ट्रंजरर्स उतने ही गलत साबित हो सकते हैं, जितने कि आज तक मैनेजिंग एजेंट्स हुए हैं। मैं यह अर्ज करना चाहता हूँ कि यह सब निकाल कर हम मैनेजर रख सकते थे, कोई अच्छा, इमानदार और होशियार व्यक्ति रख सकते थे, जिन पर जिम्मेदारी डाली जा सकती थी। या फिर मैनेजिंग डायरेक्टर रख सकते थे। जैसा कि मैंने पहले भी अर्ज किया है, जब तक हम कम्पनी के संचालन के लिए कई तरीके रहने देंगे तो उनमें से जो फायदामंद दिखाई देंगे उसीका इस्तेमाल होगा। हम जानते हैं कि अब तक भी हमारे सामने मैनेजर का तरीका था। मैनेजिंग डायरेक्टर का तरीका था, लेकिन जितने भी बड़े बड़े रोजगार चल रहे हैं, बड़ी बड़ी कम्पनियां चल रही हैं, उनमें ज्यादातर मैनेजिंग एजेंट्स ही दिखाई दे रहे हैं और दूसरे तरीके नहीं दिखाई दे रहे हैं। क्योंकि वही तरीका सब से अधिक लाभकारी था।

[श्री कृष्ण चन्द्र]

अब मैं को-आपरेटिव का कुछ बिक्र करूंगा। व्यापार और उद्योग को चलाने का एक तरीका ज्वायंट स्टॉक कम्पनी का है और दूसरा अब को-आपरेटिव सोसायटी का है। इसमें सब का सहयोग ले कर, सब के मफाद में, सब के हित में रोजगार को चलाना, समाज के हित में रोजगार को चलाना उद्देश्य है। को-आपरेटिव सोसायटीज का यही उद्देश्य रहा है। अब्बल तो हमारे यहां हर सूबे की सरकार को अख्तियार है कि वह को-आपरेटिव सोसायटीज के बारे में कानून बना सकते हैं, जो हमारे कानून इस संबंध में हैं, उनमें इतनी जबर्दस्त पाबन्धियां लगाई गई हैं, जिनके रहते हुए कोई आदमी को-आपरेटिव सोसायटी खड़ी नहीं कर सकता है। दूसरी तरफ ज्वायंट स्टॉक कम्पनीज का संचालन करने वालों के रास्ते में इतनी सद्दलियतें रखी गई हैं, उनके फायदे के इतने तरीके रखे गए हैं, कि कोई भी आदमी ज्वायंट स्टॉक कम्पनी खड़ी कर सकता है। ज्वायंट स्टॉक कम्पनी के लिए यह रखा गया है कि जितने शेयर होंगे, उतनी ही रायें होंगी। वहां डिविडेंड की कोई सीमा नहीं बांधी गई है। इन्तजाम के तरीके दूसरे हैं। वे अपना इकतारनामा कर सकते हैं। मैनेजिंग एजेंट्स चाहे जितना फायदा रख सकते हैं। दूसरी तरफ को-आपरेटिव सोसायटीज की हालत देखिए। मान लीजिए कि मेरी तीबयत है कि मैं एक को-आपरेटिव सोसायटी खड़ी करूं किसी ऐसे धंधे को चलाने के लिए, जिसमें सब लोगों का फायदा हो। उसमें पहले मुझे यह करना होगा कि मैं को-आपरेटिव सोसायटी की कोई स्कीम बनाऊंगा, चारों तरफ जाऊंगा, लोगों के सामने उसे रखूंगा, उसमें लोगों की रुचि उत्पन्न करूंगा ताकि वे उसमें शरीक हों। यह सब खर्च करूंगा, परेशानी उठाऊंगा। लेकिन बाद में मेरे पास कोई तरीका नहीं है कि मैं उस खर्च का उचित कम्पेंसेशन भी को-आपरेटिव सोसायटी से—जब वह चालू हो जाए—ले सकूँ। को-आपरेटिव सोसायटी को यह भी अख्तियार नहीं दिया गया है कि वह कोई नान-आफिशियल मैनेजर ही रख सके—वहां तो जा

कोई मैनेजर रह सकता है, वह कन्व्हाइडर ही, पंड रह सकता है। पर जो आदमी इस काम के लिए खड़ा होगा उसको अपना खर्चा निकालने का कोई तरीका नहीं है। को-आपरेटिव सोसायटी को खड़ा करने के लिए और उसका संचालन करने के लिए और उसके जरिए से रोजगार और उद्योग चलाने के लिए आज काफी सद्दलियतें नहीं हैं। यही वजह है कि यद्यपि हम देखते हैं कि हमारी सेंट्रल गवर्नमेंट और राज्य सरकारें यह चिन्ता रही हैं कि को-आपरेटिव सोसायटियों के जरिए रोजगार और खेती का धंधा चलें मगर फिर भी असली रूप में आज हमारे देश में को-आपरेटिव सोसायटियां कामयाब नहीं हो रही हैं। उसकी वजह यही है कि को-आपरेटिव सोसायटीज का कानून इतना सख्त है कि किसी आदमी की हिम्मत नहीं होती कि वह उनके संचालन की जिम्मेदारी अपने ऊपर ले। इसलिए मैं समझता हूँ कि हमको दोनों चीजों को साथ साथ सोचना चाहिए। ज्वायंट स्टॉक कम्पनीज को जो बहुत ज्यादा सद्दलियतें मिली हुई हैं उनको एक तरफ कम करना चाहिए, वहां को-आपरेटिव सोसायटियों को ज्यादा सद्दलियतें मिलनी चाहिए। अगर ऐसा किया जाएगा तो हम देखेंगे कि काम करने वाले लोग सामने आवेंगे। लेकिन जब हम कोई रास्ता ही नहीं रहने देंगे तो कोई दूसरा रास्ता निकल ही नहीं सकता।

पंडित ठाकुर दास भार्गव : जो बिल हमारे सामने है मैं नहीं जानता कि मैं उसका खर्च-मकदम करूँ या उसके अन्दर जो स्लामिर्षा है उनको देखकर उसका खर्चमकदम न करूँ। दरअसल मुझे अपनी नाकिस राय में यह जो बिल आया है इतने सारे सेक्शन्स के साथ, मुझे तो यह एक डरावनी सी चीज मालूम देती है, एक नई चीज मालूम होती है, एक नया तजर्बा मालूम होता है। मुझे यह रिथिलिटीज से बहुत दूर मालूम होता है।

यह तो सही है कि इतना जल्दी हमारे सामने आ गया है, जो कि इतना लम्बा चौड़ा है कि इसके सारे स्पेक्ट्रस पर बहुत ही कम मेम्बर रोशनी डाल सकेंगे। बेहतर होता कि यह इस तरीके से

न आता बिल्क जिस तरीके से कि सिविल प्रोसी-
ज्योर कोड बना है उस तरह से बना होता और
इसमें आर्डर्स वगैरह होते। अगर ऐसा होता तो
शायद इस पर ज्यादा गौर हो सकता। इसमें
बहुत से मामलों पर रद्द जाएंगे जिन पर इस
हाउस में गौर नहीं होगा। मोटी मोटी बातों पर
चर्चा हो जाएगी पर छोटी छोटी बातों पर किसी
का ध्यान भी नहीं जाएगा।

मैं जो ज्यादा खराबी देखता हूँ वह यह है
कि जो हमारा मौजूदा ढांचा है उसको एक दम
बदलने की कोशिश की गई है। अगर यह
कोशिश कामयाब हो जाए तो बहुत मुबारक है,
लेकिन अगर कामयाब न हो तो कोई ताज्जुब
नहीं होगा। जन्म वाला, मुलाहिजा फरमाएंगे
कि आज इस दश के अन्दर करीब २६०००
कम्पनियाँ हैं। वह किस तरह से बनी हैं? वह
इस तरह से नहीं बनी हैं कि शेयर होल्डर इकट्ठा
होए, उन्होंने एक मैनेजिंग एजेंट को ढूँढ़ा और
उनका आपस में मुआहिदा हो गया और काम
शुरू हो गया। यहाँ पर तो आम तौर से छोटें छोटें
हिस्सेदार तो सब बातों से वाकिफ नहीं होते और
न सारी कानूनी बातों को जानते हैं। वे लोग
अपने हकूक को भी नहीं जानते। यही बड़ी
खराबी यहाँ है शेयर होल्डर कम्पनी में पूरा
इंटरैस्ट ही नहीं लेते। इसलिए मैनेजिंग एजेंट
लांग जो कि बहुत होशियार होते हैं और जिनके
पास रूपा की भी ताकत होती है वही अब तक
जितना प्रॉफिट होता रहा है उसकी मलाई खाते
आए हैं। शेयर होल्डर को तो कुछ मिल गया तो
मिल गया न मिल गया तो न मिल गया।

बहुत सी बातें इस हाउस में कही गई हैं और
बहुत सी बातें रिपोर्ट में और मिनिट्स आफ
डिस्टेंट में कही गई हैं जिनमें कि मैनेजिंग
एजेंट्स को इतना काला पेंट किया गया है कि
उनकी तरफ देखने को भी जी नहीं चाहता।
इन सब को पढ़ कर ऐसा इम्प्रेशन होता है, ऐसा
मालूम होता है कि मैनेजिंग एजेंट्स का एक
ऐसा मजमुआ है जो सिवाय बर्डमानी के, सिवाय
खराबी के और सिवाय टैक्स इवजन् के कोई
अच्छा तरीका काम में नहीं लाते। जिन अशस्वास

न नोट आफ डिस्टेंट दिए हैं वह कहते हैं कि
इनको खत्म कर दिया जाए। इससे पहले भी कुछ
कमीशन बैठ चुके हैं। जनाब वाला भी फिक्कल
कमीशन के मम्बर थे। और भी कई कमीशन बैठें।
उनमें भी यही कोशिश की गई कि मैनेजिंग
एजेंट्स को खराब तरीके से पेंट किया जाए और
उनको कंडम किया जाए। मैं तो समझता हूँ
कि अगर यह चीज इतनी काली और खराब है
तो इसको हमेशा के लिए खत्म कर दिया जाए।
लेकिन न तो यह तस्वीर पसन्द की गई है और
न यह दुरुस्त है। आज गवर्नमेंट के काम के
बार में सारं दश में चर्चा है कि करप्शन बढ़
रहा है और बहुत सी खराबियाँ बढ़ गई हैं, तो
क्या हम गवर्नमेंट को उठाकर फेंक दें। अगर
इस सिस्टम में कुछ निकम्मे आदमी हैं तो यह
कोई वजह नहीं है कि हम इस सिस्टम को
बिल्कुल काट कर फेंक दें। इसलिए मैं समझता
हूँ कि इस तरह के रीपिड चेंज अगर किए जाएंगे
तो वे ज्यादा फायदमन्द साबित न होंगे, खुसूसन
आज जब कि हमारा प्लानिंग कमीशन चाहता कि
एक बड़ी रकम प्राइवेट सेक्टर में इनवेस्ट हो।
गवर्नमेंट चाहती है कि इस दश में इंडस्ट्रिय-
लाइजेशन हो और इसके लिए कई सौ करोड़
रुपया देना चाहती है। तो मैं नहीं समझता कि
ये दोनों बातें साथ साथ कैसे चल सकती हैं। एक
तरफ आप चाहते हैं कि मैनेजिंग एजेंट खत्म
हो जाएं, कोई इनकी तरफ न देखे, और दूसरी
तरफ आप चाहते हैं कि अगले पांच वर्ष में
इंडस्ट्रियलाइजेशन बहुत दूर तक चला जाए।
अगर आप ऐसा चाहते हैं तो आपको चाहिए
था कि आप इतने रीस्ट्रक्शन न लगाते। आप
इसको इतना परकेंच न करते कि वह थोड़ा
बहुत भी उड़ न सके। अगर आप इनसे आगे
काम लेना चाहते हैं तो आपको इनके इतने
परकेंच नहीं करने चाहिए। मुझे इस बिल में
यह खराबी नजर आती है कि इसमें मैनेजिंग
एजेंट्स पर बहुत ज्यादा पाबन्दियाँ लगा दी
गई हैं। मैं ने शुरू में अर्ज किया है कि
कम्पनियाँ किस तरह से बनती हैं। मैनेजिंग
एजेंट जिनके पास अपने घर का कुछ रुपया होता
है और जिनको स्किल होती है वे दो चार बड़े

[पीहित ठाकरू दास भार्गव]

शंकर होल्डर्स से मिलते हैं और लाख दो लाख रुपया इकट्ठा करके अपने नाम से कम्पनी शुरू कर दते हैं। और उनके नाम की वजह से वह कम्पनी कामयाब हो जाती है। जिन गरीब लोगों का रुआया लगा होता है उनको बहुत कम फायदा होता है। ये मैनेजिंग एजेंट उस रूप से बाहर से मशीनरी मंगाते हैं और उसमें भी अपना कमीशन लेते हैं। कुछ रुपया इन्वेंशन पर खर्च करते हैं। और इस तरह से कम्पनी चालू करते हैं। जब कम्पनी चलने लगती है तो अपने भाई भतीजों को उसमें रखते हैं या सबीसीडियरी कम्पनीज जारी कर दते हैं और अपना सॉलिंग और बाइंग कमीशन रखते हैं। भाड़ा बहुत मुनाफा शंकर होल्डर्स को भी दे दते हैं। इस तरह से कम्पनी को चलाते हैं। लेकिन यह सब होते हुए भी आज भी सिक्का इन लोगों का ही चलता है। आज भी बड़े मैनेजिंग हाउस जो कम्पनी फ्लोट करते हैं उसके हिस्से हाल बिक जाते हैं और जिसका नाम मशहूर नहीं है अगर वह कम्पनी फ्लोट करता है तो उसके हिस्से नहीं बिकते, क्योंकि इन मैनेजिंग एजेंट्स पर लोगों को भरोसा होता है कि ये कम्पनी को चला लेंगे और हमको डिवीडेंड देंगे। आप सारी हिस्ट्री को देखेंगे तो आप नहीं कह सकते कि इस सिस्टम ने कुछ काम नहीं किया। आपको मानना होगा कि आज जो मुल्क ने इंडस्ट्रियल प्रोग्रेस की है वह इन कम्पनियों की ही वजह से की है। आपको मानना होगा कि यह कम्पनियां अपने काम में इतनी एक्सपर्ट हैं कि जो चीज पैदा करती हैं वह इतने कम दाम पर पैदा करती हैं कि हमारा माल दुनिया के दूसरे देशों के माल के साथ कम्पिट कर सकता है और कुछ चीजों में तो हम दूसरे देशों को मात भी कर दते हैं। इसलिए मैं समझता हूँ कि अगर हमने इनको खत्म कर दिया तो हम इतनी लो कास्ट पर चीजें नहीं पैदा कर सकेंगे और जो हम आज दुनिया में कम्पिट कर पा रहे हैं वह हम नहीं कर सकेंगे।

