

Third lines between Kasara and Igatpuri on N. E. Ghats and between Karjat and Lonavla on S.E. Ghats and other matching traffic facility works are under execution.

Representation from Staff Members of Kalyan Power House

3240. SHRI R. K. MHALGI: Will the Minister of RAILWAYS be pleased to state:

(a) whether the Government have received a representation dated 22nd April, 1978 signed by eighty three operating staff members of Kalyan Power House at Thakuvli (Distt. Thana, Maharashtra) regarding their various problems;

(b) if so, what action Government have taken and with what result; and

(c) if no action has so far been taken the reasons thereof and when it is proposed to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI SHEO NARAIN) (a) Yes, an undated representation has been received by the Central Railway Administration on 6-5-1978

(b) and (c) The grievances mentioned in the said representation are being looked into.

Advance Increment, to Clerks, Grade I of Railway Accounts Departments

3241. SHRI R K MHALGI: Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that Government have received a representation dated 2nd March, 1978 regarding the grant of four advance increments to Clerks Grade I of the Accounts Department of Railways; and

(b) if so, what action Government have taken or propose to take in that regard?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI SHEO NARAIN): (a) Yes.

(b) The matter regarding grant of incentive in the revised pay structure to Appendix 2 qualified staff on Railways is under the consideration of Government.

Railway line in Chandrapur District of Maharashtra

3242. SHRI R. K. MHALGI: Will the Minister of RAILWAYS be pleased to state:

(a) whether Government have received proposal for a 26 KM railway line in Chandrapur District of Maharashtra which is considered absolutely necessary for establishment of cement factories in the said area; and

(b) if so, what steps are being taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI SHEO NARAIN) (a) and (b) Yes A proposal has been received for the construction of a railway line from Manickgarh to Chandur in Maharashtra to serve the proposed cement factories in the area It will be possible to examine the proposal when a firm decision is taken to set up the factories

Policy regarding Sole Selling Agency System

3243. SHRI C. K. JAFFER SHARIFF: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have formulated any policy regarding sole selling agency system vis-a-vis the interests of consumers;

(b) if so, what are the details thereof and how it is being implemented; and

(c) if not, whether Government propose to lay down their policy in this regard in order to protect the interests of consumers from the malpractices indulged in by the sole selling agents?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN): (a) to (c). Under sub-section (1) of Section 294AA of the Companies Act, 1956, the Company Law Board may declare that sole selling agents should not be appointed by the companies producing or supplying any category of goods for which, in its opinion, the demand substantially exceeds the production or supply of such goods and that services of sole selling agents would not be necessary to create a market for such goods. Pursuant to these powers, the Company Law Board, in consultation with the concerned Ministries, have issued Notifications prohibiting appointment of sole selling agents in respect of following categories of goods for a period of 5 years from the dates mentioned against each of them:

(a) Paper	18-9-1975
(b) Cement	18-9-1975
(c) Sugar	5-9-1975
(d) Vanaspati	5-9-1975

2 Under sub-section (2) of Section 294AA, no individual firm or body corporate having substantial interest (by which is meant the holding in one's own name or in the name of relatives or partners or their relatives or directors or relatives; of directors shares of the face value of Rs. 5 lakhs or 5 per cent of the total whichever is less) in a company shall be appointed sole selling agent of that company without prior approval of the Central Government. Under sub-section (3) of section 294AA, appointment of sole selling agents by the companies having paid up capital of Rs 50 lakhs and above would require approval of the shareholders by a special resolution and also of the Central Government. Each application for appointment of the sole selling agent under sub-sections (2) and (3) of Section 294AA of the Companies Act, 1956, is considered on its merits

by the Company Law Board having regard *inter alia* to the following relevant factors:—

- (i) the nature of the product manufactured by the company and its market share and the extent of competition in that product;
- (ii) the nature and extent of services performed by the sole selling agent together with its organisational set up for rendering marketing services;
- (iii) the commission earned, expenses incurred and the profits retained by the sole selling agent for marketing the products of the company;
- (iv) the interest of the sole selling agent in the principal company; and
- (v) the interest of the directors of the Company in sole selling agent.

These restrictions are prescribed to protect the interests of the consumers and to prevent malpractices.

Issue of Industrial Licences to I.D.P.L.

3244 SHRI MOTIBHAI R. CHAUDHARY: Will the Minister of PETROLEUM, CHEMICALS AND FERTILIZERS be pleased to state:

(a) how many industrial licences are issued to IDPL during the last three years; how many industrial licences, letter of intents licences expired and are still shown valid for claiming capacities by IDPL; and

(b) whether IDPL sought approval for items not actually produced; if so, details of the same?

THE MINISTER OF PETROLEUM AND CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA): (a) Seventeen Industrial Licences have been