

(b) It was represented that the scheme of amalgamation had been forced through coercive and pressurising tactics on a small company where the majority shareholders were Indians whereas about 90% of the shareholders of the transferee company were foreigners. It was also pointed out that the auditors of the company had not examined full facts of the transfer or company in their valuation report.

(c) On receipt of representation of the shareholder and the notice under Section 394A. of the Companies Act, 1956 from the Bombay High Court, a representation opposing the scheme of amalgamation was filed in the Bombay High Court. However, the Court sanctioned the scheme of amalgamation on 9-2-1970 mainly on the ground that the scheme of amalgamation has been approved by a majority of not less than 3/4ths in value of the members present and voting in person or by proxies, subject to the sanction of the Reserve Bank of India and any other authorities concerned being obtained in respect of any matter for which such sanction or approval is required.

CONTROL OVER CONCERNS BY BIG BUSINESS HOUSES

*1439. SHRI MRITYUNJAY PRASAD: Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state:

(a) what control, if any, do the big twenty business houses named in the Hazare Committee and Dutt Committee Reports continue to exercise over the concerns, which they used to manage as managing agents;

(b) whether their control is limited to the one exercised by any group of shareholders controlling a sizeable percentage of shares;

(c) the percentage of shares held by the individual big houses, in five each of their biggest units, according to the last report received from the individual companies by Government;

(d) whether Government proposed to continue the restrictions on grant of licences for new factories or expansion of existing units in the changing circumstances; and

(e) if so, the reasons therefor?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F.A. AHMED): (a) Full information regarding alternative forms of management chosen by companies consequent upon the abolition of the Managing Agency System as from 3rd April, 1970 has not yet become available.

(b) The information regarding the extent of shares held by the big Industrial Houses themselves in their erstwhile managed companies which would be indicative of the control possibly still being exercised by them is not fully available.

(c) The information is being gathered from the latest annual returns of the Companies.

(d) and (e). The Industrial Licensing Policy Inquiry Committee has laid down in para 2.16 of its report, the criteria for inclusion of individual concerns in a House. Even after the abolition of Managing Agency System, there will remain other criteria for identification of larger industrial houses. In view of this position, Government do not propose to revise the latest licensing policy according to which preference will be given to new and smaller entrepreneurs in the matter of grant of industrial licences.

CHANGES IN PROCEDURE BY HINDUSTAN STEEL RE : FIXED DEPOSITS AGAINST SUPPLIES TO SMALL INDUSTRIES

*1440. SHRI LOBO PRABHU : Will the Minister of STEEL AND HEAVY ENGINEERING be pleased to state :

(a) whether his attention has been drawn to a letter to the Editor published in the *Economic Times* on the 23rd April, 1970 under the caption "PFA for Small Industry" wherein it has been stated that the Hindustan Steel Limited had changed its procedure for permanent fixed deposits, against supplies to be made to Small Scale Industries:

(b) if so, the circumstances under which this change was made; and

(c) the reasons for not restoring the previous procedure?