इसके अलावा जनाब वाला मुलाहिजा फरमाएं, कि हमने अपने कांस्टीट्यूशन में भी इस चीज

को रखा है और हमारे अब तक के अमल से भी यह जाहिर है कि हम प्राइवेट सेक्टर को कायम रखना चाहते हैं। लेकिन अगर हम ऐसा चाहते हैं तो यह कहाँ तक ठीक होगा कि हम उसको इतना बांध दें कि उसको कोई प्रीट्रम हीन रह जाए। मुझे याद है कि हमारे मिनिस्टर साहिबान ने कई बार अपनी यह राय जाहिर की है कि प्राइवेट सेक्टर को कायम रखना चाहिए। हमारे प्राइम मिनिस्टर साहब ने भी फेडरेशन आफ चेंबर आफ कमर्स में बोलते हुए यह कहा था कि हम प्राइवेट सेक्टर को खत्म करना नहीं चाहते। और भी मौकों पर उन्होंने ऐसी राय जाहिर की है। इसलिए जब आप उनको खत्म नहीं करना चाहते तो मैं चाहता हूँ कि आप उनको एलबो रूम दें। आप नहीं चाहते कि ये खत्म हो जाएं। तो अगर ये दोनों बातें ट्यूस्त हैं तो मैं अदब से दरखास्त करूंगा कि ये कहाँ तक कानिसिस्टेंट हैं। अगर आप इनको अच्छा नहीं समझते हैं तो आप इनको काट कर फेंक दें। लेकिन अगर आप समझते हैं कि इनसे आपको फायदा पहुंचेगा तो इन पर इतनी सख्त बन्दिशें पायद न कीजिए जैसा कि किया गया है। मैं जब संकशंस २२२, २२४, २२५, २२७, २२८ और २२९ आदि जो मैनेजिंग एजेंसीज से सम्बन्ध रखते हैं, पढ़ता हूँ तो हैरान रह जाता हूँ। यह संकशंस हैरानकनुन हैं। २२२ के अन्दर गवर्नमेंट को यह पावर दी गई है कि वह कुछ इंडस्ट्रीज के वास्तु यह इन्तजाम कर दंगी कि उनमें एक खास असें के बाद मैनेजिंग एजेंसी हो ही नहीं सके।

दूसरी चीज यह कहते हैं कि जो गवर्नमेंट की कम्पनीज हैं जिनमें कि गवर्नमेंट का ५१ परसेंट शेयर होगा, उनके अन्दर कभी कोई मैनेजिंग एजेंसी नहीं होगी।

मैं जनाब की तबज्जह दफा २२५ की तरफ दिलाउंगा जिसके बारे में कहते हैं कि इनके वास्तु नॉटीफिकेशन जारी नहीं करेंगे जो कि दफा २२२ की जद में नहीं आते हैं। २२५ के वास्तु भी मेरा कहना है कि इसमें यह गवर्नमेंट की भर्जी

पर छोड़ दिया गया है कि वह नान नोटीफाइड इंडस्ट्रीज के मुताबिक एपायंटमेंट या रि-एपायंटमेंट के लिए गवर्नमेंट इजाजत दे अथवा न दे। मुझे तो यह एक अजीब सी दफा लगती है और मेरी निगाह में तो यह एक इल्लिगल दफा है। दफा २२५ मुलाहिजा फरमाएँ। वह इस तरह पर है :

“(1) In respect of any company to which neither the prohibition specified in section 323 nor that specified in section 324 applies, a managing agent shall not be appointed or re-appointed,—

(a) except by the company in general meeting,

(b) unless the approval of the Central Government has been obtained for such appointment or re-appointment.

(2) The Central Government shall not accord its approval under sub-section (1) in any case, unless it is satisfied—

(a) that it is not against the public interest to allow the company to have a managing agent;” etc.

मैं नहीं समझा कि नोटीफाइड और नान नोटीफाइड में क्या फर्क रह जाता है। या तो आप दो जगह लाइन खींचें कि यह नोटीफाइड है और यह नान नोटीफाइड है....

Mr. Deputy-Speaker: ‘Notified’ refers to the whole class of managing agents.

Pandit Thakur Das Bhargava: Kindly go through this clause:

“The Central Government shall not accord its approval under sub-section (1) in any case, unless it is satisfied—

(a) that it is not against the public interest to allow the company to have a managing agent;

(b) that the managing agent proposed is, in its opinion, a fit and proper person to be appointed or re-appointed as such, and that the conditions of the managing agency agreement proposed are fair and reasonable; and

(c) that the managing agent proposed has fulfilled any conditions which the Central Government requires him to fulfil.”

उसमें लिखा है उन इंडस्ट्रीज के बारे में जिनको गवर्नमेंट मुनासिब समझेगी उनको नोटीफाइड कर देंगी। मैं अदब से अर्ज करूंगा कि यह तीनों कंडीशंस एक से एक अजीब हैं। अगर वह अनिडिस्वाइर्ड इन्सालवेंट है, कनीवर्टेड परसन है या मैनेजिंग एजेंट के वास्तु जाँ और एव समझ जाते हैं और जाँ कि कई सेक्शंस में दिए हुए हैं और जिनके कि होने पर वे निकाल दिए जाएंगे अगर यह disqualification हों तो उनको मैनेजिंग एजेंट न बनाया जावे। यह काफी ड्रास्टिक प्राविजन है। लेकिन २२५ ब्के में गवर्नमेंट यह कहती है कि जिसको हम पसन्द करेंगे उसको हम इजाजत देंगे कि मैनेजिंग एजेंट बने और दूसरों को इसकी इजाजत नहीं देंगे, यह मेरी समझ में नहीं आता। यह काफी ड्रास्टिक प्राविजन है जो मेरे खयाल में कभी किसी मुल्क में नहीं बनाया गया होगा, वैसे मुझे ज्यादा तजुर्ब नहीं है लेकिन मैं कम अज कम जनाब की तबज्जह कांस्टीट्यूशन की दफा १६ (जी) की तरफ दिलाना चाहता हूँ।

According to Article 19(g) of the Constitution, all citizens shall have the right to practise any profession or to carry on any occupation, trade or business.

Shri S. S. More: Provided they have the necessary qualifications.

Pandit Thakur Das Bhargava: Excuse me, I am coming to your objection also. Article 19 further says:

“(4) Nothing in sub-clause (c) of the said clause shall affect the operation of any existing law in so far as it imposes, or prevent the State from making any law imposing, in the interests of public order or morality, reasonable restrictions on the exercise of the rights conferred by the said sub-clause....

(6) Nothing in sub-clause (g) of the said clause shall affect the operation of any existing law in so far as it imposes, or prevent the State from making any law imposing, in the interests of the general public, reasonable restrictions on the exercise of the rights conferred by the said sub-clause, and in particular, nothing in the said sub-clause shall affect the operation of any existing law in so far as it relates to, or prevent the State from making any law relating to,—

(i) the professional or technical qualifications necessary for practising any profession or carrying on any occupation, trade or business, or

(ii) the carrying on by the State.....” etc.

मुझे अब एतराज है, मैं खुद कहता हूँ कि गवर्नमेंट प्रोफेशनल व टैकनीकल qualification पर जरूर इनिस्तिट कर जो practising any profession or carrying on any occupation, trade or business. के मुताबिक हो। मैं बहुत अदब से अर्ज करना चाहता हूँ कि जब एक शख्स में सारी खूबियाँ मौजूद हों तो गवर्नमेंट यह कैसे कह सकती है कि वही अशक्लस मैनेजिंग एजेंट बन सकेंगे जिनको कि गवर्नमेंट पसन्द करे....

Shri Mohiuddin (Hyderabad City): May I remind the hon. Member that clause 325 is substantially the same

as the amendment that was made by Parliament in the existing Act in 1951.

पंडित ठाकुर दास भार्गव : अगर एक अमेंडमेंट सन् १९५१ में हो गया तो क्या वह सैकामेंट हो गया कि वह दफा १९ की जद में नहीं आ सकता। आप उसको अमेंड कीजिए। मैंने सन् ५१ के अमेंडमेंट को देखा नहीं है। मैं इसको मानने को तैयार नहीं हूँ कि वह लाइफ को इतना रीजिमेंट कराने वाला हो और न उसका स्कोप इतना बड़ा हो सकता है जितना कि अब बन गया है। वस, बीस शेरर होल्डर्स मिल कर काम करते हैं, क्या उनको अख्तियार नहीं है कि कॉन सा आदमी इस कम्पनी को चलाए और कॉन उनकी मदद करे जब तक कि गवर्नमेंट की स्वीकृति की मुहर उस पर नहीं लग जाती। अब आप ही बतलाइए किसी के साथ हम प्राइवेट कंट्रैक्ट करते हैं और उसमें रिम्युनरेशन फिक्स कर देते हैं तो जब तक कि गवर्नमेंट उसका न माने तब तक वह नहीं हो सकता। वाहट इज दी सैकॉटटी आफ प्राइवेट कंट्रैक्ट ? वॉर साथ ही दूसरी चीजें भी खत्म हो जाएंगी अगर गवर्नमेंट उनको एप्रूव न करे। मैं अर्ज करता हूँ कि यह टुरुस्त नहीं है और इसके जो रिपरकशंस होंगे, वह मुलाहिजा फरमाएं।

मैं जनाब की तबज्जह अब दफा २२९ की तरफ दिलाना चाहता हूँ। दफा २२९ की रू से अब गवर्नमेंट की मंशा यह है कि जब गवर्नमेंट फाईव ईयर प्लान पर चलने लगी है और क्वॉ साँ करोड़ रुपया देश के इंडस्ट्रियलाइजेशन के वास्ते खर्च करना चाहती है, ऐसी हालत में गवर्नमेंट का इस दफा में यह कहना कि सारी की सारी २९ हजार जितनी कम्पनियाँ हैं उनके जितने मैनेजिंग एजेंट्स हैं वे सब के सब एक फिक्स्ड डैट पर खत्म हो जाएंगे, यह कुछ मेल नहीं खाता और मेरी समझ में गवर्नमेंट को देश में ऐसी अनसर्टेनटी और अनरस्ट पैदा नहीं करनी चाहिए। इस दफा की रू से सन् १९६० में जितनी मैनेजिंग एजेंट्स हैं, सब खत्म हो जाएंगी। आगे से रिप्रायन्टमेंट और एपायन्ट-

मेंट बिला गवर्नमेंट की मर्जी के नहीं होगा। जितनी भी सारी कम्पनीज हैं उनको सब को गवर्नमेंट के सेक्रेटरी के सामने दस्तबस्ता होकर हाजिर होना पड़ेगा और कहना पड़ेगा कि हमको फिट परसन करार दीजिए, सिवाय उनके जिनका फिट रिप्रायन्टमेंट दफा २२७ के मुताबिक न हो गया हो। दफा २२७ के अन्दर भी अगर मुलाहिजा फरमाएंगे तो पाएंगे कि बिला गवर्नमेंट की मर्जी के उनका रिप्रायन्टमेंट भी नहीं हो सकता। इसके माने यह हुए कि जो आज तक काम कर रहे हैं और बिजनेस के काम से बल्की बाकफियत रखते हैं और जो कम्पनी का काम अच्छी तरह चला रहे हैं, उनके बीच में आप अनसटैन्टी हाल दीजिए तो इससे जो उनके बीच काम करने वाला स्टाफ है उनके दिल में उनकी कोई बुकत नहीं रहेगी और इसका नतीजा यह होगा कि कम्पनी के काम में बढ़-इन्तजामी होगी। यह प्राविजन रख कर के सन् ६० के अन्दर सारं दश में मैनेजिंग एजेंसीज खत्म हो जाएंगी, आप हर एक कम्पनी के अन्दर एक हलचल पैदा कर देंगे और गवर्नमेंट की मर्जी जिससे रखने की होगी उसे फिर से रख लेंगे और जिससे रखने की मर्जी नहीं होगी, उसे नहीं रखेंगे, क्या गवर्नमेंट इसी तरह दश का इंडिस्ट्रियलाइजेशन करना चाहती है? गवर्नमेंट ने फार्डवर्ड इयोर प्लान में इंडिस्ट्रियलाइजेशन के वास्तु कई सौ करोड़ रुपया रक्खा है, ऐसी हालत में मैं नहीं समझता कि इस कानून को रखने से गवर्नमेंट की वह मंशा कहाँ तक पूरी हो सकती है। यहाँ मैं यह साफ कर दूँ कि गवर्नमेंट ने जो अख्तियार खराब कम्पनियों का मैनेजमेंट अपने हाथ में लेने का लिया है, मैं उस अख्तियार को सपोर्ट करता हूँ।

एक माननीय सदस्य: कौन कम्पनीज अच्छी हैं और कौन खराब हैं?

पीडित ठाकुर दास भार्गव: मुझे जो इस काम पर मुकुरे कर दीजिए, मैं आपको बतला दूंगा कि कौन अच्छी हैं और कौन खराब हैं। मेरी अदब से गुजारिश है कि उन कम्पनियों को जो अच्छा काम कर रही हैं, उनको बीच में ही,

इन दी मिडिल आफ द्योर कोर्स, आपको क्या हक है कि उन सब को यह कहें कि सब मुस्तफी हो जाएंगे। यह इतनी ड्रास्टिक कंडीशन है और मैं अदब से अर्ज करूंगा....

The Minister in the Ministry of Law (Shri Pataskar): Cannot we change from the managing agency system to something else?

