

received. The matter is under consideration.

Some complaints regarding delay in refunding share application money were also received but further inquiries did not reveal any violation of the provisions of Companies Act, 1956.

(b) and (c). An inspection in the usual course under Section 209A of the Companies Act, 1956 has recently been ordered by the Department and the report is awaited.

Allegations against Calcutta Chemical Company

2198. SHRI NIREN GHOSH: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether attention of Government has been drawn to the serious allegations made against Calcutta Chemical Company, West Bengal in 'Dainik Basumati' dated November 4, 1980 December 5, 1980 and December 12, 1980 and 'Business Standard' dated October 10, 1980;

(b) if so, has any inquiry been instituted by the Company Law Board;

(c) whether any report has been submitted;

(d) if so, what are the contents of the Report;

(e) will the Report be laid on the Table of the House;

(f) if not, why; and

(g) will any action be taken on the basis of the Report?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIVSHANKAR): (a) Copies of 'Dainik Basumati' (published from Calcutta) of the issues dated 4th November 1980, 5th December, 1980 and 12th December, 1980 are not readily available but the 'Business Standard' dated 10th October, 1980 does not appear to contain any news report regarding this company. However, a letter dated

27th January, 1981 has been received in the Department from the Hon'ble Member drawing the attention of Government to the press reports referred to.

(b) to (d). An inspection of the books of accounts of the Company under section 209A of the Companies Act was ordered in December 1979 as a large number of complaints had been received in the Department from the shareholders and ex-directors of the company. The inspection report, (received in the Department on 30th October, 1980) revealed various irregularities and acts of mismanagement. The significant findings related to falsification of the published accounts and distortion of the working results of the company for the years ending 30th June, 1976, 30th June, 1977, 30th June, 1978 and 30th June, 1979 with a view to present a better financial position of the company, participation in the day-to-day management of the company of one Shri D. P. Barua, who was neither a director nor an employee of the company, as an invitee to the meetings of the Committee of Management; acquisition of shares by Shri D. P. Barua which could eventually lead to the change in the control and management of the company to its detriment; selling arrangements with M/s. Aparna Distributors Pvt. Ltd. and M/s. A. K. Pharmaceuticals Agencies Ltd, Nepal prejudicial to the company's interest, bulk purchases of sub-standard oil from M/s. Ganga Soap Factory despite its unsuitability; purchase of tallow during the years 1977-78 and 1979-80 at unduly high rates; serious shortage in the stocks and above all the finalisation of the accounts for the years 30th June, 1977 to 30th June, 1979, without depicting the true and fair view of the state of affairs of the company in contravention of the provisions of the Act.

(e) and (f). The answer to earlier parts of the question highlights, the main irregularities. However, it will not generally be in public interest to lay a copy of the inspection report(s) on the Table of the House not only because it might affect the free and frank expression of opinion by the inspecting officers but also because the

reports may contain one-sided views of the inspectors and the company inspected might not have had due opportunity to explain the points mentioned in the inspection report.

(g) On the basis of the findings of the inspection report, a show cause notice under section 408(1) of the Companies Act, 1956 had been issued to the company and all its directors by the Company Law Board as to why directors should not be appointed under the aforesaid provisions in order to prevent the affairs of the company being conducted either in a manner which is oppressive to any members of the company or in a manner which is prejudicial to the interest of the company or public interest. The reply of the company has since been received and the matter is under examination. Further, on the basis of a complaint under Section 409 of the Companies Act, 1956 by one of the Directors of the company, the Company Law Board by its order dated 19th December, 1980, directed that pending the completion of the enquiry under sub-section (1) of section 409 of the Companies Act, no resolution of the company or its Board of Directors passed or that may be passed or no action taken or that may be taken to effect a change in the Board of Directors after the date of complaint shall have effect unless confirmed by the Central Government. The enquiry under Section 409 is in progress.

उत्तर प्रदेश तथा बिहार विधान सभाओं में रिक्त स्थान

2199. श्री रामावतार शास्त्री : क्या बिधि, न्याय और कम्पनी कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि उत्तर प्रदेश और बिहार विधान सभाओं में कुछ स्थान रिक्त पड़े हैं ;

(ख) यदि हां, तो इन निर्वाचन क्षेत्रों में उप-चुनाव कराने में बिलम्ब के क्या कारण हैं; और

(ग) उपरोक्त रिक्त स्थानों के लिए उप-चुनाव कब तक कराये जाने का विचार है ?

बिधि, न्याय और कम्पनी कार्य मंत्री (श्री पी. शिवशंकर) : (क) जी हां। इस समय बिहार विधान सभा में पांच तथा उत्तर प्रदेश विधान सभा में सात स्थान रिक्त हैं।

(ख) बिहार राज्य विधान सभा के रिक्त स्थानों के लिए उप-निर्वाचन पहले इसलिए नहीं कराए जा सके क्योंकि इन निर्वाचन क्षेत्रों के कुछ क्षेत्र पहले वाड़ से बुरी तरह से प्रभावित थे और राज्य सरकार के लिए वहाँ मतदान करना संभव नहीं था। उत्तर प्रदेश विधान सभा के रिक्त स्थानों के मामले में राज्य सरकार ने सभी रिक्त स्थानों में मुख्य रूप से विधि और व्यवस्था के आधार पर उप-निर्वाचन कराने में असमर्थता व्यक्त की थी।

(ग) देश भर में जनगणना कार्य पूरा हो जाने पर निर्वाचन आयोग लम्बित उप-निर्वाचन कराने के बारे में विनिश्चय करेगा।

Social Security of Lawyers

2200. SHRI BHOGENDRA JHA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that majority of lawyers at all levels are facing conditions of material provisions due to lack of briefs by paying clients;

(b) if so, the actual state of affairs and reaction thereon;

(c) whether any scheme of social security, provident fund, guaranteed briefs at Government cost, libraries, residential lands etc., is being contemplated, if so, details thereabout, if not, the reasons therefor;