

companies also under the jurisdiction of the Company Law Board.

Non-compliance of the Company Law Board Orders is punishable with imprisonment which may extend upto three years and a fine of not less than Rs. 50/- for every day during which non-compliance continues.

Shifting of Headquarter of M/s Shaw Wallace & Co. Ltd.

1393. SHRI NILOTPAL BASU:
SHRI DIPANKAR
MUKHERJEE:

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) whether headquarter of M/s Shaw Wallace and Co. Ltd. has been shifted from Calcutta without Board's approval;

(b) whether CLB nominee in the company's Board had informed Government in February, 1998 terming it as an important decision affecting the company; and

(c) if so, the action taken by Government in this regard in view of its petition filed before the Principal Bench of CLB under Section 408 of the Companies Act, 1956?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND THE MINISTER OF SURFACE TRANSPORT (SHRI M. THAMBI DURAI): (a) No, Sir. The Registered Office of the Company continues to function from Calcutta.

(b) and (c) One of the CLB nominees on the Company's Board had informed the Department that an important decision such as shifting of Head Office to Mumbai was taken without approval of the Board of Directors. This observation was brought by the Department to the notice of Company Law Board which is already adjudicating a petition filed under Section 408 of the Companies Act, 1956 in the matter of M/s Shaw Wallace and Co. Limited. The Company Law Board is a Quasi-Judicial Authority and the matter is sub-judice.

Inspection of Companies seeking clearance to buy Shares

1394. DR. D. VENKATESHWAR RAO: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether transactions in crores have been held up because fresh inspections of each of the companies seeking clearance to buy shares are being insisted upon;

(b) if so, the reasons therefor; and

(c) the steps proposed to remove bottlenecks and clear about 75 pending files seeking permission since January, 1998?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND THE MINISTER OF SURFACE TRANSPORT (SHRI M. THAMBI DURAI): (a) No, Sir. The Central Government had issued instructions to its field offices on 1.5.1998 for conducting limited inspections under Section 209A of the Companies Act, 1956 in respect of applications made by companies seeking approval of the Central Government for making investment or giving loan to other companies. These instructions were however withdrawn on 15.5.1998.

(b) The limited inspections were ordered to ascertain the financial position of the company and to verify the authenticity of data furnished by them.

(c) The pending files are being considered for clearance on the merits of each case.

Cases Referred to Banking Ombudsmen

1395. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether there have been fair and amicable settlements of a very large number of cases referred to the Banking Ombudsmen during 1997-98;