पीडित ठाकुर दास भार्गव: जनाबवाला, अगर आपके पास ऐसा मसाला या इन्तजाम होता कि आप मैनेजिंग एजेंसी के बजाय किसी और तरफ कदम उठा सकते तो मैं आपको मुबारकबाद देता। आज दश में जो कोआपरेटिव कम्पनियाँ हैं, आप जानते हैं कि उनकी तादाद कितनी कम है और उनको आप अंगुली पर गिन सकते हैं। मैं पूछना चाहता हूँ कि आप यह जो प्राइवेट कम्पनियाँ खत्म करने जा रहे हैं तो उसके लिए आखिर आपके पास आलटरनेटिव अरेंजमेंट क्या है। यह डाइरेक्ट कन्ट्रोल कम्पनियाँ बहुत थोड़ी सी हैं। अगर २५ परसेंट, ३० परसेंट या ४० परसेंट कम्पनियाँ हो जाएँ जो दूसरे सिस्टम पर कामयाब हों तो आप उन प्राइवेट मैनेजिंग एजेंट्स को निकाल सकते हैं कि वे लोगों का बहुत रुपया खाते हैं और उसमें मैं आपके साथ हूँगा। लेकिन इस वक्त हमारा काम इस से नहीं चलेंगा। आप चाहते हैं कि कम्पनियाँ एक दम से करोड़ों रुपए इन्वेस्ट कर दें, लेकिन आप उनको ऐसे वक्त में ढँढ़ने लगे हैं, ऐसी कम्पनियों को जिनके खिलाफ कोई चीज नहीं है, जब कि नाजूक हालत में आप हैं। दोनों गर्ज एक दम पूरी नहीं हो सकतीं। आपने बहुत सी खराबियों को दूर करने के लिए दफे बनवाई हैं वह सब ठीक हैं। आप ने र्मनुरेशन फिक्स कर के बढ़ा अच्छा किया कि इससे ज्यादा कोई ले नहीं सकता है। लेकिन आप ने यह कानून इतना सख्त बनाया है, दफा १६६ में मॅम्बर साहिबान कहते हैं कि इस बिल में पीनल है, आप ने कम्पनी ला इस लिए इतना सख्त बनाया है कि आप कहते हैं कि जिस में हर खराब आदमी बाट टु बुक हो जाए। लेकिन आप का जो एंडीमिनिस्ट्रेशन है वह इतना

[पीडित ठाकुर दास भार्गव]

इनएफिशिएन्ट हैं कि वह कुछ नहीं कर सकता है। मुझे डर है कि आगे चल कर आप जो कानून बना रहे हैं, उसमें आप एंसी चीजें बना रहे हैं जो कि मैं समझता हूँ बहुत सख्त हैं। उनमें आप ने एंडमिनिस्ट्रेशन को इतने सख्त अस्वकार दिए हैं कि मैं समझता हूँ कि आपने एक मुताबित खड़ी कर दी है। एग्रीमेंट के मुताबिक जब तक कोर्ट आफ ला में किसी मैनेजिंग एजेंसी का फ्राइ साबित नहीं होता तब तक उसको कोई निकाल नहीं सकता। इसके अन्दर इतनी शर्तें हैं, इन शर्तों के खिलाफ यहां पर जनरल मीटिंग में बीच आफ ट्रस्ट का रजोल्यूशन पास कर के ऐसा काम किया जा सकता है।

Mr. Deputy-Speaker: The choice seems to be between the suitability of the company and the suitability of the managing agent.

Shri V. P. Nayar: (Chirayinkil): Between the devil and the deep sea.

पीडित ठाकुर दास भार्गव: मैं जनाब के मैनेजिंग एजेंसी और कम्पनी के तमाम तजुर्ब को अपील करता हूँ कि आप इस पर मुलाहजा फरमाएं कि अगर एजेंट को निकाल दिया जाए तो कम्पनी को नए सिर से चलाने में कितनी देर लगेगी, कुछ असा लगेगा, दूसरे किसी को जैसे ट्रंजरर, सेक्रेटरी या किसी को भी लाएंगे तो हू आर व? ट्रंजरर, सेक्रेटरी, डाइरेक्टर कोई भी हो वह मैनेजिंग एजेंट्स के दूसरे रूप हैं। इसके अलावा और कोई चीज नहीं है। सेक्रेटरी और ट्रंजरर जिनकी आप को जरूरत है, जिसके मान हैं कि आपको टैकनिकल स्किल और फाइनेंशियल हेल्प की जरूरत है, वह कम्पनी को चलाएं या मैनेजिंग एजेंट चलाए, दोनों में क्या फर्क है? जैसा पाटस्कर साहब ने फरमाया कि वह मैनेजिंग एजेंट से निकाल कर कोआपरेटिव सिस्टम को चला देंगे। अगर ऐसा हो तो मैं उन के साथ हूँ। तो आप ने यह चीजें रखी हैं, मैं

उनके खिलाफ नहीं हूँ। मैं तो उनके साथ हूँ, मैं यह नहीं चाहता कि आप इस कम्पनी ला के अन्दर शेयर होल्डर्स का खयाल न करें, उनके मतलब की बात न सोचें। आई हू नाट बान्ट विस। आप यह न समझिए कि मैं मैनेजिंग एजेंट्स का वकील हूँ, लेकिन जब हम अपने दंश में ५०० करोड़ रु० की फाइव ड्यूर प्लेन बनाने चले हैं, जब हम इस काबिल नहीं हैं कि वह रुपया हम लगा सकें, भले ही मैनेजिंग एजेंट्स के अन्दर बिद्दतें हों, आप यह जो सोच रहे हैं कि १९६०-६५ में उनको खत्म कर देंगे क्योंकि वह आपको सौटस्काई नहीं कर सकते हैं, उसे आप इस वक्त छोड़ दीजिए क्योंकि मैनेजिंग एजेंट्स ही पहली चीज होते हैं जो कि होमोजीनियस काम कर सकते हैं, सारे काम को एक आदमी यूनिफाइड माइन्ड से करता है और इसी वजह से उसकी कामयाबी मुकम्मल होती है। अगर उसके अन्दर ऐसे एलिमेंट्स लाए जाएं जिनकी वजह से मैनेजिंग एजेंट्स का कम्पनी से भगड़ा होता रहे, तो वह बिजिनेस कभी कामयाब नहीं होगा। जिस तरह से आर्मी में डिडिप्लिन होती है और एक आदमी का हुकम वहां चलता है, उसी तरह से बिजिनेस में भी यह पहली कंडिशन है कि वहां एक मैनेजिंग एजेंट का हुकम चले।

इसके अलावा दो एक और बातें मैं आप के सामने रखना चाहता हूँ जिनको मैं दो एक जल्फाज में रख दूंगा। प्रपोजिनल रिप्रेजेंटेशन के बारे में मैं कहना चाहता हूँ कि मैं उसलन तो यह नहीं कर सकता कि उसके खिलाफ कुछ अर्ज करूँ, लेकिन आप जब तक मैनेजिंग एजेंसी रख रहे हैं तब तक प्रपोजिनल रिप्रेजेंटेशन का जिक्र करना बहुत अच्छा नहीं होगा। दुनियां भर में आज तक बहुत थोड़ी जगहें हैं जहां इसका तजुर्बा हुआ है। इसका तजुर्बा और जगहों पर हो जाने दिया जाए, हम उनके तजुर्ब का फायदा उठाएंगे अगर हम किसी कम्पनी में इसको इस वक्त लाएंगे और फायदा उठाना चाहेंगे तो डाइरेक्टर्स और मैनेजिंग एजेंसी के अन्दर एक

तरह से कॉलिजन लाएंगे। क्योंकि डाइरेक्टर्स और मैनेजिंग एजेंसी इस तरह से मिल रहे हैं जैसे घी और खिचड़ी एक दिल होते हैं। अगर आप यह तय करें कि इसको चलाना ही है, तो कम से कम पांच बरस तक, जब तक कि आप सेठेंड फाइव इयर प्लैन को पूरी न कर लें इसको अमल में न लाइए। यह मेरी राय है। जो हमारे दोस्त लेबर वाले हैं मैं उनको मैनेजमेंट में रिप्रेजेंटेशन से असलन बिल्डुल मुताफिक हूँ। लेबर वालों को जितनी सहूलियतें हासिल हो सकें, जरूर दी जाएं। मैंने कई दफा बिरला बूटर्स और दूसरी जगहों पर देखा है, उनका कारखाना है ग्वालियर में। मैं ने उनकी कांठशान्स को देखा है, मैं भी कम्पनी के इन्वेंजाम को कुछ जानता हूँ। मैं भी कम्पनी के बोर्ड आफ डाइरेक्टर्स का प्रीजिडेंट रहा हूँ। लेकिन मैं ने इस तरह की कांठशान्स कभी नहीं देखीं, जैसा के कल एक मेम्बर साहब ने जाहिर की—लेकिन साँघए इसकी जिम्मेदारी किस पर है कि इंडीस्ट्रियल हाउसिंग वर्गरेह का प्रोग्राम पूरा किया जाए। इसके अलावा मैं चाहता हूँ कि जितने लेबरर्स हैं उन को कम्पनी के मुनाफे में भी हिस्सा दिया जाए। बोनस तो अलग चीज है, मुनाफे में हिस्सा दिया जाए और मैनेजिंग एजेंसी आहिस्ता आहिस्ता यह समझने लगें कि लेबर वाले ऐसे शख्स हैं जिनको मैनेजिंग एजेंसी में हिस्सा देना चाहिए। हमारा जो आइन्दा का कॉन्स्ट्रक्शन है, हमारे जो दिमाग में है वह यह है कि कामन मैन, लेबरर्स और कील्टवैटर्स और वह लोग जो कंपनी में काम करते हैं, वह सब कम्पनी के इन्तजाम में शामिल हैं। लेकिन अगर आज जनाब ने मैनेजमेंट में लेबर के रिप्रेजेंटेशन की इजाजत दे दी तो क्या होगा? एक आदमी जो लेबर की तरफ से डाइरेक्टर होगा उसके साथ लेबर वाले क्या करेंगे? उनके साथ जो लेबर वाले होंगे वह या तो प्वाइंट आफ पिस्टल पर अपनी बात मनवा लेंगे और अगर नहीं तो कल को स्ट्राइक होंगे, गाँव स्लो मूवमेंट होगा और कम्पनी का चलना मुश्किल ही नहीं नामुमकिन होगा। जब लेबरर्स यह समझ लें कि फॉक्ट्री हमारी है और

उनको हक है कि फॉक्ट्री के मैनेजमेंट में हिस्सा दिया जाए। लेकिन खुदा के वास्ते, पांच बरस के वास्ते, जब तक आपका फाइव इयर प्लैन चलता है, इसको छोड़ दीजिए। पांच बरस तक नए नए तजुर्बे इस देश के अन्दर न किए जाएं, जिनका नतीजा हमें पता नहीं कि क्या होगा। जो चीज धुब है वह तो धुब ही रहेगी।

धुब परित्यज्य या अधुवं परिशोवते ।

धुबं तस्यनयीत अधुवं नष्टमेवच ॥

इसके बाद मैं कहना चाहता हूँ कि इस बिल के अन्दर गवर्नमेंट आफ इंडिया ने अपने हाथ में बड़ी पावर्स ले रखी हैं। गवर्नमेंट के पास जो पावर्स हैं वह इतनी वसीह हैं जिसका कोई ठिकाना नहीं है। हमने पावर्स दी हैं, लेकिन कौन उन पावर्स को एक्सर्साइज करेगा? मुझे नजर आता है कि गवर्नमेंट आफ इंडिया जिस मसाले से अब तक उन पावर्स को एक्सर्साइज करती रही है उस मसाले से आज ठीक तौर पर उनको एक्सर्साइज नहीं कर सकेगी। भाभा कमेटी की १०० परसेंट सिफारिशें आप मानते हैं लेकिन आप उनकी आटोनॉमस स्टैंडटरी बोर्ड की सिफारिश fundamental को नहीं मानना चाहते, उसको मानने न मानने का आपको अख्यार है। मैं कहता हूँ कि बोर्ड बने, वह इन्तजाम करें, लेकिन वह पूरी तरह से आटोनॉमस न हो। हमें डी० वी० सी० का बड़ा खराब तजुर्बा है। वह आटोनॉमस बाडी है, उसके काम में गवर्नमेंट कोई देखल नहीं दे सकती है। मेरा कहना यह है कि अगर आप स्टैंडटरी बोर्ड बनाते भी हैं तो वह नानआटोनॉमस हों, जिनके अन्दर पार्लियामेंट को दर्खल देने का अख्यार हो। उसको अख्यार हो कि वह उनके काम को देखें और जांचें कि उनके अन्दर गवर्नमेंट की पार्लिसी को पूरी तरह से चलाया जाता है या नहीं। अगर यह अख्यार हो तब तो वह स्टैंडटरी बोर्ड बने, नहीं तो नहीं। अगर आप स्टैंडटरी बोर्ड बनाएं तो मेरी गुजारिश यह है कि उसके अन्दर जो आप के लोग काम

[पीठित ठाकुर दास भार्गव]

करें वह मोस्ट आनेस्ट, सुपर आनेस्ट हों। ऐसे चार पांच आदमियों को ले कर बोर्ड बनाया जाए।

दूसरे जो आपके एंडवाइजरी बोर्ड्स हैं, जैसा कि आपने अपने कॉन्स्टिट्यूशन में दिया है, और जिस से आपने बहुत थोड़ी पावर्स दी हैं, उसको मजबूत किया जाए। मैं एंडवाइजरी बोर्ड्स के काम को जानता हूँ। उसकी एंडवाइस तफ्सीलों पर होती है कि हमारा काम इस तरह से हो। लेकिन एंडवाइजरी बोर्ड की सिफारिश को गवर्नमेंट चाहे माने या न माने। चाहे तो १०० फीसदी मान ले और न चाहे तो ६० फीसदी न मंजूरें। इसलिए मैं अर्ज करता हूँ कि अगर आप को एंडवाइजरी बोर्ड्स बनाने हैं तो उस पर पूरा भरोसा किया जाए। आप इसको डिफाइन कर दीजिए कि किस तरह के आदमी उसमें रखें जाएं और उनका काम किस तरह है। साथ ही यह कन्वेंशन मुकर्रर किया जाए, आप ला से तो यह कर नहीं सकते, लेकिन खुद गवर्नमेंट कन्वेंशन बना ले कि बोर्ड की एंडवाइस पर अमल किया जाएगा। सब से ज्यादा भगड़ा तो दफा २२३ में देखा। वह इन सेक्शन्स में इन्क्लूड नहीं हैं जिनकी एक्वाइजरी बोर्ड को अस्त्यार कानूनन हासिल है, जो कि बहुत जरूरी हैं। यह डिटेल्स की बात है। मैं इस के ऊपर ज्यादा वक्त खर्च नहीं करना चाहता।

