

the Central Government. They however, expressed certain operational difficulties likely to be experienced in the taking over of the wholesale trade. The consensus in the conference was that a committee may be appointed to examine the various operational difficulties that may be faced by the State Governments in implementing the decision. Necessary steps are being taken to form a committee consisting of representatives of surplus and deficit States, Planning Commission and the economic Ministries of the Central Government. The committee will be headed by the Minister for Agriculture.

श्री नाथराम अहिरवार (टीकमगढ़) :  
अध्यक्ष महोदय, मैं मंत्री महोदय से एक निवेदन करना चाहता हूँ कि मध्य प्रदेश और उत्तर प्रदेश सरकार ने ज्वार की निकासी पर प्रतिबन्ध लगा दिया है...

अध्यक्ष महोदय : स्टेटमेंट के बाद अब आप यह नहीं कर सकते।

12.55 hrs.

STATEMENT RE. ACTION TAKEN ON THE INSPECTION REPORT IN THE CASE OF BELAPUR SUGAR AND ALLIED INDUSTRIES LTD.

THE MINISTER OF COMPANY AFFAIRS (SHRI RAGHUNATHA REDDY): Hon'ble Members will recall that on 11th August, 1972 during the discussion initiated by Shri Piloo Modi by calling the attention of the Minister for Company Affairs to the affairs of Belapur Sugar and Allied Industries Limited, I had assured this House that action taken on the report of inspection under section 209(4) of the Companies Act would be reported to this House. This statement is being made in pursuance of the aforesaid assurance.

The inspection of this company was conducted during the period 26th July 1972 to 9th August, 1972 and the report was received by the Company Law Board on 5th October, 1972. After detailed examination the Company Law Board has taken action on the following lines:

1. The Regional Director at Bombay has been asked on 2nd December, 1972 to take up with the company the violations of Companies Act and certain other features requiring clarification.
2. The Income Tax Department has been informed on 2nd December 1972, of certain transactions which apparently required further investigation at their end.
3. On 8th December, 1972 a communication was addressed to C.B.I. for investigation into certain transactions which *prima facie* appeared to be offences involving criminal conspiracy, breach of trust, fabrication of accounts etc. by the management of the Company.

A notice requiring the company to show cause why 2 Government Directors should not be appointed u/s 408 of the Companies Act has been issued on 12th December, 1972 as the Company Law Board was of the *prima facie* view that company continued to be managed in a manner prejudicial to the interests of the company and of the public.

During the discussion, some Hon'ble Members had referred to the role of the Life Insurance Corporation. According to the Life Insurance Corporation, their representative along with the representative of Unit Trust of India attended the Annual General

[Shri Raghunatha Reddy]

Meeting of the company held on 8th June, 1972. It is true that the L.I.C. did not participate in any voting but the circumstances in which this was done are as follows:

The shareholding of the L.I.C. being only 9.9 per cent they felt that no results may be achieved by opposing the resolution for adoption of accounts or of re-election of Directors. The company representatives were therefore called to the office of the L.I.C. before the Annual General Meeting to discuss the various financial irregularities disclosed by the annual report for the year ended 30th September 1971. After consultations with the Reserve Bank of India it was put to the management of the company that they would make a statement in the meeting in order to ensure that the company Directors bound themselves to concentrate their efforts on the recovery of the company's funds in consultation with their bankers and auditors. The required statement was made at the Annual General Meeting and the representatives of L.I.C., U.T.I. and nationalised banks who attended the meeting did not participate in the voting.

12.58 hrs.

RE. FINAL REPORT OF THE THIRD  
PAY COMMISSION

श्री कुल्लू मॉदी (गोधरा) : (सुरेन)

अधिकांश महोदय, वे हमीशन के अग्र सरकार से वस्तुय विलवाइए ।

SHRI PULO MODY (Godhra): \*

MR. SPEAKER: No. I am not allowing you.

Mr. Banerjee, I allowed you under Rule 377. This is about delay in the submission of the final report of the Pay Commission. I will ask the Minis-

ter to come up with a statement....

SHRI S. M. BANERJEE (Kanpur): Before that, Sir, I wish to remind you, in this very House, repeated, assurances were given by the Finance Minister and by the Minister of State in the Ministry of Finance stating that the Pay Commission will submit its final report by the end of this month, in other words, by the end of this year. Every day practically I have been mentioning this, because I had a fear in my mind that the Pay Commission may ask for a further extension of time and that they would delay the report once the Parliament is adjourned, since Parliament is being adjourned today.

Now, Sir, this is not merely a question of the 28 lakhs of Central Government employees; there are lakhs of the Army, the Navy and the Air Force personnel. They are equally agitated over this abnormal delay because many thousands of people have retired during 1971 and 1972. Once the Pay Commission report is out and if it is not mentioned that this will have retrospective effect, all these persons will not be able to get any benefit out of this report.

13.00 hrs.

I would, therefore, request the hon. Minister to make a statement and give a categorical assurance that the Pay Commission will not be allowed to extend their time and the report will be submitted this year and moreover it will be implemented retrospectively after discussions with the employees' representatives.

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
K. R. GANESH): Honourable Mem-  
bers will recall that in response to  
Questions raised in the House it was  
stated some time back that according