

MESSAGES FROM RAJYA SABHA

SECRETARY: Sir I have to report the following messages received from the Secretary of Rajya Sabha :—

- (i) "In accordance with the provisions of sub-rule (6) of rule 186 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Finance Bill, 1973, which was passed by the Lok Sabha at its sitting held on the 3rd May, 1973, and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."
- (ii) "In accordance with the provisions of rule 111 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Manipur State Legislature (Delegation of Powers) Bill, 1973, which has been passed by the Rajya Sabha at its sitting held on the 8th May, 1973".

MANIPUR STATE LEGISLATURE (DELEGATION OF POWERS) BILL
AS PASSED BY RAJYA SABHA.

SECRETARY : Sir, I lay on the Table of the House the Manipur State Legislature (Delegation of Powers) Bill, 1973, as passed by Rajya Sabha.

12.41 hrs.

STATEMENT RE. NATIONAL RAYON CORPORATION LTD.

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI D. R. CHAVAN): Hon. Shri Madhu Limaye had referred yesterday in this House to the affairs of National Rayon Corporation Ltd.

I promised to ascertain facts and this statement is being made in pursuance of this promise.

The National Rayon Corporation Limited, Bombay, has called its 26th annual general meeting to be held on 11-5-1973 to transact various items of business which includes election of Directors. With regard to this matter an application had been received by the Company Law Board from some shareholders through their Solicitors—Bhaishanker Kanga and Girdharial requesting for issuing an order under Section 250 of the Companies Act, 1956, restraining the exercise of voting rights by the preference shareholders from Kapadia group so that the Kapadias may not be able to get their nominees elected in the place of retiring Directors. (In this company, the preference shareholders have equal voting rights as are conferred on the equity shareholders by virtue of the saving provision contained in Section 90 of the Companies Act, 1956).

The apprehension expressed by the shareholders in their petition is that if Kapadias are in a position to get their nominees elected, they will obtain a majority on the Board of Directors of the company and thus complete their control over the affairs of the company. On receipt of this application, the Company Law Board had examined the matter and the parties concerned were asked to submit their representations. In the meanwhile, the company has informed the Company Law Board by telegram that the shareholders have withdrawn notice of resolution to be moved at the annual general meeting to be held on 11-5-1973 for removal of Shri Rasiklal Chinai from the Office of Director and that the applicants have also withdrawn the application under Section 250 of the Companies Act and as such the company was not submitting any written representation of the allegation contained in the application. The Solicitor of the applicants, Bhaishanker Kanga and Girdharial have also informed the Company Law Board by telegram that the petition filed by them under Section 250 of