अब मैं चन्द एक छोट-छोट उम्र की तरफ जनाब की तवज्जह दिलाऊंगा। आप पहले क्रिभिनल प्रोसीजर कोड की दफा २५० देखिए, जिसके अंदर एक आदमी को मुआवजा मिलता था। अगर कोई शख्स किसी पर भूठा मुकदमा कर दे तो एक्ज्यूट को जो मुआवजा मिलना चाहिए वह मुआवजा २५० दफा में क्रिभिनल प्रोसीजर कोड की, मौजूद था। उसकी दो सूक्तें थीं। अब रिजतने मुकदमात इस बिल के अन्दर होंगे, उनको एक तरीके से सीमित कर दिया गया है कि एक तो रीजस्ट्रार या गवर्नमेंट यह मुकदमा कर सकती हैं और एक शेयरहोल्डर कर सकते हैं। इन्हीं दोनों को अस्त्यार है, बाहर के किसी आदमी को इसका अस्त्यार नहीं है इस एक्ट के मुता-

बिक। यह सही हो या गलत, लेकिन जो शेयर-होल्डर्स मुकदमा करेंगे, आज उनके वास्त २५० दफा में बड़ा भारी प्रॉटेक्शन था कि उसके खिलाफ तब मुकदमा चलाया जा सकता है जब कि उसका मुकदमा भूठा हो, फ्रिजोलस या वेक्सेशंस हो। एक हिस्सा उसका निकाल दिया गया जो कि फाल्स का होने के मुताल्लिक था। सिर्फ वेक्सेशंस या फ्रिजोलस हैं। यह बात समझने की है। कोई शख्स यह बताए कि सिबा वेक्सेशंस के और क्या सूक्त हो सकती हैं जब किसी पर मुकदमा किया जाता है? कोई अगर यह देखे कि मुकदमा सच है तो उस आदमी को अस्त्यार है कि अगर वह कोर्ट के सामने जा कर दर्खास्त दे कि एलां मैनेजिंग एजेंट की बैलेंस शीट गलत है और वह गलत साबित होती है, तो उस में भी मुआवजा दिलाया जा सकता है—अब दोनों बातें साबित करनी जरूरी नहीं है कि मुकदमा भूठा भी है और फ्रिजोलस या वेक्सेशंस भी हैं।

इस से अलावा जनाबवाला जहां तक गवर्नमेंट इंडस्ट्रीज का सवाल है मैं अदब से अर्ज करना चाहता हूँ कि मैं इससे गैर मुतर्नयन नहीं हूँ। उन्होंने अपने हाथ में कुछ सैक्शंस ऐसे रखे हैं जो कि उन पर हावी नहीं हो सकते हैं। रिज्यूनरेशन वर्गों के बारे में आपने इसमें जिक्र किया है। लेकिन ताहम इसमें कहा गया है कि गवर्नमेंट को अस्त्यार है कि उसकी मर्जी है जिस सैक्शन को लगा दे और जिस सैक्शन को चाहे वह न लगावे। इसके बारे में मैं यह अर्ज करता हूँ कि यह बात नहीं है कि मुझे गवर्नमेंट पर एतमाद नहीं है लेकिन मैं चाहता हूँ कि यह बात यहां पर जाहिर कर दी जाती कि फलां सैक्शन लागू होंगे और फलां सैक्शन लागू नहीं होंगे। ऐसा करने से लोगों को तसल्ली होती कि गवर्नमेंट सब को एक निगाह से देखना चाहती है। मैं यह भी जानता हूँ कि जस्टिस करना और जस्टिस को जाहिर करना कि किया गया इन दोनों में फर्क है और मैं यह भी जानता हूँ कि ला मिनिस्टर साहब

मुझ से बहतर जानते हैं। लेकिन मैं चाहता था कि अगर आप इसमें लिखें कि फलां सँकशन उन पर लागू होंगे और फलां सँकशन नहीं लागू होंगे तो यह एक अच्छी बात होती।

इसके अलावा मैं यह भी चाहता हूँ कि अगर जाने वाले वक्त मैं आपने मॅनेजिंग एजेंटों को डिस्कार्ड करने का फैसला नहीं कर लिया है तो मैं चाहूँगा कि आप कोई ऐसी व्यवस्था करें जिससे कि एक मॅनेजिंग एजेंट को आप लें और उसके जरिए से ऐसा गवर्नमेंट इंस्ट्रुक्शन का काम करवाएं कि वह दूसरों के लिए एक स्पेशल बन जाए और जिस से यह पता लगे कि यह भी ठीक काम कर सकते हैं।

इसके अलावा बाकी जितनी चीजें हैं उनके बारे में आप कायदा के मुताबिक यह कीजिए कि लोगों का यह डर कि गवर्नमेंट इस काम को अपने अप्सरों के जरिए से ठीक तरह से नहीं करवा सकेगी, अच्छी तरह से नहीं करवा सकेगी, वे इन पावर्ड का ठीक तरह से इस्तेमाल नहीं करेंगे, दूर हो जाए। आप ऐसे आदमी रखिए जो कि बहुत ईमानदार हों और कम्पिटेंट हों।

एक छोटी सी बात मैं और अर्ज कर देना चाहता हूँ। उसकी तरफ इस हाउस के चन्द मॅम्बर साहिबान ने भी कहा है और मैं भी पूरे जोर से उनकी तार्जुह करता हूँ कि जैसे न्यूयार्क में या स्विटजरलैंड में इस बात का ख्याल रखा जाता है कि डाइरेक्टर्स के अन्दर उनके नॅशनल्स हों उसी तरह से मैं भी चाहता हूँ कि यहां पर जो भी कम्पनियां कायम हों उनके अन्दर भी इंडियन नॅशनल्स मौजूद हों। आज बहुत सी फारन कम्पनियां यहां पर कायम हो रही हैं मैं चाहता हूँ कि अब जब हमारा देश हर लिहाज से तरक्की कर रहा है और अब जब हमारे देश में ऐसे आदमियों की कमी नहीं है तो उनको बोर्ड आफ डाइरेक्टर्स में लेना लाजमी कर दिया जाए।

Mr. Deputy-Speaker: Shri M. S. Gurupadaswamy. Time permitting, I propose to call these hon. Members to speak today: Shri Ramachandra Reddi,

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Shri V. G. Deshpande, Shri Tulsidas and Shri S. L. Saksena.

Shri M. S. Gurupadaswamy (Mysore): I thank you for this opportunity.

Mr. Deputy-Speaker: The hon. Member will try to be brief.

Shri M. S. Gurupadaswamy: The report of the Joint Committee has been subjected to very severe criticism by our capitalist friends and to flaming indictment by the capitalist Press. Various papers have cast aspersions against the Members who have served on the Committee. Many reports say that the people who participated in the Joint Committee were not fully equipped in company matters and they did not know much of company law and that they were incompetent and amateurish. I have here a sample of the criticism of the capitalist press. In the *Eastern Economist* dated July 29, 1955, there is a special supplement on the Companies Bill. Here is a passage:

"In the Joint Select Committee, there seems to have been no attempt made to control the work and keep it within the bounds normally to be observed by a Parliamentary Committee translating a definite Government policy into law. If the same attitude is repeated in the subsequent stages of the enactment of the law, the outlook for sound legislation is not indeed bright."

There is another passage and I shall read it:

"Since it is always the wearer who knows where the shoe pinches, the efforts of Indian companies to apply the principles embodied in these clauses to their own individual cases have produced such amazing results that many managements have now become quite firmly convinced that amateurish advice at departmental levels has grossly misled the legislators on the Joint Committee who are obviously laymen and amateurs who cannot be expected to have an

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intimate knowledge of the functioning of large and small companies."

I want to ask whether this type of attack against the working of the Joint Committee will not be tantamount to contempt of Parliament.

Shri S. S. More: No, no. Don't be touchy.

Shri M. S. Gurupadaswamy: I am not touchy. I just submit to you whether this type of attack does not constitute contempt of Parliament. It is for the House and for the Chair to decide.

The company law deals with a very important aspect of our economic sector, that is the promotion, management and other things connected with company affairs. In the private sector, the joint stock company is becoming more and more important. The corporate sector is increasing in its dimensions and the individual entrepreneur is disappearing from the field, and his place is being taken by the joint stock companies. When we make a law to regulate the joint stock companies, we must be very careful to see whether this law would be adequate and whether this would deal with all the cases which we want to deal with. And I wish to point out that the Government which brought forward this Bill did not keep in view the policy which it wanted to pursue and it did not take into consideration the social and economic consequences of many a provision incorporated in this Bill. I always maintain that public policy, especially economic policy and the legal reform should take into consideration the ideological principles that the Government want to implement. Unfortunately, the Government have not been able to fulfil this requirement. The company law, as I said, is a very important law. It should have been made the instrument for reforming the economic organisation in the country. It should have been made the means to bring about changes in the economic system. The opportunity should have

been taken to bring about healthy changes in the structural pattern of our economy. Unfortunately, these attempts have not been made. I do not know whether the Government is afraid of the tremendous pressure that is being brought upon them by the vested interests. Anyway, it is very unfortunate that the measure is half-hearted. Certain provisions on which I wish to speak are very vague and uncertain, and they have not satisfied the reformist or radical or progressive sections of the community.

Before I deal with certain provisions of the Bill, I would refer to one of the points which I have made in my Minute of Dissent; that is, about setting up a statutory authority for the administration of company law. The Company Law Committee made a detailed study of this aspect and the overwhelming evidence which came before it favoured of such an independent body. The Committee itself also favoured the setting up of a statutory body for the administration of company law.

What are the present drawbacks in the administration of company law? Today, company law, though it is a central subject, though Parliament has got full power over it, has been entrusted to State Government in the matter of its administration. The Registrars and their staff have been appointed or are being appointed by State Governments. They function under the State authorities.

Shri A. M. Thomas (Ernakulam): No, no. Not now.

Shri M. S. Gurupadaswamy: And they function as the agents of the Central Government under the guidance of the State authorities. So, what is the result? Many a time the Registrars have to look into various other matters. They have to discharge various other responsibilities and exercise powers given to them by other laws. So, as a result, the Registrars have not been able to keep a watch over the day-to-day developments, the

tendencies which appear in company affairs.

Shri S. S. More: Are they qualified to do all these things?

Shri M. S. Gurupadaswamy: Whether they are qualified or not, they are expected to do it according to law. They have not been able to do it for the simple reason that the Government of India has no control over Registrars because they come directly under the State Governments. But the expenses of the Registrars and their staff are met by the Central Exchequer. So, though the company law is a central law, an Act of Parliament, it is being administered as if it is an Act of the State Legislature. This is really unfortunate. The administration of company law has suffered considerably because there has been little control or supervision by the Central Government. That is why there is great force in the argument that there should be a central authority instead of the Central Government to administer the company law. In the past the Central Government has not been able to administer the company law to the satisfaction of anybody. And hereafter I have got my own doubts whether the Central Government will be able to administer company law. So, the proper course would be the course suggested by the Company Law Committee, that is to set up an independent statutory commission to regulate and supervise company affairs.

Shri S. S. More: Independent of whom?

Shri M. S. Gurupadaswamy: Unless that is done, it is very difficult to say whether the clauses which give extensive power to the Central Government would be properly implemented.

My next point is about labour's participation in the joint stock companies, that is, in the board of directors, and in the board of management. Many opinions have been expressed by many Members on this aspect. I do not want to dwell upon all the points in detail because they

have been referred to already, and moreover I feel that is not necessary. I will only point out that in certain Western countries such an experiment has been made. Labour has been given a proper place in the board of management, in the directorate, and in those industries where there has been participation of labour we see a tremendous amount of improvement in production, in economy, in profit. I may quote here the example of Germany. In Germany there was a tremendous amount of agitation among labour for rights of co-determination and co-direction in company affairs, and the agitation was carried on for many years after the war. In the beginning, the capitalist class condemned this agitation as wrong, and they said it would be very ruinous for the industry. But, afterwards due to the continuous pressure brought by labour unions, the Government of West Germany agreed and they granted co-determination and co-direction rights to labour. In April, 1951 they applied the principle of co-determination and co-direction to two important classes of industry, namely mining and iron and steel. And after making law providing for co-determination and co-participation of labour on an equal basis, we see today that in those industries there has been so much prosperity and the capitalist class, the class which represents the capitalist interest or the capital as such, has come to acknowledge that the participation of labour in industry has really helped the industry to grow to prosperity. This has taken firm root in West Germany and is being applied to various other industries. The underlying philosophy of this is that in an industry both capital and labour should have equal rights. Capital is as much important as labour. Some of my friends point out that the shareholders' interest must be paramount in a joint stock company. True, it must be paramount, but the shareholders' interest is capital interest. Shareholders participate in capital, they do not participate in labour, and as such shareholders cannot say that labour should not be given representation in the board of management or board of

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directors on the ground that shareholders' interest will suffer. That argument is not correct, because we have seen that labour participation in West Germany has worked all right. And we have seen how workers' councils are working in Yugoslavia. My friends may object to it and say that it is a communist country and we cannot take that precedent. But let them take the example of West Germany and give co-determination rights and the right of co-direction and participation for labour.

My next point is about the managing agents. Much has been said about this matter. I do not want to speak very long about it, but I would only say a few words. Some of the capitalist members, members belonging to the capitalist class outside Parliament, have said: "Either you believe in the managing agents or you do not believe in the managing agents." "If you have

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faith and belief in the managing agents, then do not put restrictions." But when we tell them, "we have no faith in you," then they come down and say, please put reasonable restrictions. If we put reasonable restrictions, then they point out again that these reasonable restrictions are so excessive that they cannot function as managing agents. They even say, it is no use functioning as managing agents in that case. In fact, my hon. friend Shri G. D. Somani said the other day, it is no use functioning as a managing agent hereafter, because the restrictions provided by this Bill are so rigorous and so severe that no useful or profitable purpose will be served by functioning as managing agents. This is a very curious argument. When we say that managing agency is bad, they come out and say, put reasonable restrictions. They ask us to have belief and trust in them. But when we tell them that we have no trust and faith in them, they ask for reasonable restrictions; and again, when we put reasonable restrictions, they say these

restrictions are too severe. This is really a very amazing argument.

We must make up our minds whether to mend the system or to end the system. Now, Government want to mend the system, and they have tried to mend it. But that does not satisfy our capitalist friends. And what are the provisions that they have tried to reform? And what is the type of reform that we are seeing in this Bill? Government assert that after 15th August 1960, all the existing managing agency agreements will come to an end; but there is a proviso to the effect that if they are permitted to continue after that date by Government, then they may be continued even after that date. I cannot understand this. If you want to end the managing agency by that period, please say so once and for all that you want to close down the managing agency system by that time. Why should you have this proviso that the managing agencies may be continued even after that date, provided they are permitted by Government to do so?

