

one product, namely, 'Selsun' M/s Abbot were paying excise duty under item 14.E (viz. Drugs and Pharmaceuticals) of Central Excise Tariff instead of under item 14.F (viz. Cosmetics) of the said Tariff.

(iii) Ministry of Finance, have informed the Department of Chemicals and Fertilizers on the 21st August, 1978 as follows:—

"Selsun labelled earlier as 'dandruff treatment shampoo' manufactured by M/s Abbott, Bombay, is a subject matter of dispute between the Central Excise Department and the manufacturer since 15th June, 1976. The Government of India have issued a show cause notice dated 18th May, 1978 to the manufacturer under Section 35(A) of the Central Excise and Salt Act, 1944 to review the decision passed by the Collector of Central Excise, Bombay, to continue classifying the product under Item 14-E of Central Excise Tariff and the matter is pending decision. In case Government decides to classify the product under Item 14 F.C.E.T., the differential Excise duty on clearance of Selsun effected from July 1975 till May, 1978 works out to about Rs. 37.82 lakhs. From June 78 onwards no clearances have been effected for home consumption."

**Letter of intent for carbon black to M/s. J. K. Industries**

†787. SHRI AJIT KUMAR SHARMA: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that M/s J. K. Industries were issued a letter of intent to manufacture carbon black from the by-products of the Bongaigaon Petro-Chemical Complex; if so, when;

†Previously Unstarred Question 686 transferred from the 30th November, 1978.

(b) whether the company has started manufacturing carbon black at Bongaigaon; if not what are the reasons therefor;

(c) whether the J. K. Industries sought permission from the Central Government to transfer the location of manufacture from Bongaigaon to some other place; if so, whether the permission has been given;

(d) whether the J. K. Industries have since returned the letter of intent; and

(e) whether any other local party has applied for letter of intent to manufacture carbon-black; if so, whether its application has been approved?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA): (a) Yes, Sir. M/s. J. K. Chemicals Ltd., Bombay were issued a letter of intent on 6th June, 1977 for the establishment of a new undertaking at Bongaigaon (Assam) for the manufacture of 12,000 tonnes per annum of Carbon Black,

(b) No Sir. The party has so far not been able to implement the letter of intent fully. Party's foreign collaboration proposal has already been approved by the Government. However, the agreement is yet to be taken on record.

(c) Yes Sir. The party has recently submitted a formal application for permission to change the location of their proposed Carbon Black plant from Bongaigaon to Ranipet (Tamil Nadu). This application is under the consideration of the Government.

(d) No, Sir.

(e) The application of only one local party from Assam, namely, M/s. Union Carbon Black Ltd., Gauhati, has recently been received for the manufacture of 12,500 tonnes per annum of Carbon Black in the State of Assam and the same is under consideration.