

assistance of DM 790 million (Rs. 178. 54 crores) to India.

Smuggling of Gold and Other Articles

2200. SHRI BHOLA MANJHI : Will the Minister of FINANCE be pleased to state :

(a) whether the smuggling of gold into India in the year 1971-72 has declined as compared to previous years;

(b) if so, the reasons therefor; and

(c) what was the tendency of smuggling of other articles during this period ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) Some reports indicate that smuggling of gold into India in the year 1971-72 has declined as compared to previous years, though there are no reliable means of estimating the value of gold that is smuggled into the country.

(b) and (c). According to some reports there was decline in smuggling of gold in the country during the year 1971-72 because of greater vigil exercised by the naval authorities along the Western Coast due to deterioration of relations between India and Pakistan. Rise in the free market price of gold in foreign countries appears to be another reason. Reports do not show any appreciable change in the smuggling of other articles.

Enquiry into Diversion of Funds Accrued from Sale Proceeds of Newspaper Waste by M/S. Bennett Coleman and Company.

2201. SHRI JYOTIRMOY BOSU : Will the Minister of COMPANY AFFAIRS be pleased to State :-

(a) whether Government have received complaints that the sale proceeds of newspaper waste of M/s. Bennett Coleman and Company Limited have been and are being diverted towards the private accounts of Shanti Prasad Jain and others;

(b) if so, whether Government had investigated into the matter; and

(c) if so, the finding thereof ?

THE MINISTER OF COMPANY AFFAIRS (SHRI RAGHUNATHA REDDY) : (a) to (c). The Government ordered an investigation into the affairs of the company under section 237 (b) of the Companies Act, 1955 in April, 1963. Investigation revealed *inter alii* that a sum of Rs. 17.14 lakhs out of the sales proceeds of the newsprint waste of the company had not been accounted for in the books of company which was misappropriated by Shri Shanti Prasad Jain and other directors. On the basis of the available material, an application under section 388 B of the Companies, 1956 was filed before the erstwhile Companies Tribunal against Shri S. P. Jain, G. C. Jain, A. P. Jain, the then directors and P. K. Roy, the General Manager of the company. The prayer in that application was to have a finding from the Tribunal that those persons were not fit to hold the office of the directors or any other office connected with the management of this company or any other company. A petition under section 398 was also filed before the erstwhile Companies Tribunal on 30th September, 1964 for an Order for proper management of the company. On the abolition of the Companies Tribunal in July, 1967, those two cases were transferred to the Bombay High Court. The case under Section 398 was disposed of by Shri Justice Nain of Bombay High Court in 1969. As per his Judgment which is now under appeal before the Division Bench of Bombay High court, Shri S. P. Jain amongst some others has been restrained from interfering or intermeddling in the affairs of this company which is now being managed by a specially constituted Board of Directors having 5 nominees of the Court, three of the Government and three of the shareholders. The proceedings in the case under section 388B were stayed by an injunction issued by the Calcutta High Court in two writ petitions filed by S/Shri S. P. Jain and A. P. Jain which were dismissed by the Single Bench in April, 1966. Appeals and applications for Leave to Appeal to the Supreme Court of India by S/Shri S.P.Jain and A.P. Jain have also very recently been dismissed by the Calcutta High Court. The main case under section 388B in the meantime has remained pending before the Bombay High Court and steps are being taken to get the hearing resumed.