Then again, Government say that in certain sectors of industry or in certain classes of industry, managing agencies may be done away with once and for all by a notification of Government. I cannot understand this. If they want seriously to dispense with the managing agency system in certain classes of industry, why can they not insert a schedule in the Bill indicating one or two classes of industry? For instance, in textiles or in jute, you may say that managing agencies will not be permitted to exist after a certain period. In the absence of any such indication, we are not sure whether there will be any such notification in the near future. And we are not also sure which class of industry is going to be run only by the directors and not by the managing agents.

Shri A. M. Thomas: Have the Joint Committee made any enquiries in that direction?

Shri M. S. Gurupadaswamy: On one side, the capitalist interests are saying that the fate of the managing agency is hanging in uncertainty and doubt. My complaint on the other side is also the same. But my reason is different. I say that we are not sure when managing agency is going to be dispensed with once and for all, and we are not also sure which classes of industries will be selected for the purpose of elimination of managing agencies. We do not know also what will be the criteria on which the managing agencies are going to be eliminated. What are the factors governing the elimination of managing agencies? We are left in doubt and uncertainty on all these matters, in much the same way as the capitalists are left in doubt. They are left in doubt because they do not know in which classes of industries managing agencies will not be permitted. We are also left in doubt in much the same way. So, anyway, Government seem to be playing a seesaw battle with us in this regard; they are playing a game of hide-and-seek. We are not sure of their policy at all. Perhaps, they themselves are in a state of uncertainty, and they themselves may not have come to any definite conclusion about these things. They may be wavering.

Shri A. M. Thomas: That is clear.

Shri M. S. Gurupadaswamy: My hon. friend Shri A. M. Thomas says that that is clear. I agree with him. It is clear that Government's policy is wobbling like a pendulum this way and that way.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

The result is that we have been left in complete uncertainty and complete doubt as regards the policy of Government in regard to managing agencies.

About remuneration, I may say that the remuneration that has been fixed is rather very high. Of course, there has to be some line, and that has to be arbitrary. But then, this arbitrary fixation of remuneration has to be

done on a certain reasonable basis. The Joint Committee have fixed 11 per cent. as the remuneration of managing agents.....

The Minister of Revenue and Civil Expenditure (Shri M. G. Shah): The Joint Committee have fixed ten per cent., not eleven per cent.

Shri M. S. Gurupadaswamy: I am sorry, ten per cent., not eleven per cent. The Joint Committee have fixed ten per cent. The Company Law Committee had fixed it at 12½ per cent. It was made out by some hon. Members, I think by Shri A. M. Thomas, that in certain concerns.....

Shri U. M. Trivedi (Chittoor): Shri A. M. Thomas is not a managing agent.

Shri S. S. More: He will disown it.

Shri M. S. Gurupadaswamy:...the rate is as much as twenty or thirty per cent. I quite agree. But we are here dealing with the average only. According to the Taxation Enquiry Commission, it is very clear that the present average remuneration of managing agents is 14 per cent. I shall read out the relevant portion from their report. On page 127, Vol. I of the Report of the Taxation Enquiry Commission, we find:

"The average remuneration works out to nearly 14 per cent. of profits for the entire period 1946—51. In certain industries, this proportion is much higher, especially in jute; the high ratio in shipping is associated with very low profits of this industry. During the period 1946—51, this ratio rose from 12 per cent. to 14 per cent. for all industries together."

So, it is very clear that the existing remuneration is 14 per cent. If that be so, then what is it that we are scaling down? We are reducing it only by 4 per cent., and we want to give them 10 per cent. of net profit. There are certain very prosperous concerns which give only less than ten per cent. to the managing agents. Of course, it is up to them to pay what they like;

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it is up to them to pay ten per cent. or a little less; they can pay anything between one per cent. and ten per cent. If that be so, then what is the advance that we have made? Why should we 'tom-tom' about, saying that we are controlling the managing agencies, while the ceiling that we have fixed for remuneration is very high, and it is beyond our expectation and it is beyond the reasonable limit that we want to lay down? I, therefore, say that we have not made any advance or any radical change in respect of remuneration.

May I point out again that the sum of Rs. 50,000 which we have allowed in respect of companies which do not earn profits, or which do not have adequate profits, is rather too much? I need not remind the House that the Prime Minister of India and the hon. Minister of Finance, for instance, are working as Ministers, and they are administering the entire country, taking only a sum of Rs. 2,200 per month. If they can do so without much grumble, why cannot the managing agents also do the same thing? Some may say that business should not be compared to politics, that politics is one thing, and business is quite another. But in so far as money is concerned, for me it looks the same. Whether in politics or in business or in administration, money is money. And if people sitting on the Treasury Benches can manage the affairs of the country taking only a sum of Rs. 2,000 or so per month, why should not the managing agents be able to do the same thing? Why should not a uniform ceiling be fixed for all?

Whether it be in business, whether it be in administration—let it be anywhere—there should be a ceiling. I think the sum of Rs. 50,000 provided in the Bill is too unreasonable and too high and should not be accepted by the House.

Lastly.....

Mr. Chairman: There are other hon. Members also who are anxious to

speak. I would request the hon. Member to conclude now.

Shri M. S. Gurupadaswamy: Yes. Lastly, about auditors. In my Minute of Dissent, I have said that auditors should be appointed hereafter in the name of individuals and not in the name of firms. Till now, only firms were appointed as auditors, and auditors have been doing their work in the name of firms. This has led to a lot of abuse. Incompetent auditors may come into a firm. After the firm establishes itself, makes a good name, and carries goodwill, and under that goodwill, even incompetent auditors may be sent to audit. As a result, the standard of auditing goes down. So I say that auditors should be appointed by concerns on the basis of merit, not because a firm has got a good name and another has got a bad name. It is always advantageous in the long run to appoint auditors by their names as individuals and not by firms. By doing so, you will be encouraging new elements to come. At present, there has been too much monopoly. Some firms have established themselves firmly. Newcomers cannot come and compete with them and no opportunity is given to them, and they are not, therefore, known much. So I say it would be better hereafter, from the point of view of democratic functioning of audit, that auditors should be appointed by individuals and not by firm.

Shri Tulsidas (Mehsana West): Even though I have made a full note in my Minute of Dissent, in view of certain observations made in this House, I feel it my duty now to make a little clarification, particularly when some of the Members have also expressed certain things with regard to certain statements that I have made in my Minute of Dissent.

I find that in spite of the fact that the Bhabha Committee, the Cohen Committee and others have said that company law is merely to provide the means for efficient company management—and the Finance Minister also

made a reference in his speech in the same terms—many Members have expressed the view that the provisions here should be on the lines of an egalitarian society or any other pattern of society which we would like to have. I am afraid—and you, Sir, also pointed out in the speech which you made just now—that if this particular measure has to be framed so as to subserve the purpose of a particular pattern of society, then the very purpose of this Bill will be defeated. After all, the socialistic pattern of society.....

Shri Kamath: You believe in it?

Shri Tulsidas:...in my opinion, cannot be the end of public policy. It is only a means by which social ends, namely, the welfare of the people, are to be realised. The welfare of the people is the ultimate end of all public policies. As far as the economic sphere is concerned, it means that the economic condition of the people should be bettered. I would like to mention here that if we are to have a particular society or if we want to put through egalitarian measures, the Finance Minister is quite capable enough to have it brought about by a change in the fiscal measures or in the wage policy which the country should have. This is not the place where the question of a particular society or pattern of society can be brought in. Reference has also been made to the directive principles of State Policy incorporated in the Constitution, which say that the State has to see that there is no concentration of economic power. I would like here to bring to the notice.....

An Hon. Member: The lights have gone off, Sir.

Shri S. S. More: He cannot read his notes.

Shri Kamath: Parliament is 'winking'.

Shri S. S. More: I hope it is not drinking.

Shri Kamath: Not inside.

Shri Tulsidas: Let us consider what the Directive Principle of State Policy says. It says:

"The State shall, in particular, direct its policy towards securing that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment."

I would ask the Finance Minister to mark the words "to the common detriment".

An Hon. Member: Lights have again gone off, Sir.

Shri Bogawat (Ahmednagar South): We are working in darkness.

An Hon. Member: Electricity is protesting.

The Parliamentary Secretary to the Minister of External Affairs (Shri Sadath Ali Khan): The hon. Member's speech has plunged the House into darkness.

Shri Kamath: Alternating between light and darkness.

Shri Tulsidas: The Directive Principle laid down in the Constitution is against concentration of wealth and means of production which is detrimental to the country's common interests, which clearly, to my mind, has reference to the total national income rather than to the pattern of income distribution. However, I will not say much more on this because even the Planning Commission in its document has indicated that the aim is greater production rather than distribution. We must, therefore, consider how far our production is going to increase, how far our production is going to have the effect of.....

An Hon. Member: Lights are again off.

Shri Kamath: In the interest of accurate reporting, we should stop.

Shri Tulsidas: I would now like to make a few observations with regard to this company law. I am afraid, as

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I have already pointed out in my Minute of Dissent, that the complexity, inhibition, rigidity and non-flexibility of this law is going to create much more trouble, particularly for the newcomers. With this enactment, it will be impossible for them to get clarification or to steer clear, as one of the Members said, of the infringement of the law.

The lights have gone off again, Sir. I am afraid, at this rate it is a little difficult for me to proceed.

Shri Pataskar: Alternating between light and darkness.

Shri Tulsidas: I would like the Finance Minister to please realise how it will cause companies to concentrate in the bigger cities. It will also create a situation when smaller companies coming up, particularly in the mofussil areas, will find it extremely difficult to carry on. I may even cite an example.

An Hon. Member: Lights are again off.

Shri S. S. More: Let us adjourn for half an hour, till the whole thing is made all right.

Mr. Chairman: We can hear him; want of electricity in the House affects only visibility and not audibility.

Shri Kamath: The report may not be accurate, as the Reporters must be finding it difficult.

Shri S. S. More: The speaker too must be feeling very much annoyed.

Shri Kamath: The proceedings may not be accurately recorded.

Shri Tulsidas: I shall proceed, I may tell you something from my own experience. There was a company which was formed in the south of Bombay, in Karnatak, called the Bagalkor Cement Company. When that company was formed in 1948, they found it difficult to get directors. The person who wanted to start this company felt that

he was not considered a really commercial man. One of the directors felt that it would not be proper for him to be on the board of a company where the person who is going to look after the company is not really a commercial person. Still he has been able to persuade some of the persons and I was one of the persons so persuaded to be on the board. I was, of course, also asked to take over as the chairman of the company. I know what difficulties the company had to go through. He found it extremely difficult to get his capital. I must also tell the hon. Finance Minister that it was because of his own personal efforts he has been able to gather a certain amount of capital which was subscribed in that particular district. The amount that was required for the putting up of the factory was much larger than the shares subscribed. I can assure the hon. Finance Minister that if this law had then existed, at least I would not have accepted to be a director. It would not have been possible for me to have remained on the board because I can tell him.....

Shri Kamath: Hide and seek?

Shri Tulsidas: I can tell him that the prospectus and other things would have brought most of the directors into difficulties.

I would like the hon. Finance Minister to bear in mind that when we are making this law, we are not making it merely because the big people are the only people that are going to start these companies. We have also to consider that we have a lot of other potential enterprise in this country; we have also a number of small people who want to start small ventures in the country and who want to have a certain amount of capital. I would like him to examine this aspect also. What about a scientist or an engineer who has a certain invention? (*Interruption*). He wants to start a certain industry which, according to his invention, would be, in the larger interests of the country, a very successful industry. How is he going to

start that? He is to be under the thumb of the financier. He cannot have the company managed according to his likes. He would always be under the thumb of the financier. I may also remind the hon. Finance Minister that even the government institutions which today provide finances always look to the person's credit-worthiness, whether the managing agent or the board consists of persons with proper credit-worthiness. Is it possible to start an industry today? When my hon. friends tell me that there is a possibility of obtaining the finances from the Government or from the Financial Corporations, I want to ask them: is it possible for a person of this nature to get finances from anywhere? How is it possible to get it.

Naturally, the question may be asked what are the laws that would come in the way. I would like to cite an example of big industries which have grown up from ventures of small men. Take, for example, Mr. Henry Ford. How did he start his industry? He started it with his own ideas. He did not start it with a large capital. He started it with a small amount, with his own invention and made it a success. What about Lord Nuffield? The same thing. In England he started as a small man. He started in such a way that he could start a very small factory and make it a big success. Is it possible here? It is not possible. As I said, today, if a small man wants to start a factory he will find it extremely difficult even to get finances from the government institutions—apart from being under the thumb of the financiers. How do you expect these small people, the newcomers, to start new ventures? The corporate sector—the joint-stock companies—are the real barometer in the country. The largest number of ventures in the country shows the progress and advance of the country. Here we are making laws simply because we have got a lot of abuses. We must take note of these abuses and see whether they could not be checked. These

laws are bound to check business. I am not telling the hon. Finance Minister that we should have complete freedom. I am one with him. I have no sympathy for a person who has done a certain number of bad things. We should condemn that person and we should make all possible laws so that in future such persons do not get any more opportunities to do this sort of thing, and prevent this sort of thing happening.

Shri Matthen (Thiruvellah): And enforce laws.

Shri Tulsidas: In order to try and catch hold of those few persons, what do we do? We choke up the whole industry. You do not want to allow any opportunity for small men to come in in any sphere or venture. That is not a thing which is desirable. I am quite willing to put such restrictions or safeguards as are necessary to prevent this sort of thing happening or bad things happening. As I had said, in order not to choke up enterprise, in order to make room for any newcomer to come in, we should also see that laws are so made that they do not become too rigid, and it is possible for newcomers to come in.

Now, I would like to examine the other issue. What is the cause of these abuses? Not because the laws were not there. The laws were there. The present Act has vested enough powers in the Government to prevent such maladministration. Has our administration been vigilant to see that such abuses do not take place? I do not want to say anything severe. The administration has not been able to check the abuses. I am sure that even today, under the present laws, if our administration is vigilant it could have stopped all these abuses. But it has not done so. We should only make such laws without which we would not be able to control all these things. I heard the other day the hon. Finance Minister telling us about the Kandian theory. It might have happened about 200 years ago or 1,000 years ago. But the world has advanced very considerably since then

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and I am sure that the people are much more shrewd than the people of that time.

