

1234. [Transferred to the 21st October, 1982.]

M/s Indian Tobacco Company

1235. SHRI RAM BHAGAT PASWAN: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have recently issued any show cause notice to M/s. I.T.C. Limited;

(b) if so, what are the details thereof and the reply of the company thereto; and

(c) whether Government have taken any action since then and if not, by when the final decision will be taken?

THE DEPUTY MINISTER IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI GHULAM NABI AZAD): (a) Yes, Sir. A Show Cause Notice was issued to M/s. I. T. C. Limited on 8-3-1982.

(b) The Notice had called upon the Company to show cause as to why penal action under Section 53 read with Section 46 of the M.R.T.P. Act should not be taken against it as well as against its concerned officers etc. as the company had allegedly established a new undertaking at Puri in the name of Messrs B.K. Singh & Co for the processing of marine products without obtaining approval of the Central Government under Section 22 of the Act.

In its reply to the show cause notice, the company *inter-alia*, stated that the arrangement between it and M/s. B. K. Singh & Co. was only a part of commercial transaction of a purely temporary nature and for purposes of exports only. The company had also indicated that this arrangement remained in existence only for a period of about three years and was discontinued thereafter.

(c) In view of the mitigating circumstances of the case, as brought out by the Company in its reply to the

Show Cause Notice and the nature of the arrangement, it was decided by the Government to treat the case as closed after administering them a warning to be more careful in future.

Taking over of India Cements by M/s. I.T.C.

1236. SHRI RAM BHAGAT PASWAN: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that M/s I.T.C. Ltd. is taking over India Cements, Madras without proper valuation of its assets;

(b) if so, what are the reasons for government's allowing the change of management thereof; and

(c) whether Government propose to take it over and hand over to M/s. C.C.I., for proper production and distribution of cement and if not, what are the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI GHULAM NABI AZAD): (a) and (b). The taking over of India Cements Ltd., Madras by I.T.C., would require approval under the provisions of the Companies Act and the MRTP Act. No application for approval has been received by the Central Government so far. In order however to ascertain the facts whether the shares of India Cements Ltd., held by financial institutions have been transferred or are likely to be transferred, an order has been issued by the Company Law Board under sub-section (1) and (2) of Section 250 of the Companies Act imposing restrictions on the transfer of shares and exercise of voting rights for a period of one year.

(c) No such proposal is under consideration.