

New Delhi and Hazrat Nizamuddin \ stations during the financial year 1977-78. 25 railway employees were, however, detected committing irregularities/malpractices. In addition, 95 unauthorised persons who were not railway employees were arrested by Delhi Railway Police under Section 120-A of the Indian Railways Act., from 1-1-77 to 30.6.78.

(b) Out of 25 railway employees found involved in irregularities/malpractices, 13 employees have been awarded punishments. One employee has been placed under suspension. DAR proceedings against 12 employees including the suspended employee are in progress.

(c) All the 95 persons arrested by Delhi Railway Police were challaned. 82 of them were convicted and one discharged. Cases of remaining 12 persons are pending trial.]

Reports of investigation of the Birla Jute Manufacturing Company Limited

•318. SHRI BIR CHANDRA DEB  
BURMAN: SHRI KALYAN ROY;

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to refer to the answer to the Unstarred Question 549 given in the Rajya Sabha on the 28th November, 1977 and state:

(a) whether examination of the records of investigation into the affairs of the Birla Jute Manufacturing Company Limited and Indian Linoleums which started in 1967 has been completed;

(b) if so, what are the details in this regard; and

(c) what action Government have taken on the basis of the reports of investigation?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN): (a) to (c) A statement is laid on the Table of the House.

#### Statement

Report on Birla Jute Manufacturing Company Limited was examined and only two issues emerged out of the report for further action. The first issue related to payment of salary to certain relatives of executives of the company which was considered unjustified. The Income Tax Department, which disallowed this payment, has taken the matter to the High Court in an appeal against the Tribunal's orders and the matter is pending with the High Court. The second issue relates to payment by the Company of foreign travel expenses of wife of a Director. The matter was taken up with the company. The Company has contended that the provisions of Section 198 of the Companies Act are not attracted regarding such payments and legal advice is being sought on the contention of the Company.

In the case of India Linoleums Limited also the report was examined and the only point for consideration is the applicability of Section 294 of the Companies Act, 1956 regarding the distribution of Linoleum Products and legal advice has been sought on this issue also.

The other issues raised in the reports have been dropped after obtaining some clarification from the Inspector since they involved *no* contravention of the provisions of the Companies Act.

Compensation paid on account of loss, damage etc., of goods in transit

\*319. SHRI N. G. RANGA:  
SHRI KALP NATH RAI:  
PROF. N. M. KAMBLE-SHRI  
YOGENDRA MAKWANA:

Will the Minister of RAILWAYS be pleased to state:

(a) the amount of compensation paid to the consignors/consignees due to loss, damage, etc. of goods in transit during the last three years by the Central Railway; and