Shri Matthen: That is the danger.

Shri Tulsidas: The making of laws alone will not make dishonest persons hesitate to become dishonest. The laws, on the contrary, give advantages to the dishonest persons. It has given the greatest handicap to the people who are honest. It is they who suffer and not the dishonest persons. Therefore, I would like the Finance Minister to examine this from that point of view also and not merely from the point of view of having laws and thinking that abuses will not be there any longer.

We have also to examine this aspect. There are powers in the hands of the Government under so many statutes. We have got the Industrial Development and Regulation Act, under which the Government have power to give licences. They can give licences only to persons whom they consider honest and conscientious. They can give licences only to those whom they consider to be working in the best interests of the country. Government have got all these powers. They have got the Income-tax Act. They have got powers under the Import and Export Control Act. They have also got the power to distribute cement and steel to those to whom they would like to release these. They can easily check up the antecedents of these persons and may not give licences to those whom they consider to be dishonest. Why do we not see it from that point of view that the laws must be such that they must have enough flexibility so that newcomers can come in without much of difficulty. But, I am afraid, this is not the position under the law that we are making today. The other day one of the Members said here that Government will have to come within twelve or eighteen months to amend this particular law. I do not think it will be within 12 months, but it may take about two years even for

the Government to consider any changes and Government machinery usually takes that much time.

Shri Kamath: By the next Government.

Shri Tulsidas: In my minute of dissent I have mentioned with regard to the differential voting rights. I know that the Bhaabha Committee has also said that there is an amount of opportunity of abuse with differential voting rights. I can appreciate that when the managing agency is functioning in a particular company, the differential voting rights have a great scope of abuse. Where the companies have no managing agencies, where the companies are functioning without managing agencies, why should they not be given shares with differential voting rights? I may give an example just now. Lord Nuffield and Henry Ford started with differential voting rights for shares. They had no capital and they wanted to see that the concern was run according to their ideas. It was they who started this and the public accepted it. Why should we stop these differential voting rights in the case of companies which have no managing agents? I know that the hon. Finance Minister both here as well as in the Joint Committee said that he would like to encourage the companies with a different type of management. I would like to submit to him a constructive suggestion or a memorandum, in which I will move certain amendments. I would like him to consider this memorandum in a constructive manner and not merely consider it from the point of view that it may be abused. You have got powers under the Capital Control Issue Act and under several different statutes and you can always stop these abuses. Please consider that you do not want to choke private enterprise or any venture coming in in the vast field that we want in the next Five Year Plan. So much about the managing agency, and I do not wish to go further into details because the matter

has been discussed threadbare. But I do want to mention this much, namely, that so far the entry of Indian industries has been entirely due to the managing agency system only. This is the originality of this country. It did not exist anywhere else excepting in Pakistan, Ceylon and Burma, and it exists only in India. It has its advantages; it has functioned very well, and if the Government feel that we must have a different system, then I would request the hon. Finance Minister to consider the question of evolving one from now on and to have measures so that a new pattern of society, particularly the management part of it, is evolved. It is not possible completely to abolish this system today because we have not evolved anything in its place and this law does not give any facilities to create a new type of management in the future.

It was also pointed out by the hon. Finance Minister that the Joint Committee Report has not gone very much beyond the original Bill. I am sure that when we see clauses 323 to 331, they have nothing to do with any recommendations of any committee or the original Bill. No association—Shareholders' Association or Lawyers' Association—or nobody has suggested these measures. The only association which suggested these measures is the INTUC. Before the Joint Committee started its deliberations, the INTUC made a huge campaign on these very measures and exactly these measures have been brought in this Bill. Clauses 323 to 331 are entirely the suggestion of the INTUC—I am sorry to say that, but that is the fact. These clauses are entirely the suggestion of that particular body.

I would like to say that I have no objection to whatever restrictions that you like to impose on the managing agency system, but side by side please try and see that the other system is evolved; otherwise, much harm will be done with regard to our progress and with regard to private enterprise.

There have been certain things mentioned with regard to the remuneration under clause 197. As a Member of the Joint Committee I know how that clause came in. I would like the hon. Finance Minister to examine whether this particular clause has any place here. After all, the remuneration of managing agents and managing directors is fixed by particular clauses but in this clause, they have put in provisions by which salaried persons will be affected. How do you expect the salaried persons to continue? On the one hand we bring in people. We have got Government enterprises and just now we have been told that a Russian expert has been brought in at Rs. 4,000 per mensem tax-free. If this clause is not applicable to Government enterprises, well and good. If, however, it is applicable to Government enterprises, is it possible to keep the managerial expenses within Rs. 50,000 as required by this clause? It is not possible.

The Minister of Finance (Shri C. D. Deshmukh): But he is the Chief Engineer.

Shri Tuldas: I would like him to examine the definition of 'manager' and I think that will definitely include any technical works manager—he is also a manager. That is my view. I would like the hon. Finance Minister to examine this point. Supposing in Government enterprises there is no managing agent or managing director, and no percentage of commission is paid to anyone of them on the basis of profits, then I would like him to examine whether in Government enterprises, managerial expenses come to more than Rs. 50,000 or not. Because they are not making money—most of them—, the managerial expenses in most cases will come to over Rs. 50,000. How will clause 197 not apply to them? Of course, Government enterprise is immune under this particular clause. If that is so, it is a different story. Then, there is definitely a discrimination between the private sector and the public sector. Why should that discrimination come

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in? I would like the hon. Finance Minister to examine that issue.

I would like to refer to one or two points mentioned by my friend, Shri C. C. Shah. Before I go to any further points, I would like to mention to him with regard to a certain company, about which he said that, having a capital of Rs. 3½ crores or Rs. 4 crores, it is still floating new capital. Did he blame the company or the Government?

Shri V. G. Deshpande (Guna): Government.

An Hon. Member: Both.

Shri Tulsidas: I do not think so.

Shri V. G. Deshpande: Because Government allowed them.

Shri Tulsidas: I went through his speech last night. What he tried to do was to give a picture in this House that this sort of thing happens. May I point out that under the Capital Control Issue Act and the Industrial Development Regulation Act, Government could have said 'no' to this company even for floating new capital or for a licence if they felt that the company was not coming according to the socialistic pattern of society, which he tried to point out. Anyhow, I must congratulate him for pleading so ably the case for whom he has chosen to stand, and his advocacy was excellent. He was a Member of the Joint Committee and he did not mention these things at that stage. He has made certain observations here and I am sure these must be his second thoughts. I would only like to say that he has discharged his obligations as an advocate with the fervour of a true zealot. I am sorry I have to mention this but I do feel that, that is the position.

Then he mentioned about private companies. He said that the statement which I made was a complete mis-statement. Whether my statement was a mis-statement or what he mentioned was a mis-statement I would

like to explain. As regards private companies the Cohen Committee has mentioned something and I have already put that down in my minute of dissent. He said: what do I mean by saying that the public has no interest. I maintain that. He mentioned that the private companies got crores of rupees from the Government. I would like him to cite one example of a private company where the Government have given money. This is entirely a mis-statement. Then I would also like him to show me one bank or financial institution which gives any facilities to the private companies and who does not know the affairs of the private company. They do know and they get the information. But, the position here is; who else is interested in the private company excepting the shareholders,—the people who give them the credit? They are not interested except to the extent of any commitment by any person in public with that private company. I know and Shri C. C. Shah also fully knows from practical experience that anyone who enters into any commitment with a private company must take into consideration the affairs of the company before he commits himself with the company. It is not required that he should see the balance-sheet or profit and loss account. Even for a private partnership firm when a person makes a commitment he does not go through the balance-sheet or profit and loss account. He only takes into consideration the credit-worthiness of the party. In a private company also the same thing happens. That is my personal experience and that is my experience as a banker. We always know what the private companies are and it does not make any difference whatsoever whether the private company's balance-sheet or profit and loss accounts are registered or not, or even audited. Now, naturally, he would ask me a question: "Then there is no fear. Why are you feeling shy about it?" The Cohen Committee has replied to it very fully. That is why they wanted to create a

separate category of companies called "exempt private companies". In my minute of dissent I have pleaded that if the Government does not think it proper to have private companies exempted from this particular clause they should consider the question of making a separate category of "exempt private companies". To that the hon. Shri C. C. Shah says: "Well, that is too premature." If we can have all the 650 clauses of this Act here in this Bill, why can't we have this particular clause? How is it premature? When we are having all the clauses of the United Kingdom and we even go much further than that, what is premature about it? I do not understand. Anyhow, that is his way of thinking and I am merely mentioning that the statement which he made was more a mis-statement than my statement which he said was a mis-statement.

Then I would like to refer to the question of proportional representation and minority rights. There have been statements made here by hon. Members that proportional representation is the best form of democracy and so on. Sir, I would like to visualise that this House was elected on proportional representation. I would also like to visualise a situation where the Cabinet would be elected on proportional representation. Is it possible? In fact, in a democracy the Cabinet is never elected; it is always nominated. Therefore, in company management election without proportional representation is much better and democratic than any representation. I do not see how the system of proportional representation is going to function in any company management. I would like hon. Members to realise that proportional representation is advocated simply because people have a feeling that the board of directors is a packed body. You are now putting a lot of restrictions on the board of directors of managing agency companies and to that extent the board of directors of those companies will not be a packed body. But, I go a step further and say that if a Cabinet is

not a packed Cabinet the Government cannot function properly and it must be a packed Cabinet of the Prime Minister in order to function properly in any democratic country. If it has to function properly it must be a packed Cabinet and I do not see any reason why it should not be a packed Cabinet. Even in a totalitarian State it is a packed Cabinet which functions.

Shri Kamath: It has got to be. Why "even"?

Shri Tulsidas: Therefore, I do not see any reason for this. The members of the board cannot just go on fighting. A company has to deliver the goods and if it has to function the board of directors cannot just go on fighting amongst themselves. If there are people in the board of directors who fight amongst themselves then the company goes to pieces. We have seen examples of that and therefore I do not see any reason why people advocate this policy of proportional representation after knowing what the actual position is.

[SHRI BARMAN in the Chair]

Now, with regard to the clauses relating to the approval of Government I have said enough in my minute of dissent. In Appendix VI—which was appended by me and which has now been appended to this particular Bill—I have already given enough material with regard to the clauses under which one will have to approach the Central Government. I would like the hon. Finance Minister to consider this question from this aspect. If a person who starts a company in Travancore-Cochin has to come to Delhi to get the approval of the Central Government for even ordinary things, I would like the Finance Minister to realise the amount of difficulties that small companies will have to face. I have said from the very beginning that I am not against the safeguards or the restrictions which you want to put against persons who are supposed to be bad elements; but I do want the Finance Minister to consider this aspect of the question that the amount of approval required under

[Shri Tulsidas]

these clauses is such that it is bound to create a lot of difficulties to the newcomers and to the small companies. I am afraid for bigger companies it will not be much difficult. They can always come to Delhi and spend money. They have legal experts like my friend Shri C. C. Shah who will naturally come here on behalf of the companies to look after their interests.

Now, I would like to make one more point and that is with regard to the privileges for government enterprises. I have already said that under these clauses 610 to 614 the government companies can have exemption in practically the whole sphere. Besides, they have now made a definition of government companies as those holding 51 per cent. I do not quarrel with 51 per cent., 80 per cent. or 70 per cent. My quarrel is only as to why there should be this discrimination between a government-owned company and a private company. A private company means a company in a private sector which this Bill is supposed to look after. Sir, you know very well that this House has been saying continuously that it does not have enough information on the government enterprise. In fact, I have on four occasions mentioned this in my speech, that the government companies do not give out as much information as the private companies. The Government considers that certain enterprises must be started on a corporation basis because if they start on a departmental basis the Parliament of course has a say. If a separate corporation is started we only look at the Auditor's report or anything which we get yearly by way of accounts. I know what the Government's mind was when this particular clause was brought in and the amount of exemptions which the Government preferred before bringing up this clause. The Government amendments sought to modify the application of accounts and audit provisions to the government companies, reduce members' rights to seek investigation

into the affairs of the companies, exempt Government companies from provisions relating to prospectus and shareholders' remedies in cases of oppression and mismanagement and generally to transfer powers from the courts to the Government. These were the powers which the Government would like to have and which are provided in this Bill. These powers would automatically exempt the government companies. It will mean that we will have as little information as possible. If the Government holds 51 per cent. the minority which holds 49 per cent. will have no right to say anything against the Government, even if the company is mismanaged or oppressed. I am just pointing out how the Government's mind worked when this particular clause was considered. I know the hon. Finance Minister is very sympathetic towards the Members of this House and he has been kind enough to send me most of the accounts of the companies which I wanted to consider, but I would like him to examine this particular aspect and let me know. After all, this is a permanent statute, and with the powers that the Government are taking, they will create a sort of another chapter in company relations in future and the mismanagement will be more in the government companies than in the private companies, because there will be no question of any scrutiny. Once they come out as a corporation, they become a separate entity and they will have no responsibility to anybody, because most of their work will be in the government company run by the government directors and so on. I would like this particular aspect to be considered, and the Finance Minister will find that there is a lot in what I have said on this matter. Let us know what powers the Government want to possess. Let us know what they are. Let them say, no further and no more. Why this omnibus power of taking away the powers and say that any section of the Bill may be exempted from the government enterprises, or that government enterprises may be exempt from any provisions of this Bill.

A lot has been said with regard to the workers' representative. I have not mentioned anything on this point but I do want to express here what has been done in other countries. An hon. Member hinted out something about Germany. I know that in the United Kingdom, in the nationalised industries—after all in England it is a socialist government—there were labour leaders who were put on the board of directors. What is the position? Not one director who was formerly a labour leader remained to be a labour leader. When he wants to remain a labour leader, he does not want to come in on the board because he finds it extremely difficult to remain on the board and to look after his sectional interests. When he is on the board he has to look after the company and not the sectional interests. So, when he is on the board, he remains completely out from labour, or he has to remain so. Apart from this, there are some laws in which we can consider the question of labour. This is not the place where labour questions come in. After all, the company has to be looked after, has to run and function, and with this amount of restriction and the complex way in which it has been mentioned, how is it possible to run the companies when you bring in all difficulties in regard to the running of these companies? It is better that this labour question is not considered in this Bill. Let us consider it in any other legislation where the question of labour legislation comes in. I know the hon. Finance Minister said the other day, when he was interrupting some Member who was speaking, that there is a programme for industrial housing and so many other things. So, those are the spheres where the labour question has to be looked into and this is not the place where it has to be gone into. I feel that this is a point on which elucidation is lacking.

