

Allegations against Kamani Group of Industries

2376. SHRI JYOTIRMOY BOSU: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it has been alleged that the Kamani Group of Industries has not repaid the deposits of the employees and the public amounting to 2 crores of rupees;

(b) whether it has also been alleged that Shri R. R. Kamani of the said Group has misappropriated about Rs. 2.5 crores of Kamani's foreign assets and fled from India;

(c) whether the gentleman referred to in (b) has been declared as absconder by an Indian Court; and

(d) if so, the facts thereof and action taken thereto?

THE MINISTER OF EDUCATION, SOCIAL WELFARE AND CULTURE (DR. PRATAP CHANDRA CHUNDER): (a) to (d). Yes, Sir. A number of allegations against Kamani Group of companies have been brought to the notice of Government by the Kamani Employees Union including the allegations that the public deposits with Kamani firms to the extent of nearly Rs. 10 lakhs have not been repaid to employee depositors on maturity dates and that Shri R. R. Kamani, former Chairman of Kamani Engineering Corporation Ltd. has himself alleged that family has foreign assets upto Rs. 2.5 crores abroad. In an article published in "Business India" magazine of April 24 May 7, 1978 issue also it has been alleged *inter alia*, that two small partnership firms of Kamani's had accepted deposits totalling Rs. 35 lakhs from public and employees and that they have not returned the deposits on due dates of repayment and that Shri R. R. Kamani in a letter to the President of the Kamani Employees Union has accused Shri H. R. Kamani of having misappropriated Rs. 2-1/2 crores of the family's foreign assets.

An inspection under Section 209A of the Companies Act, 1956 of the Books of Accounts etc. 16 companies out of 17 companies belonging to the Kamani Group revealed that four companies, namely (1) M/s. Jaipur Metals and Electricals Ltd., (2) M/s. Kamani Engineering Corporation Ltd., (3) M/s. Kamani Metallic Oxide Ltd. and (4) M/s. Western India Agro-Chemicals Private Ltd., have contravened the provisions of Section 58A of the Companies Act, 1956. The matter is being pursued with the aforesaid companies and appropriate action as deemed fit will be taken in due course.

With regard to the alleged non-payment of public deposits by the two partnership firms, it may be stated that partnership firms do not come within the purview of the Companies Act and therefore the Department of Company Affairs is not in a position to enquire into or take action in regard to this allegation. The depositors may, however, take appropriate legal action against the partnership firms.

With regard to the allegation of misappropriation of foreign assets, Ministry of Finance has stated that the Enforcement Directorate is enquiring into the matter.

With regard to the allegation that Shri H. R. Kamani has been declared as an absconder by an Indian Court, Department of Company Affairs has no information.

Change in name from M/s. Dumex Private Ltd. to M/s. Pfizer Private Ltd.

2377. SHRI BALWANT SINGH RAMOOWALIA: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to refer to the reply given to Unstarred Question No. 7971 on the 25th April, 1978 regarding foreign drug firms having registration certificates and state:

(a) whether Registration Certificate was issued to M/s. Pfizer Ltd. or to M/s. Dumex and afterwards change was made in the original name and style from Dumex Pvt. Ltd. to Pfizer Pvt. Ltd., if so, under