

(a) whether Government's attention has been drawn to the news that the capital of the Industrial Reconstruction Corporation of India is likely to get exhausted by the end of 1972; and

(b) if so, what steps have been taken by Government to increase the corporation's capital in order to provide loans to the closed units ?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) (a) Yes, Sir. Government is aware of the news-item published in the Economic Times dated the 17th April, 1972, but do not agree with the view that the capital of the Industrial Reconstruction Corporation of India is likely to get exhausted by the end of 1972.

(b) The resources of the Industrial Reconstruction Corporation of India at present consist of (i) share capital of Rs 5 crores paid up out of its issued capital of Rs. 10 crores, (ii) loan of Rs 5 crores drawn out of a total loan of Rs 10 crores sanctioned by the Government of India free of interest.

During the financial year 1972-73, the Corporation expects to call up the balance of Rs. 5 crores of its issued capital and also draw the remaining interest free loan of Rs 5 crores from Government

ALLEGED MALPRACTICES BY BAJORIAS IN SEVERAL COMPANIES

*338. **SHRI S. KUMARAN**
SHRI BHUPESH GUPTA
SHRI YOGENDRA SHARMA
SHRI SURAJ PRASAD

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware of the alleged malpractices indulged in by Bajorias in several companies including Ganesh Flour Mills; and

(b) if so, the details thereof and the action taken by Government in the matter ?

THE MINISTER OF COMPANY AFFAIRS (SHRI K. V. RAGHUNATHA REDDY) . (a) and (b) A Statement is placed on the Table of the House.

STATEMENT

Books of Account, of 27 Companies of the erstwhile Soorajmull Nagarmull group have so far been inspected under section 209 (4) of the Companies Act. According to information at the disposal of the Department of Company Affairs Ganesh Flour Mills Ltd does not belong to this group. The inspections have brought out material which *prima facie*, points to various irregularities like diversion of borrowed funds for purposes which do not appear to be warranted by genuine business considerations, raising of funds from Banks by pledging Pucca Delivery Orders which were not backed by stocks and on misrepresentation of stores in hand and work-in-progress, non-payment of Provident Fund contributions and failure to pay Income-Tax deducted from the salaries of employees.

A First Information Report was sent to the C. B. I. in the cases of M/s Britannia Engineering Co. Ltd., M/s. Kelvin Jute Co. Ltd., and M/s Waverly Jute Mills Ltd. C. B. I. registered a case on 17.5.71 under sections 120B IPC read with section 420 and 409 IPC, section 409 I.P.C. and 477A IPC, conducted searches of 49 places and have seized certain documents. 17 concerns of this group have filed writ petitions in the Calcutta High Court and obtained stay of further action. These cases are now *sub-judice*.

In the other cases, follow-up action has been and is being taken. This included initiation of action under section 433/439 of the Act for compulsory winding up, prosecution under the provisions of the Companies Act, 1956 and intimating Income-Tax, Provident Fund, and Railway authorities about the various lapses/irregularities with which they may be concerned.

भारतीय वाणिज्य तथा उद्योग मंडल
के फंडरेशन का वार्षिक अधिवेशन

*339 श्री लाल आडवाणी :
श्री प्रेम मनोहर :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :