

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

that Company is regulated suitably. Since the remuneration in the second Company is scaled down the total of the perquisites (which is not to exceed one-third of the salary in each case) will also be correspondingly limited. Further the duplication of the same perquisites which are fringe benefits from both Companies is not allowed in the same centre.

(b) and (c). The proposals from Gokak Mills Ltd. for the appointment of Shri D. J. Madan as Managing Director and payment of remuneration to Sarvashri F. H. Komple and G. Khandwala as part-time directors have been approved. Indian Vegetable Products Ltd. has withdrawn its applications for the appointment of Shri G. Khandwala as the Managing Director of the Company on the ground that the Board of Directors are reconsidering the original proposals.

(d) Government's views in the matter have been explained in the reply to part (a) above.

**मध्य प्रदेश में उद्योगों की स्थापना के लिए लाइसेंस प्राप्त करने के अनिर्णीत आवेदन पत्र**

\*856. श्री गं० च० दीक्षित : क्या औद्योगिक विकास, आंतरिक व्यापार तथा सभवाय कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) मध्य प्रदेश से औद्योगिक लाइसेंस प्राप्त करने के लिए प्राप्त हुए आवेदन पत्रों में से कितने आवेदन पत्र सरकार के पास अनिर्णीत हैं;

(ख) उन में से कितने आवेदन पत्र दो वर्ष से अधिक समय से अनिर्णीत पड़े हैं; और

(ग) उनका निबटारा किए जाने से विलम्ब के क्या कारण हैं ?

**औद्योगिक विकास, आंतरिक व्यापार तथा सभवाय कार्य-मंत्री (श्री फखरुद्दीन अली अहमद) :**

(क) 1967 से 1969 तथा फरवरी 1970 तक मध्य प्रदेश में उद्योगों की स्थापना के लिए औद्योगिक लाइसेंस के प्राप्त 68 आवेदनों में से 20 अभी अनिर्णीत पड़े हैं और इनमें 4 आवेदन वे भी हैं जिसे स्थापना स्थल मध्य प्रदेश तथा वैकल्पिक रूप से अन्य राज्य दिखाये

गये हैं। अनिश्चित आवेदनों में 17, 1969 के उत्तरार्ध अथवा 1970 में प्राप्त हुए हैं।

(ख) कोई भी नहीं।

(ग) इन आवेदनों के निपटारे में कोई अनुचित विलम्ब नहीं हुआ है, और अनिश्चित आवेदनों का भुगतान भी शीघ्र किये जाने की आशा है।

#### **Removal of Ban on Automobile Ancillary Units**

\*857. SHRI HIMATSINGKA: Will the Minister of INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have of late decided to lift the ban on new units for automobile and tractor wheels and other automobile ancillary industries;

(b) if so, in respect of which items the ban has been lifted under the recent orders;

(c) the extent to which expansion in these industries is contemplated or planned and whether such industries are proposed to be indicating the capacity of production in respect of each item; and

(d) the steps taken to raise or expand the industries contemplated under the order?

THE MINISTER OF INDUSTRIAL DEVELOPMENT, INTERNAL TRADE AND COMPANY AFFAIRS (SHRI F. A. AHMED): (a) to (b). Yes, Sir, The ban on the establishment of new units in respect of all items of automobile ancillaries, with the exception of "Radiators" which is reserved exclusively for the small scale sector, was removed in October, 1969 and interested parties were invited to submit application by the 31st January, 1970.

(c) The ban on the establishment of new units for automobile ancillaries had been removed keeping in view the estimated production levels for the various types of automobiles during the 4th Five-Year Plan and the requirements of ancillaries to sustain production of vehicles to reach these levels. The actual licensing of additional capacities for various items of automobile ancillaries will depend upon the gaps between the