

Jayanti Shipping Company for furnishing the bank certificates to the Reserve Bank of India in support of proof of funds obtained from France through banking channels for the proposed allotment of Shares to Dr Teja. The Jayanti Shipping Company confirmed in reply that Dr. Teja had a credit of Rs 11,25,693 07 in their books. The requisite bank certificates in proof of these funds were submitted to the Reserve Bank of India by the Jayanti Shipping Company. Subsequently, the Reserve Bank of India, Madras in their letter of 12th May 1966, held the allotment of 10,150 Shares to Dr Teja to be in order. As regards the second condition, the Share Certificates are still with the Company.

**India Belting and Cold Storage (Private) Limited, Serampore**

**6378. Shri Madhu Limaye:  
Dr. Ram Manohar Lohia:  
Shri S. M. Banerjee:  
Shri George Fernandes:**

Will the Minister of Industrial Development and Company Affairs be pleased to refer to the reply given to Unstarred Question No 560 on the 29th November, 1966 and state:

(a) whether the special auditors' report on the accounts of the India Belting and Cold Storage (Private) Limited, Serampore, has since been received by Government;

(b) if so, the action taken on the report;

(c) the action taken for the company's failure to submit Balance-sheet and to hold the annual General Meeting; and

(d) in case the case has already been filed, the stage reached in the prosecution?

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): (a) and (b) By their Order dated 10th November, 1966, the

Company Law Board directed that a special audit of the accounts of India Belting and Cotton Mills Limited shall be conducted by Shri R. S. Lodha of Messrs Lodha & Company, Chartered Accountants, Calcutta, for the period from 1st July, 1959, to 30th June, 1965. Subsequently, on a petition filed by the company under Article 226 of the Constitution of India questioning the validity of the Order, the High Court, Calcutta, served an interim injunction on the special auditor restraining him from conducting the special audit. The main petition is still pending before the Court. As such, the question of the Special Auditor looking into the loan of Rs 1,51,825 made by the Company to the India Belting and Cold Storage Private Limited allegedly in contravention of section 370 of the Companies Act, 1956, will not arise until the Court is pleased to pass orders on the main petition.

(c) and (d) On 26th November, 1966, prosecution was launched against the company and four directors under sections 162(1) and 220(3) of the Companies Act, 1956, with respect to the balance sheet and annual return of the company for the year 1965. On 18th May, 1967, the accused were convicted and fined Rs 10 each on each count. The Magistrate also passed orders under section 614A of the Companies Act 1956, directing the accused to file the documents by the 19th October, 1967.

**Duncan Stratton and Company Limited**

**6379. Shri Madhu Limaye:  
Dr. Ram Manohar Lohia:  
Shri S. M. Banerjee:  
Shri George Fernandes:**

Will the Minister of Industrial Development and Company Affairs be pleased to refer to the reply given to Starred Question No 566 on the 29th November, 1966, and state:

(a) whether the prosecution has since been launched against Duncan