

concerns should be permitted only in that sector. The Committee was of the view that industries outside the core should be open for development only by entrepreneurs not belonging to these categories. It therefore recommended that applications from concerns belonging to the Larger Industrial Houses as well as those from foreign concerns should be automatically rejected in the case of industries in the middle area *i.e.* the area excluding the core sector and the reserved area for the small scale sector. The lists of concerns belonging to the Larger Industrial Houses as also of the subsidiaries or branches of foreign companies in respect of which the above restrictions have been suggested by the Committee are given in Volume II of the Appendices to its Report, copies of which have already been laid on the Table of the House.

(c) Government has carefully considered the various recommendations of the Committee and also taken certain decisions recently. Copies of the Press Note dated 18-2-1970 and two notifications dated 19-2-70 issued in this regard have already been laid on the Table of the House as enclosures to the answer given to Unstarred Question No. 311 on 24-2-70. According to the modified licensing policy, while industrial undertakings other than those belonging to or controlled by the Larger Industrial Houses, Foreign Companies and dominant undertakings have been altogether exempted from licensing upto a limit of Rs. 1 crore of investment in land, buildings and machinery, subject to certain conditions, no such exemption would be available to the undertakings referred to above. Undertakings belonging to or controlled by the Larger Industrial Houses and Foreign Concerns will be expected to concentrate their efforts in the Core Sector and in respect of other individual investment propositions over Rs. 5 crores.

**Concern expressed by Indian Merchants Chamber over Revision of Administrative Ceilings on Managerial Remuneration**

\*854. SHRI V. NARASIMHA RAO: Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Indian Merchants Chamber has expressed serious concern over the talk for further revision of the

administrative ceilings on the managerial remuneration; and

(b) if so, the reaction of Government in this regard?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F. A. AHMED): (a) Government have not received any representation on this subject from this Chamber.

(b) Does not arise.

**Remuneration of Whole-time Directors**

\*855. SHRI MADHU LIMAYE: Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government approve the whole-time Directors' taking other jobs in other companies and drawing additional remuneration and maximum perquisites on certain items from some company and on other items from some other company with a view to getting around the circular which prescribes no maximum perquisites item-wise such as car allowance, house rent etc.;

(b) whether such a thing has happened in the Indian Vegetable Products Ltd. and Gokak Mills now taken over by a big business group—the Tatas;

(c) if so, whether his Ministry has approved these remunerations; and

(d) if not, whether Government would take action on their own initiative against this practice?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F. A. AHMED): (a) The appointment of a person who is already a whole-time director in one company is not approved as a paid director in another company. Under the Companies Act, however, there is no legal objection to the same person being appointed as Managing Director in two Companies and a second appointment as Managing Director is approved by the Company Law Board in a few cases according to the principles laid down in the Guide-lines. When a person is appointed as Managing Director in a second Company, his remuneration in