

given extensive credit to the sole selling agents by not recovering the sale proceeds in time.

(ii) The company paid substantial service charges to another company of the same group. The basis on which the service charges were fixed was not known.

(iii) The company paid commitment charges of Rs. 25,000 for negotiations for financial arrangements which did not materialise. The nature of the financial arrangements sought to be obtained was not known.

(iv) The company debited certain expenditure to advertisement account for conveyance/hire of Jeeps for advertisement in villages. Cement being a product which does not require door to door canvassing, the actual nature of these expenses was to be ascertained.

(v) The company spent large amounts on maintenance of rose gardens, against which there was no income by way of sale of roses.

(vi) The company paid guarantee commission calculated on the total credit limits obtained from the bank, and not on the amount of loan actually utilised.

(vii) The monetary value of the premises used as residence by the Managing Director, together with other perquisites, appeared to have exceeded the limit of free furnished accommodation and other perquisites sanctioned by Central Government.

(viii) The sale price of certain shares disposed of by the company appears to have been understated.

The two contraventions as well as the irregularities mentioned above are being followed up by calling for further clarifications and other related information. Extracts were also forwarded to the Income-tax Department for necessary action in respect of matters of interest to them. A summary of the various points noted in the inspection was conveyed to the Ministry of Industrial Development.

4—18R.S.S./ND/75

Committee to Review Old Contracts For Wagons

315. DR. Z. A. AHMAD: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that Government have appointed* a committee to review old contracts for wagons;

(b) if so, whether this committee has submitted its report and the details thereof;

(c) whether it is a fact that wagon building industry is facing a crisis; and

(d) if so, the reasons and details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS (SAR-DAR BUTA SINGH): (a) Yes.

(b) No.

(c) & (d) As on 1-4-1975 the wagon industry had a load of about 24,000 wagons (in terms of four wheelers) which compared to their current production of about 9,300 wagons in 1974-75 represent more than two years load which may be considered as adequate load for this industry. However, due to constraints on funds allotted for wagon procurement, the production in 1975-76 may have to be regulated to 50% of the current production. Therefore, the industry have to diversify/export to utilise the released capacity.

Fertilizer feed stock policy

316. SHRI B. D. BARMAN:

SHRI LAKSHMANA MAHA-PATRO:

SHRI S. G. SARDESAI:

Will the Minister of PETROLEUM AND CHEMICALS be pleased to state ;

(a) whether Government have any

proposal under consideration to have a second look at the fertilizer feed stock policy in the light of the crude availability from Bombay High; and

(b) if so, which are the coal-based fertilizer plants proposed to be converted into oil-based?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI C. P. MAIHI): (a) It is Government's policy to diversify to the maximum extent possible the feedstock for fertilizer production and thereby ensure maximum utilisation indigenous resources. This policy would also include utilisation of crude oil/associate gas that would be available from Bombay High.

(b) There is no proposal to switch over the coal based plants to oil based plants. Three coal based plants are under implementation at Talcher, Ramagundam and Korba; these are located near pit-heads and there is no plan to change them over to fuel oil as the feedstock.

Fertilizer plant operating in Maharashtra

317. SHRI DEORAO PATIL ; Will the Minister of PETROLEUM AND CHEMICALS be pleased to state :

(a) the number of fertilizer plants operating in Maharashtra State in Public Sector and Private Sector, respectively, at present;

(b) the annual production for the year 1974;

(c) whether it is less than their targeted production; and

(d) if so, what are the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF PETROLEUM AND CHEMICALS (SHRI C. P. MAJHI):

(a) to (c)

	1974-75	(000 tonnes)	
Fertiliser Plants in Maharashtra State	Target	Production	Variation
(A) Public Sector			
FCI-Trombay-N ₂	70.0	59.6	-10.4
P ₂ O ₅	35.0	31.5	-3.5
(B) Private Sector (P₂O₅)			
1. Bharat Fertilizers, Bombay	2.5	1.3	-1.2
2. DMC Ambernath	22.5	18.7	-3.8
3. J. K. Chemicals, Bombay	0.4	0.3	-0.1
4. Western Chemicals, Bombay	0.9	0.5	-0.4
5. West India Chemicals, Kalbhore	6.0	4.5	-1.5
6. Maharashtra Agro-Industries	3.0	1.0	-2.0

(d) The shortfall in production at the Public Sector factory at Trombay is mainly due to mechanical breakdowns and power problems. In the case of the private sector factories, the shortages are generally due to low offtake, shortage of raw materials like sulphur and furnace oil and power problems.

Delay in Construction of Chanaka-wun Line

318. SHRI DEORAO PATIL: Will the Minister of RAILWAYS be pleased to state:

(a) whether the work on the construction of broad gauge line on Chanaka-WUN in Yeofmal District of Maharashtra is being held up;

(b) if so, the reasons therefor; and

(c) what was the target time and by when this work will be completed?