

per month are pending with Government ; and

(c) whether Government propose to streamline the mechanism with a view to avoid companies coming to Government for approval for such a small increase in the remuneration of Directors ?

**THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIV SHANKAR) :**

(a) Under the existing statutory provisions companies have to do so, except where as a result of such increase, the sitting fee payable for attending each meeting of the Board or a Committee thereof, does not exceed Rs. 250/-

(b) As on 1st March, 1981, there were 10 applications pending.

(c) The Sachar Committee has made certain recommendations in this regard which are presently under Government's consideration.

**Guidelines for remuneration to Directors**

5830. **SHRI R. PRABHU :** Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state :

(a) whether Government have laid down any guidelines on the remuneration payable to Managing/whole-time Directors;

(b) whether the legal validity of these guidelines has been questioned in any court of law ;

(c) if so, the present position of these legal proceedings ;

(d) whether Government are contemplating any change in the legislation in this regard ;

(e) if so, the details thereof ?

(f) whether a final decision in several cases has been held up for want of court decision ; and

(g) if so, what steps Government propose to take to expedite decision making process ?

**THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI P. SHIV SHANKAR) :**

(a) Yes Sir. (b) and (c). The Central Government had initially laid down certain guidelines on this subject in November, 69. These were followed by the second set of guidelines in November 78. The November 69 guidelines were challenged by M/s. Cibatul Limited in the Gujarat High Court, who struck down the guidelines in April, 1980. Government have gone in appeal to the Supreme Court against this decision. The November 78 guidelines were also challenged by M/s. Mahindra & Mahindra Limited in the Delhi High Court which found them to be violative of the provisions of Section 637/AA of the Companies Act. This matter was also carried in appeal by the Government to the Supreme Court which, while granting *ad-in-erim* stay of the High Court's Order has directed that the Central Government shall not proceed to sanction the remuneration in respect of such managerial personnel of the companies as object to their applications being processed under the November 1978 guidelines. In the light of this, the companies have been requested to indicate their willingness to the processing of their applications for the approval of managerial remuneration in terms of the said guidelines. Where such willingness is given, the applications have been, and are being, processed.

(d) and (e). The Sachar Committee has made certain recommendations regarding managerial remuneration. They are under consideration of the Government.

(f) and (g). As mentioned earlier, only the proposals of those companies which have indicated their consent for the guidelines are being processed in terms of the Supreme Court's order. These cases are being processed as expeditiously as possible.

Meanwhile, the decision of the Supreme Court is awaited.

### Losses suffered by Fertilizer companies in Public Sector

5831. SHRI SUBHASH CHANDRA BOSE ALLURI : Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state :

(a) the number of fertilizer Companies in Public Sector which are still running in loss; and

(b) the details of losses suffered by each Company during the years 1978-79, 1979-80 and 1980-81 ?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI DALBIR SINGH) :  
(a) and (b) . The following fertilizer companies in the Public Sector have incurred the following operating losses (post tax) during 1978-79 and/or 1979-80:—

Name of the Undertaking	Loss during 1978-79 (Rs. crores)	Loss during 1979-80 (Rs. crores)
1. Fertilizer Corporation of India	21.83	48.63
2. Hindustan Fertilizer Corporation	22.92	34.67
3. Fertilizer (P&D) India Limited	1.72	1.29
4. Madras Fertilizers Limited	17.22 (profit)	0.57
5. National Fertilizers Limited	2.28	14.26
6. Fertilizers and Chemicals Travancore Limited	5.45	00.65 (Profit)

The financial result for 1980-81 would be known only after the accounts for the year are finalised.

### Production of Natural gas during 1980

5832. SHRI SUBHASH CHANDRA BOSE ALLURI : Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state :

(a) total production of natural gas during 1980 ;

(b) the estimated production of natural gas in 1981 ; and

(c) the steps proposed to be taken to increase the production of natural gas in the country?

THE MINISTER OF PETROLEUM, CHEMICALS AND FERTILIZERS (SHRI P.C. SETHI) :  
(a) About 2080 million cubic metres.

(b) About 3576.85 million cubic metres.

(c) With the increase in crude oil production, quantum of associated gas will increase correspondingly. Besides, action is also being taken to develop free gas fields of ONGC which would increase availability