There is one more point and I will end. It is a question of administration of this particular legislation that we are now discussing. As I have said, the administration has to take tre-

mendous responsibilities under this Bill, and unless the administration is made to take this responsibility in a manner by which all abuses will be stopped at the very beginning and no choking takes place with regard to future development, the Bill will not be an effective one. I am not enamoured about a separate sort of body which may be a statutory body or something like that. I do not mind giving the Government some powers, but I do want the hon. Finance Minister to consider whether, under these powers, he should not create certain departments spread all over the country to enable a certain amount of information to be given in a much more simplified manner so that the people will be able to understand the laws, instead of creating an organisation which will make the people run from Travancore-Cochin to Delhi for getting an explanation or getting something by way of information. Why not have different places, different organisations and departments which will at least be able to check up lapses and be vigilant enough to see that things are done in proper time. You should not create a sort of difficulty for people who genuinely and conscientiously want to work in the new companies. I would like the Finance Minister to consider whether such an organisation is feasible or possible for the Government. Otherwise, I am afraid that all these powers with all this legislation that we are making will not be of avail and it would not be possible to administer this law; only we might have further laws. You can make as many laws as possible but that is not going to stop the abuse. I only wish that all abuses should be stopped from the very beginning so that we might have a healthy growth of the companies in this country. I only wish that the hon. Finance Minister will be able to create such an organisation so that we will have a healthier and bigger growth of companies in future.

Shri Ramachandra Reddi (Nellore):
I get this opportunity of speaking in darkness.

Shri U. M. Trivedi: There would be light.

Shri Ramachandra Reddi: There have been very many lucid speeches on the floor of this House and some of them not so lucid and they have not given me the enlightenment that I have been seeking. All along, except probably today and a portion of yesterday, we have been witnessing a sort of one-way traffic, namely, a very strong criticism of the managing agencies that have been existing in this country. I find that with all the vigilance and care with which the Joint Committee has drafted or amended this Bill, it has not been possible to understand how the new clauses that have been introduced and the new clauses that have been enriched by amendments would be able to allow the Government or the private sector to run and develop the various activities in business in the way in which they are expected to be done. It is a well-known fact that the Government is now trying to find out the best methods of introducing legislation or administrative action to see that the next Five Year Plan is successful in regard to the development of industries in this country. With the restrictions and curtailments of powers of the existing companies, I am afraid the Government will not be able to achieve the object in view. By the discussions in this House during the last four or five days, we get the impression that all managing agencies have been doing harm and no good. As I have expressed on a previous occasion, my experience is that the big business companies have probably done more good than harm and as such, it is not worth-while condemning their activities outright. But,

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on the other hand, smaller companies, companies of medium size, have done more harm than good. The reason is, in bigger companies they have been able to command the necessary finance and find out the ways and means of rehabilitating certain companies which are likely to fall down and to

help them with a view to developing the particular industry for which it was intended. The smaller companies were not able to manage themselves to get the necessary finance, and nobody could come forward with financial help unless it was possible for him to get the largest slice of the profits thereof. In that view I have to say that the bigger companies which seem to have been condemned all along have done more good and the smaller companies, which seem to be very much appreciated and encouraged, have not been able to do that amount of good that was expected of them.

With the existing law, it must have been possible for the Government with greater care and vigilance to see that the companies are run properly and that the company's management do not misuse the powers that the placed in their hands. But now, the Joint Committee has approved of so many changes, changes that will involve equipping the Government with a large number of powers of supervision, with the result that the speed with which the progress should be maintained may probably be very much hampered. If we look into Appendix VI, we will find that nearly 80 clauses have been provided in this Bill through which the Central Government has taken a large number of powers and the powers of control which they are trying to take do not seem to be conducive to the development of industries in this country. They have taken powers unnecessarily with regard to the declaration of the name of a company to be undesirable, the change in the name of a company to permit issue of shares and the payment of dividends out of monies provided by the Government and even the appointment of auditors and inspectors on application—prosecution also can be done on the inspectors' report—approval of appointment of managing directors and so on and so forth. I am not very sure whether the Government will be able to cope up with the growing work that these 80 clauses would entail the Government in conducting

their affairs as quickly as they expect them to be, because the more the officers and the offices that are instituted, the greater will be the delay in the performance of the duties that will devolve upon the Government. For instance, take the inspectors. Inspectors probably will be taken up from the lower grade of officials or new recruitment will be made and persons trained for that purpose; and they are expected to get into the records of the company, however big it might be, and they are expected to report correctly their own impressions upon the records of the company. But my own experience shows me that in one or two instances, these inspectors will serve very honestly and sincerely until they are confirmed and until their position is quite secure: but the moment there is a possibility of their getting something more directly from the companies themselves, their honesty will dissolve itself, all sorts of reports will be furnished by them and probably the honest men in the company management will suffer and the dishonest men will prosper. Therefore, the institution of this inspectorate will have no effect on the proper management of the companies and honest men will not be able to manage the companies properly. In those circumstances, if the inspectorate is going to be appointed from the lower strata of the public or the officials the disadvantages that will accrue from such inspectorate will be more than at present. I may also state that in the Registration Department with which the highest officials here may not be conversant, there are so many lacunae which have to be removed and its administration has to be improved. Where there are no faults, they find opportunities to pick holes and say there is fault. I may mention one little incident as an example. A limited company sent its annual return. From the Registrar's office it was returned after a number of days with the remark that the company is not named as 'limited' with all the letters there. The name was corrected and the return was sent back to the registration office. After a few

weeks it came back with the remark that certain names have not been properly spelt there—for an 'a' there was an 'e' or for an 'e' there was an 'i'! This is the way in which things are happening there. Therefore, I say that unless there is a proper set-up of officers, it is not possible to depend upon these officers to find out the actual difficulties in the administration of these companies.

I will now pass on to the question of auditors. I do not see any reason why the Government should take upon themselves the onerous duty of appointing auditors themselves. The auditors are there; they are registered, they are properly examined and trained, and they are approved also. The Institute of Chartered Accountants of India has power to recognise and enrol such members. If they do anything wrong, just in the same manner as any other advocate who does anything wrong, they will be removed from the Institute's list. So such powers are already there to deal with bad auditors and to encourage good auditors. Now the Government seems to be anxious to take powers to enlist or appoint auditors who have been trained or who have passed examinations held outside India also, even without noticing that the Institute of Chartered Accountants of India have powers to recognise them and any persons can be chosen from the list maintained by them. The point has been raised that individuals alone should be selected and not companies. The auditor companies do have a reputation of their own; they usually concentrate upon things in such a way that their reputation is kept on for all time to come. But as regards individuals, the same kind of honesty may not be found. So, it is unwise that the present system should be changed into something which is individualistic.

Provision has been made for the appointment of an Advisory Committee. I am told that an Advisory committee has been functioning for some time past. To what extent has the Advisory Committee been able to

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help the administration in the proper working of the Act and in checking the mal-administration of the companies? In Chapter VII where the constitution and powers of the Advisory Commission are provided, no indication is given as to the set-up of this Advisory Commission; whether they are going to be businessmen, whether they are going to be financiers or whether they are going to be officers of the Government. Usually it so happens that big businessmen, men having a stake in the country, do not like to serve in such a Commission for the simple reason that they will have to criticise if necessary their own colleagues in business. As such, there is a possibility of the thrown out persons from business to come and occupy the Commission which is going to be constituted. There is also the other possibility of the officers. Secretaries or Joint Secretaries or whoever it may be, not so much wanted here in the Government being shoved on to the Commission. With such persons who are not wanted elsewhere, if the Commission is going to be constituted, to what extent it will be useful in carrying on the administration that is entrusted to them, will have to be examined properly.

Shri C. D. Deshmukh: Any suggestions?

Shri Ramachandra Reddi: I am not now in the Joint Committee. Probably. I will be able to give suggestions when we get into the clauses. I am only trying to find out where the loopholes are. As regards plugging them, we shall look into that when actually we consider the clauses. When the Joint Committee itself or the Government itself has not been able to disclose the way in which they are going to constitute a Commission, it is not for me at this stage to suggest certain methods all of a sudden. I hope I will be able to do it when the time comes.

The protection that is given to them seems to be quite adequate. But, the powers that.....

Shri Kamath: May I point out, Sir, that there is no quorum in the House?

Mr. Chairman. The bell is being rung. Now, there is quorum. The hon. Member may continue.

Shri Ramachandra Reddi: A limitation has been set on the number of companies that a managing agency can manage. It has been reduced to 10. We have here a list of companies. Nearly 320 of them are foreign companies and about 88 of them are Indian companies, all of them big companies. It looked as if the criticism that was levelled against managing agencies on the floor of the House has been levelled against our own Indian companies, as if they have not been managing themselves very well. Apart from that, if these people especially the Indian companies which are 88 in number, as in 1951, are asked to close down some of these companies, over 10, it would be a hard task. If they have not been found to be competent in managing them, that is one thing. They could be asked to close down. If all of them are properly and efficiently managed, there is no meaning in asking them to close down. If this rule of 10 companies is adopted for future companies, it is agreeable. If it is going to be adopted immediately with a view to cut the existing number of companies, that would be not only a hard task for the managements concerned, but also for the developmental programme of our country. It is therefore necessary that the matter should be reconsidered. If at all, there is a need felt for limiting the companies under a managing agency, probably for the future that rule may be adopted. Otherwise, there is every possibility of the present managing agencies disintegrating their resources, cutting down their companies, and even if they are in a position to develop them very fully and adequately, they will turn their attention from them and concentrate upon those 10

institutions which they would like to develop. In this view, I understand that some companies that are semi-developed under them will have to be fully developed and if this new law is adopted, they will be left undeveloped and probably nobody else would come forward to develop them.

It has been suggested that these private companies have not functioned well. I would like to ask whether the Government which is likely to take a greater interest and show greater vigilance, towards the working of these companies, has been able to manage its companies well. With a view to shut out public attention from these companies, they have made them limited companies, with a managing director of their own and other officers of their own. Though it is possible for the audit to find out the loopholes, they are given entire autonomy to work these companies. To what extent they have been able to succeed, we have yet to see. On the other hand, I have found criticisms levelled against them that they are not so well managed, and that the capital that has been invested has not been wisely used. As such, these enterprises may not succeed to the extent they are expected to. For instance, recently, I saw in the press a very bad criticism of the Machine Tools Factory that is set up in Bangalore. Like that we have heard something about the Sindri factory. Probably, we will hear more such complaints against the Penicillin factory in Poona and so many other institutions that are being brought into existence.

Shri U. M. Trivedi: The Housing factory is nearby.

Shri Ramachandra Reddi: We have the standing example of how the Housing factory has been managed or rather mismanaged to the chargin of the Government and the country and how the funds have been utilised. I am only trying to point out that pointing out mistakes is not the only duty of the Government. They must also show by example that they have

been able to manage them properly and that their example might be usefully followed. So far, it has not been possible for the Government to show that example. I am sure that they will fall in line with the several administrative changes that they have suggested in the Joint Committee and try to improve their own institutions.

You know that the Government has taken powers under this Bill to direct the formation of companies and limit their activities also. But, the very fact that the Government has not been able to manage the capital issues question so long shows that their capacity is still wanting in the supervision of these companies. You know there was such a scramble ever since the war was over for capital issues. Most of the companies for which capital issues have been sanctioned by the Government have not developed; probably most of them have been closed. That shows the capacity of the Government in choosing the proper men and the proper occasion and the proper place for the development of those industries which they have sanctioned all along. And I am sure that unless they try to improve upon things, the mismanagement that has been already witnessed might continue and it will not do credit either to the Government that sanctions the capital issues or to the persons who run some of these companies.

I agree with Shri Kilachand when he said that it is the smaller companies that are going to suffer by some of these provisions. If there is any mistake that has to be corrected or explained about, then the smaller companies may not be able to afford to come all the way to Delhi and give the necessary explanation. But the bigger companies would certainly have very intelligent and resourceful representatives here at Delhi, highly paid and usefully working for them, and they can manage matters much more quickly than it is possible for the smaller companies to do. In that

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view, there must be greater facilities shown to the smaller companies in the matter of representation of their facts, and these supervisory agencies must have something like a travelling or itinerary method of dealing with things rather than the stationary method which probably is contemplated under this Bill.

I was very pained to hear some hon. Members calling managing agents sharks and leeches. They have unfortunately forgotten another aquatic being of the same type, namely the crocodile. Evidently the term is reserved for those people who are the legal and probably the financial advisers of those companies. I hope that our esteemed friends will not indulge in such cheap remarks and gibes at people who are not here to defend themselves.

In the end I have to observe that more opportunities under this Bill are given for red-tape to develop, for delays to happen, and for the hampering of proper and quick progress of business. It will also create opportunities for corrupt practices which probably invade the Government offices from the other institutions. I hope proper opportunities will be taken in this house to move proper amendments for the clauses that have been proposed by the Joint Committee.

Shri V. G. Deshpande: My hon. friend Pandit Thakur Das Bhargava and Shri Tulsidas have waxed eloquent on this company law in righteous indignation against the restrictions placed upon the managing agencies under clauses 323 to 331. I feel that their indignation may be directed against Government over these six or seven clauses, but on the whole I find that the capitalist community in the country ought to be thankful to the Government for having taken a very realistic, very practical, very statesmanlike view of the situation and, in spite of their slogans of socialistic pattern of society, for their being committed to private enterprise and to the managing agency system, which

is a unique creation and gift of the Britisher whose company had established British Raj in this country. We ought not to be ungrateful to the great institution of that company and the great tradition of the managing agent created in this country.

We have found that the Government has come to the conclusion, that the Planning Commission has come to the conclusion, I think even the Company Law Committee has come to the conclusion, and the Joint Committee also has come to the conclusion that the managing agency system has come to stay and has not only come to stay, but one managing agent can control ten concerns. It was asked why this arbitrary number ten is retained. The answer was given that in this progressive world we are resorting to the metric or decimal system and therefore the number ten would be very useful. There will be ten concerns for a managing agent and 20 concerns for a director. And this is the even distribution of wealth and the great socialistic pattern of society which we are envisaging. We say "You will have only ten concerns that you can control". In Bombay by the passing of the land reforms law, if a tenant has got less than 48 acres of land Government has guaranteed that they would supply the deficit. If he has 40 acres, Government would supply him 8 acres more. Here we find that if any big business house has got less than ten companies, then Government is prepared to hand over its concerns to them, because instances have come to my notice where very big business houses like Birlas—I did not want to mention names—have been recently given many big Government concerns for management. In this way, the favourite pattern of the socialistic pattern of society is being popularised in this country.

