

**Irregularities by Companies headed
by Shri G. D. Morarka**

4267. SHRI MUKHTIAR SINGH
MALIK :
SHRI M. M. JOSEPH :

Will the Minister of COMPANY AFFAIRS be pleased to state :

(a) whether Government's attention has been drawn to the irregularities in the accounts of the companies headed by Shri G. D. Morarka specially Belapur Sugar and Allied Industries Limited;

(b) if so, the extent of loss incurred by the Life Insurance Corporation of India Banks and Unit Trust of India due to these irregularities;

(c) what action has been taken against these concerns; and

(d) whether Government have any proposal to enquire into the affairs of these concerns and if not, the reasons there for ?

THE MINISTER OF COMPANY AFFAIRS (SHRI REGHUNATHA REDDY)

(a) Yes, Sir.

(b) to (d). The books of accounts of Belapur Sugar and Allied Industries Ltd. were recently inspected under section 209 (4) of the Companies Act, 1956. The report of inspection is under preparation. In the case of Ganesh Flour Mills Co. Ltd. the Company Law Board had filed a petition under section 397 and 398 of the Companies Act. before the High Court of Delhi and the Court had passed orders removing the Board of Directors and appointing a new one instead. It has also been decided to inspect the other companies in this group. The irregularities and contraventions that have been committed can be known only after the inspection reports are received and examined. Any action thereon will necessarily have to wait for such an examination.

**Loans advanced by Nationalised
Banks to S.C. and S.T. in Mysore**

4268. SHRI G. Y. KRISHNAN : Will the Minister of FINANCE be pleased to state :

(a) the number of persons belonging to the Scheduled Castes and Scheduled Tribes who have been advanced loans by the nationalised banks during 1971-72 in the State of Mysore; and

(b) the maximum amount of loans advanced to the small farmers and other professionals in that State ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) : (a). Banks do not distinguish between scheduled castes and scheduled tribes on the one hand and the rest of the constituents on the other in the maintenance of statistics; the information asked for by the Hon'ble Member is, therefore, not available.

(b) The outstanding advances of public sector banks to small farmers and professionals in Mysore State as the end of December, 1970 and December, 1971 were as follows :-

Advances by public-sector banks in
Mysore State :

Category	As at the end of December, 1970. (Rs. in lacs)	As at the end of De- cember 1971. (Rs. in lacs)
(i) Small farmers (upto 5 acres holding) Direct finance.	292	315
(ii) Self-employed and professi- onals.	130	167

N. B. Figures are provisional.

**Remittances by Foreign
Companies in India**

4269. SHRI G. Y. KRISHNAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government allow the Branches of foreign companies in India to remit expenses on Administrative Office, Area Office and Head Office expenses to their parent companies abroad; and

(b) if so, the basis of computing the remittance ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) Yes, Sir.

(b) Under the existing regulations remittances of such expenses are allowed on production of documentary evidence to show that the amounts proposed to be remitted have been or will be admitted by the income-Tax authorities as expenses legitimately chargeable to the revenue of the Indian Branch for the purpose of assessment to tax.

Scrutiny of Projects done by Technical Section (T & P Division)

4270. SHRI C. CHITTIBABU : Will the Minister of FINANCE be pleased to state :

(a) whether the Technical Section (T & P Division) has got qualified and trained technical personnel to scrutinise during 1971 as many as 187 Irrigation, Power and Flood control Projects estimated to cost Rs. 2417.32 crores;

(b) the composition of this Technical Section; and

(c) the nature of scrutiny of the projects done by this Technical Section ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : (a), Yes.

(b). The Technical Section (T & P) Division consists of a full-time Deputy secretary belonging to the Indian Audit & accounts Service, a Deputy Finance Officer and two S. A. S. Accountants drawn from the Audit Department, a Technical Assistant (promoted from U. D. C.) and two lower division clerks.

(c) The scrutiny of projects done by the Technical Section is restricted to examination of the correctness of estimates and reliability of the financial forecasts and other benefits, to be derived. The projects which mostly belong to the State Sector, are examined in the various Directorates of the C. W. P. C. from the technical angle. The Technical Cell carries out the scrutiny of these Projects only from the financial angle in close coordination with the C. W. & P. C. be-

fore the projects are placed before the Advisory Committee on Irrigation, Flood Control and Power projects, which advises the Planning Commission on the merits of individual projects.

Pindi bid to buy "Torture Devices" in U. S. A.

4271. SHRI JAGANNATH MISHRA : Will the Minister of DEFENCE be pleased to state :

(a) whether Government's attention has been drawn to the news item appearing in the "Times of India" on the 25th July, 1972 under the caption "Pindi Shopping in U.S. for Torture Devices"; and

(b) if so, the reaction of Government thereto ?

THE MINISTER OF DEFENCE (SHRI JAGJIVAN RAM) : (a) and (b). Government have seen the Press report but have no comment to offer.

Income and expenditure of Air India during 1971-72

4272. SHRI JAGANNATH MISHRA : SHRI M. C. DAGA :

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) the total expenditure incurred and the total income earned by Air India during the year 1971-72; and

(b) the remedial measures taken to make it profitable Corporation ?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH) : (a) and (b): Total Revenue Rs.—79.93 crores
Total Expenditure Rs.—89.59 crores.

The measures taken by Air-India to improve its profitability include.

(i) Strict control over costs.

(ii) Introduction of promotional fares to attract more traffic.

(iii) Formation of a separate charter company.