

THE MINISTER OF PETROLEUM AND CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA) : (a) and (b). No statistics of such applications are maintained. If job applications addressed to the Ministry for jobs in Public Sector Undertakings under its administrative control are received, they are ordinarily forwarded to the concerned Public Sector Undertakings for disposal on merits.

World Bank aided Fertilizer Projects and National Fertilizers Ltd. Projects

2829. SHRI BHANU KUMAR SHASTRI : Will the Minister of PETROLEUM AND CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Fertilizer Corporation of India has undertaken some World Bank aided fertilizer projects such as Nangal Expansion, Sindri Modernisation, etc. in which the technical fees have shown a big saving compared to the National Fertilizers Limited projects which have been undertaken by M/s. TOYO of Japan;

(b) in spite of this why is the construction of the Mathura fertilizer plant being given to M/s. TOYO of Japan; and

(c) why the contracts for constructing the three plants of National Fertilizers Limited have not been given to some Indian Company such as the Fertilizer Corporation of India Limited?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI JANESWAR MISHRA) : (a) and (b). M/s. National Fertilizers Limited has been entrusted with the construction of only two fuel oil based fertilizer plants respectively at Bhatinda and Panipat. Government have not approved the setting up of a fertilizer plant at Mathura and the question of awarding a contract for the construction of Mathura fertilizer plant does not, therefore, arise.

The fees paid for licence/process know-how, design engineering and other services to M/s. Toyo Engineering Corporation of Japan for the Bhatinda and Panipat projects are not comparable with the fees paid for technical services to foreign contractors for fuel oil based projects set up by the Fertilizer Corporation of India for the following reasons :

(i) The capacity of the urea plants at Bhatinda and Panipat is 1550 tonnes per day as against a capacity of thousand tonnes per day at Nangal and Sindri Modernisation.

(ii) The scope of work done by the various parties is not identical as between the two sets of plants.

(iii) The contracts in respect of Nangal were finalised in 1972-73, i. e., prior to the oil crisis, whereas the contracts for the NFL plants were finalised two years later.

However, while approving the contracts between National Fertilizer and Toyo, Government took into consideration the fees paid in respect of Nangal Project and were satisfied that the fees were reasonable.

(c) An Indian Engineering company, namely M/s. Engineers India Ltd. are the principal Indian contractors in the execution of the two projects at Bhatinda and Panipat. M/s. Engineers India Ltd., together with M/s. Toyo Engineering Corporation of Japan have the total responsibility for proper and timely execution of the projects.

Losses of F.C.I.

2830. SHRI BHANU KUMAR SHASTRI : Will the Minister of PETROLEUM AND CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the ageing of Sindri Unit and sub-standard imported equipment at Durgapur Unit;

(b) whether power limitation in Nangal and Gorakhpur Units are major factors contributing to the

losses of the Fertilizer Corporation of India; and

(c) how is the above situation going to be remedied simply by splitting up the Fertilizer Corporation of India into four independent companies?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI JANESHWAR MISHA) : (a) and (b). The factors like ageing of plants at Sindri shortage of power at Nangal and Gorakhpur and defective equipment at Durgapur have, to some extent, contributed to the losses incurred by F.C.I.

(c) While specific steps like renovation and modernisation of ageing plants, replacement of defective equipment, establishment of captive power generation facilities etc. are being taken to overcome these constraints, the scheme of the reorganisation of F.C.I. is intended to bring about an improvement in the operation of plants and in the implementation of projects.

Views of national share-holders forum on malpractices by corporate sector

2831. **SHRI M. N. GOVINDAN NAIR:** Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether the National forum of share-holders has submitted a paper to him listing a number of malpractices followed by the corporate sector to the detriment of share-holders; and

(b) if so, what are the details thereof and Government's reaction thereto?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN) : (a) Yes, Sir.

(b) A copy of the Memorandum submitted by National Forum of Share-holders is given the statement, annex-

ed. Matters coming within the scope of Companies Act and MRTP. Act are being examined by the Expert Committee presently reviewing these two Acts. Further action in this regard will be taken by the Government on receipt of the report of the Expert Committee.

STATEMENT

Copy of Memorandum dated the 2nd November, 1977 addressed to Shri Shanti Bhushan, Minister of Law, Justice and Company Affairs regarding corporate malpractices.

1. Ruthless and wicked indifference of Top Management to interests of equity shareholders, paying them no or negligible dividends, while grossly mismanaging the company, indulging in malpractices and Napatism to feather their own nests at shareholders expenses.

2. Companies not producing to full capacity, often to about 40 per cent of it, thus artificially creating scarcity to benefit by a seller's market, in which exorbitant prices can be charged, to cover in-efficiency, mal-practices and proveness of top management to slackness as a result of taking life easy, though causing heart-breaking distress to consumers, sometimes hoarding back as shocks, some of what is produced, to aggravate shortage conditions to put up prices further.

3. Top Management appoints, relatives or friends as sole-selling agents, with liberal commissions, sharing this syphoning of company's funds with them, to the detriment of shareholders and creating sufficient scarcity conditions of the commodity for selling agents to pass on to Top Management as substantia portion of the money they receive from consumers under duress, under the table.

4. Companies present rosy and bright pictures in prospectus, to attract the gullible public to invest, following up