

(a) the nature and extent of fraudulent transactions detected in the affairs of the National Company Limited, owned by Shri R. N. Goenka and his associates; and

(b) the immediate causes for Government's decision to take over the management of this Company and the directors appointed for this purpose?

THE DEPUTY MINISTER IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI BEDABRATA BARUA): (a) The management of the company obtained loans from various financial institutions and dishonestly utilised these amounts for giving advances to various concerns which were under the influence or control of Shri R. N. Goenka for the ostensible purpose of supplying raw jute to the company. The company also paid amounts as interest free advances to certain suppliers though these parties neither required such large advances for supplying raw jute to the company, nor traded in the business of supplying raw jute but were only put up and brought into existence for diverting the funds of the company. Huge advances were utilised for the purchase of the shares of Indian Iron and Steel Company Limited by Shri Goenka through intermediaries who in turn received the money from the parties who were paid advances by the company. Sales were made at lower rates to parties connected with Goenkas. The management also cheated the State Bank of India by rendering false statement of stocks with them

(b) In exercise of the powers under Section 18AA of the Industries (Development and Regulation) Act, 1951, the Government has authorised a body of persons to take over the management of the National Company Limited as the Government was satisfied that the persons in charge of the industrial undertaking viz. National Company Limited had, by diversion of funds brought about a situation

which was likely to affect the production in the said industrial undertaking and it was necessary to prevent such a situation.

M/s East Anglia Plastics (India) Limited

2152 SHRI INDRAJIT GUPTA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state whether any inspection has been conducted on the basis of the allegation that the prospectus of M/s. East Anglia Plastics (India) Limited is fraudulent, in so far as the said prospectus refers to a collaboration agreement dated 19th September 1956, and suppresses the fact that Government of India had issued capital issues consent on 25th June, 1956 and import licence on 18th July, 1956?

THE DEPUTY MINISTER IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI BEDABRATA BARUA): An inspection of the books of accounts of the company under section 209(4) of the Companies Act, 1956 was carried out in October/November, 1974 and the allegation referred to by the Hon'ble Member was not substantiated in the inspection report.

Travel Concession to Disabled Defence Personnel

2153 SHRI INDRAJIT GUPTA: Will the Minister of RAILWAYS be pleased to state:

(a) whether Government propose to give some rail travel concessions to disabled defence personnel in view of their services to the country; and

(b) if so, the salient features thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SHRI BUTA SINGH): (a) and (b): Rail