

manpower strength of the Army; therefore, the question of dropping it does not arise.

It has already been clarified in public that the accent in Defence programmes is on Replacement and Modernisation, rather than on any accretion of numbers, or augmentation of force levels.

It will not be in the public interest to give any more details, either about precise strength of the Armed forces or their deployment in different sectors.

Alleged defrauding of National Rayon Corporation by a former Director

2137. DR. BIJOY MONDAL:
SHRI SHYAM SUNDAR
GUPTA;
SHRI PIUS TIRKEY:

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that a former Director of National Rayon Corporation has been held responsible for defrauding the Corporation to the tune of Rs. 2.28 crores, as a result of the enquiry held in this regard;

(b) if so, what are the other findings of the enquiry; and

(c) whether any complaints have been lodged by the General Insurance Corporation and the Unit Trust of India, both having big stake in the Corporation?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI S. D. PATIL): (a) On the basis of an enquiry into the affairs of the company under the previous management, the Government Directors have reported that Shri Sudhir Kapadia, a former Director of the company, had defrauded the company to the tune of Rs. 2.47 crores.

(b) The Committee of Directors which had been formed to go into irregularities pointed out that in the annual accounts of the company audited by the Statutory Auditors, relating to the previous management, the Auditors have also reported irregularities relating to dues of certain mills which are disputed, under pricing/ante-dating of sales/unauthorised brokerage on yarn sales, over payment for purchases, donations made in excess of legal limits, and unauthorised payments to or unauthorised expenditure incurred by or on behalf of a former Director, Shri R. S. Choudhary.

(c) An application under section 498 of the Companies Act, 1956, was made jointly by the Unit Trust of India and the General Insurance Corporation of India addressed to the Company Law Board bringing out various irregularities and acts of mismanagement committed by the previous management, the Company Law Board appointed 8 Directors as the Board of Directors of the company by an order dated the 11th July, 1977.

High remunerations provided to Directors of Hindustan Lever Limited

2138. SHRI C. K. CHANDRAPPA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware that Hindustan Lever Limited, a subsidiary of the Multinational Corporation Unilever, London is paying exorbitantly high remuneration, commission and other facilities to its directors and managers;

(b) whether Government are also aware of the fact that an extraordinary general body meeting of shareholders of this company, held on 7th October, 1977 decided to give Rs. 90,000 per year to full time directors and if he is a foreigner an additional 25 per cent as overseas allowance besides fabulous