My own feeling is that the capitalists ought to be very easy in their mind. Of course, even in law there is sometimes quarrel and I find that the capitalists with great love in their hearts for the Government which has

introduced such measures which are going to do good to the capitalist community, make some show of fight here. I find that all the clauses 323 to 331 are going to help the capitalists to the maximum extent. My hon. friend Shri Shah has done a great service by pointing out an instance. I do not know the name of the house. It may be perhaps a Birlas' concern, and its name may be J. C. Mills. Suppose they have done this and Government has allowed them again to float loans worth crores of rupees even knowing fully well that this is not permissible and that they could have stopped it. It was asked why Government did not stop this. Shri Kilachand asked it. But the answer was very clear, that Government wants to retain power in order to give advantages to their favourites. And that is why Shri Chatterjee, my revered leader, has pointed out in his minute of Dissent:

"This power of abolition of the Managing Agency system by executive fiat may be influenced by political objectives and may act as a deterrent on company formation and may check initiative and may lead to undue cramping of the activities of the existing concerns....."

Now, the anxiety of the capitalists is not to please the shareholders. They have to please only one authority and that authority is the Central Government.

And now I want to ask a question. We have accepted democracy, and there is a party government in power. We are vesting that Government with such an overwhelming authority. We have seen that the Company Law Committee report has specifically mentioned that there should be a statutory commission vested with this authority. Our Government is very strong, and I am told that in the Congress party meeting these two decisions were positively taken, that they will not abolish the managing agency system within a specified period of time, and that in no case are they

going to part with this power of control of this company management. They have accepted all the recommendations, but this power of continuing the managing agency or abolishing managing agency in the case of certain industries or certain concerns is retained in its hands. I do not want to make any accusation. One of my revered friends said that all people agree that the Congress can do no wrong. As long as Congress is in power, nothing.....

Shri Kamath: Who said so?

Shri V. G. Deshpande: My hon. friend Shri Jhunjunwala.

Shri Kamath: Sarcastically.

Shri Jhunjunwala (Bhagalpur Central): I did not say that. Your revered leader, Shri N. C. Chatterjee said that.

Shri V. G. Deshpande: I want to say that they may be above corruption. I can understand it. Some of them may be above corruption. But after all, it is a political party. And suppose tomorrow, Tata, Birla and Shanti Swarup Jain come and say, for your election funds, against ourselves, from the funds of the companies we will contribute one crore of rupees—I may say, not for any bad motive, but because it is in the interests of the country, and because the socialistic pattern may be popular.....

Shri Kamath: Rs. 5 crores, and not Rs. 1 crore.

Shri V. G. Deshpande: I am saying a hypothetical thing. I have got information about Rs. 3 crores only. But I am saying here only a hypothetical thing. Suppose they come and say, we will contribute Rs. 1 crore for your party funds, for very high motives, so that the socialistic pattern in this country can come only through the Congress, and for that purpose, in the interests of the country it is necessary that this managing agency should continue. An accusation may be made in that case. I think that Government should be above suspicion just like Cæsar's wife, and that is why I feel that our Government

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should not have taken all this responsibility on themselves.

My hon. friend like Shri M. S. Gurupadaswamy were agitating that the managing agency system should be completely abolished. Then there were other friends like Shri Tulsidas and others, who wanted that the system should continue. Our wise Finance Minister said that the recommendation of the Joint Committee, with which Government were in accord, seemed to wisely steer clear of extreme views on either side. The Joint Committee have avoided committing Government in either direction, but have conferred adequate powers on them to decide on an appropriate policy in this matter by the end of the next Plan period, in the light of their experience. My feeling is that this wisdom and justice and judicial mind represents the mind of the monkey in the famous fable. I am referring to that famous monkey to which two cats that were quarrelling between themselves came for judgment. The monkey said, do not quarrel amongst yourselves, and then it began to weigh the shares of both the cats, and while doing so, the monkey took away the shares of both and swallowed the whole sweatmeat. That is what we read in fable. In the same way, here the wise Finance Minister has said, the managing agencies, the statutory commission and all these powers are fighting, so I shall have all the power with myself, and I shall wisely steer clear of all the troubles. Thus, all the power will now concentrate in the hands of the Central Government, and it will be used for furthering the party interests.

I do understand that there are certain defects in the managing agency system. I do appreciate that for some time, the managing agency system may have to be continued not because we are convinced that the managing agency system is a blessing, but because we feel that once the system has been started, we shall have to fix a date-line up to which the system

may continue, and after which it should not continue.

I find that arguments have been advanced in such an indirect and veiled manner that they have got everything for everybody. If a progressive man comes to them, they say that the managing agency system is going to be abolished. If a capitalist comes to them, they say that there are ten managing agencies reserved for him. In this way, the thing is being done. I want the hon. Finance Minister to announce here that Government are convinced that at least after some period, the managing agency system will end. If that is the object in view, they may ask: What is the alternative? I can answer that question. If the whole of Government can be managed by our Ministers, if the whole of the railways can be managed by our Minister of Railways, and that too,...

Shri Kamath: It is being managed.

Shri V. G. Deshpande: It is being managed or mismanaged—whatever it may be. But it is being managed by our Government, and that too without any restrictions. But here, restrictions have been put in that associates should not have interest either in the buying or in the selling of shares. But no such restriction is placed on the Ministers, saying that no minister should have any interest in any of the managing agencies. We have got here a Cabinet with collective responsibility which will have the power either to continue a managing agency or not. I think that if you have got that system, you must make a rule that no Minister in the Cabinet should have any direct or indirect interest through his relative, in any managing agency or in any industrial concern. I think if this rule that applies to associates is extended even to the Ministers, then something can be done.

Then, I would like to make one other demand on our Government. I find that at present there is a lacuna in the Bill in that regard. I make a demand that our Government should

make a rule regarding the utilisation of the resources of these public limited companies. Many capitalists are giving funds to different parties. I want a rule to be made that no money will be paid from out of the funds of these public limited companies to any political party, because instances have come to our notice that indirect influence is wielded by giving these donations to different political parties. What are the present conditions? We find that all the relatives and associates have special claim in the management and governance of the country, while at the same time, we find that the small and poor associates and others in the case of companies are placed under very heavy restrictions. I am not against these restrictions. But my objection is only to favourite treatment being given to special men.

I find that there are many companies to whom loans are given by Government—I have mentioned the names already. I have been told that the prices of steel were manipulated in such a manner that Tata's share may be sold at 3600 per cent. premium; and all the help was given by our Government. The Indian Iron and Steel Syndicate, I am told, has got a capital of Rs. 5 crores, and they are having a profit of Rs. 5 crores; but we find that Rs. 10 crores have been given to them as loan without interest. All these things are happening.

Shri Kamath: Election manoeuvres.

Shri V. G. Deshpande: May not be election manoeuvres. But such accusations can be made, and made with justification. Therefore, in the interests of the purity of the administration, I would appeal that such drastic powers should not be taken by Government, and that we should not allow people to make such criticisms.

I was referring to what the alternative arrangement has to be. I would make a suggestion that Government should start, just like the Indian Administrative Service, an Indian Managerial Service, and if with these pioneering young men you begin

management of these companies, you will find that the problem of management can be solved within a specified period.

Then, the Government companies are there. If in the private sector, in the name of Birla, Dalmia and Tata, companies can be floated, and companies can be promoted, I say that in the public sector also, Government should come forward as promoters and ask the people to invest money; if that is done, I think the public sector can be properly occupied.

I would not like to say much and take up the time of the House. But my main points are these. Firstly, Government have erred in not making their policy clear regarding managing agencies. My second point is that they have discarded the recommendation of the Bhabha Committee in regard to the setting up of a statutory commission. They had made specific recommendations in their report that the statutory commission should consist of experts, who should have no interest, and who should declare their interests, if any, and so on. But Government have not accepted that recommendation. We find that no Minister is going to declare what his interest is. That is why, I may make a specific allegation here that for political considerations, of all labour organisations, only the labour organisation which is controlled by the Congress has made this recommendation and agitated for it. I feel that there is a conspiracy behind keeping all these powers in the hands of Government.

My last point is that labour must have representation in the management of companies. I find that my hon. friend Shri Tulsidas has advanced a very ingenious argument in favour of my contention. He was saying that in England their experience was that those labour leaders who served on the board as directors did not remain labour leaders thereafter. I say that that will be a happy revolution for them. If all the Indian labour leaders like Shri A. K. Gopalan, Shri H. N. Mukerjee and

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Shri S. L. Saksena are appointed directors, and they do not remain as labour leaders thereafter, then all the headache of my hon. friends Shri Tulsidas and Shri G. D. Somani will go away.

Shri Kamath: What about the Hindu Mahasabha labour front?

Shri V. G. Deshpande: The Hindu Mahasabha is always a progressive party.

Therefore, my request to Shri Tulsidas is that if for nothing else, at least for removing all the labour trouble in the country, he should accept the suggestion. I find that our Government, with all their progressiveness, with all their socialistic pattern of society, have only restricted themselves to taking away property and rights from other hands, and not to look after distribution, equitable distribution. This power is reaching the Government, but they do not want that it should reach the labourer. I feel that every concern has got four components. One is the investor, the second the management, third is the labourer and fourth is the consumer. We find that the consumer has no representative..

Shri Sinhasan Singh (Gorakhpur Distt.—South): The producer of raw material also.

Shri V. G. Deshpande: The producer of raw material—he is the fifth component. If the Government do not act in a partisan manner, if they act through a statutory commission, if we have got the representatives of labour—labour is very flexible—and all the technical assistance that is required for the development of industry can be available, we can achieve our objective. My friend was saying that for amendment, at least two years are required. I say, not even two years are required. Before the Bill is passed, when discussion on the clauses starts, we see chits going from here and there and at every stage amendments are made. Even to the Constitution and other things, within 8 days, within 15 days, amendments are made.

Here we need not worry that time would be required for making amendments. I would request the Finance Minister to amend the law suitably, to move amendments to his own Bill, so that the power to exercise all these seven restrictions placed on them may not be placed in the hands of the Central Government but in the hands of a statutory commission. We should have some representatives of labour on the boards.

Shri M. S. Gurupadaswamy: What about the remuneration?

Shri V. G. Deshpande: The point of remuneration is also very important, because in this socialistic pattern of society, we find that Rs. 50,000 is the humble minimum that has been fixed in the case of companies which are not getting any profits. If they begin to make profits, no ceiling is fixed. It is unfortunate and ironical, but very generous of our Ministers, that when they themselves have put a ceiling on their income, when they are getting only Rs. 2,200, they are prepared to give to others more than Rs. 4,000 per month. It is really generous on their part, but that indicates that they are not really serious about the socialistic pattern of society. I am personally not very highly enamoured of this phrase 'socialistic pattern of society', but I think that the minimum remuneration that you have to fix ought to have some proportion to the realities of the economic condition prevailing in the country. I do not think that lakhs and lakhs of rupees per year can be the only incentive. I know of instances where there are many concerns in this country which are doing pioneering work in the manufacturing sphere, but are receiving no encouragement from our Government. I was yesterday surprised to find that our Five Year Plan includes a plan for the erection of certain vegetable oil factories also. Vegetable ghee is a new industry that our Government want to encourage. My own feeling is that there is an attempt to make the rich people richer, while the poor are becoming poorer. Nobody

has got a tear to shed for the latter. Therefore, I would oppose this remuneration clause which is preposterous and against all our ideas.

Mr. Chairman: That matter can be adjusted with the Speaker or the House can decide. I cannot say anything.

BUSINESS OF THE HOUSE

Mr. Chairman: I have to make an announcement. It relates to the discussion on the Report of the Press Commission.

The House has already agreed to sit one hour longer on the days when the Report of the Press Commission is taken up for discussion. Accordingly, the House will sit on Friday, the 19th August and Saturday, the 20th August, from 11 A.M. to 6 P.M. On Friday, the 19th August, 1955, the Private Members' Business will be taken up at 3-30 P.M. instead of at 2-30 P.M.

After the present business is finished, that discussion will commence tomorrow.

Pandit Thakur Das Bhargava (Gurgaon): When will the Press Commission's Report be taken up for consideration?

Mr. Chairman: It will commence tomorrow.

Shri M. S. Gurupadaswamy (Mysore): Since there are a large number of Members who wish to participate in the discussion on the Companies Bill, may I request that the time allotted for it may be extended?

Shri Kamath (Hoshangabad): We should have 30 hours.

Mr. Chairman: I cannot say. I can just convey it to the Speaker, and tomorrow morning that matter can be raised by any Member.

Shri Thimmaiah (Kolar—Reserved—Sch. Castes): When will the discussion on the Press Commission Report start?

Mr. Chairman: As at present arranged, discussion will begin tomorrow.

Shri M. S. Gurupadaswamy: May I know if the time allotted for the Companies Bill is going to be extended?

COMPANIES BILL—Contd.

Shri B. K. Ray (Cuttack): This Bill has been the subject of vigorous criticism from various standpoints. With regard to the nature of the Bill, it is a remedial measure. Its object is to remedy certain grievances of the shareholders, to avoid malpractices and abuses by the managing agents, and to purify the administration and management of joint stock companies so that it fits in properly with the country's economic structure, and the machinery for the development of the economy through the private sector. Therefore, it is necessarily full of checks and balances. Certain portions of it read like the fundamental rights chapter of the Constitution of India. Such Bills do not always please both sides.

Now, the criticisms vary from its unworkability to its perfection. One school claims that it is perfect; the other school claims that it is completely unworkable. The real standpoint of criticisms, however, lies in appreciating the checks and balances. In fact, after reading the Bill carefully and devoting a very long time to it—because the Bill is both extensive and intensive—I became full of admiration for the Finance Minister and the Joint Committee for their wisdom in bringing forward the Bill to this form. I do not say for a moment that it is completely without defects. In fact, to my eyes there have come some defects which I am going to point out very shortly.

Now, some of the criticisms that have been unbalanced. I regret to have to say on the floor of this House, are due to the fact that the real objective of the Bill has not been kept in view. What are the objectives? The objectives are, first of all, in the