

REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF
INDIA - UNION OF INDIA - COMPTROLLER PART IV - 1969

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**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

UNION GOVERNMENT (COMMERCIAL)

1982

PART IV

**HINDUSTAN SALTS LIMITED
AND
SAMBHAR SALTS LIMITED**

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46	Figure of actual production of Pan Salt for 1980-81	85.54	85.64
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REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

UNION GOVERNMENT (COMMERCIAL)

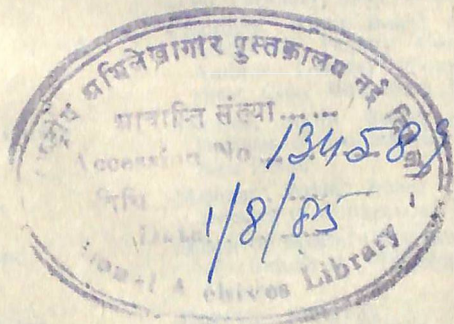
1982

PART IV

HINDUSTAN SALTS LIMITED
AND
SAMBHAR SALTS LIMITED

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PREFATORY REMARKS

A reference is invited to paragraph 5 of the Prefatory Remarks contained in Part I of the Report of the Comptroller & Auditor General of India—Union Government (Commercial) 1982 wherein it was *inter alia* mentioned that the draft report on the working of Hindustan Salts Limited and Sambhar Salts Limited—Under-takings selected for appraisal by the Audit Board—was under finalisation. In this case, the Audit Board consisted of the following Members:—

S/Shri

1. P.P. Gangadharan Chairman, Audit Board and Ex-officio Additional Deputy Comptroller and Auditor General (Commercial) from 1st March' 1980 to 30th November 1981.
2. A.R. Shirali Chairman, Audit Board and Ex-officio Additional Deputy Comptroller and Auditor General (Commercial) from 1st December 1981 to 31st January 1982.
3. P.P. Dhir Chairman, Audit Board and Ex-officio Additional Deputy Comptroller and Auditor General (Commercial) from 1st February 1982 to 9th June 1982.
4. R.C. Suri Chairman, Audit Board and Ex-officio Additional Deputy Comptroller and Auditor General (Commercial) with effect from 10th June 1982.
5. Miss Amrita Grover . . . Member, Audit Board and Ex-officio Director of Commercial Audit (F&C), New Delhi.
6. K.J. Kuriyan Member, Audit Board and Ex-officio Director of Commercial Audit, Bombay.
7. Dr. G.P. Kane Officer on Special Duty (Retired), Ministry of Industrial Development-Part-time Member.
8. *Dr. D.J. Mehta Director (Retired) Central Salts and Marine Chemical Research Institute, Bhavnagar-Part-time Member.

*Dr. D.J. Mehta did not attend the meeting held on 9-6-1982.

2. The Report was finalised by the Audit Board after taking into account the results of discussions held with the representatives of the Ministry of Industry (Department of Industrial Development) and the two Companies at its meeting held on 9th June 1982 and the additional information furnished by the Ministry in July 1982.

3. The Comptroller and Auditor General of India wishes to place on record the appreciation of the work done by the Audit Board and acknowledges with thanks the contribution, in particular of the members who are not officers of the Indian Audit & Accounts Department.

1. Introduction

1.01 Hindustan Salts Limited (HSL) was registered as a Government Company on 12th April 1958 to take over the departmentally managed Government Salt Sources at Sambhar, Didwana and Kharaghodha and to carry on all kinds of business relating to manufacture of Salt, its products and by-products. The Company took over the administrative control of Salt Works at Sambhar Lake and Didwana in Rajasthan and Kharaghodha in Gujarat with effect from 1st January 1959. While on 1st April 1960, the Company transferred the Didwana Salt works to Rajasthan Government. On 1st May 1963, it took over the Mandi Salt Mines in Himachal Pradesh with its assets and liabilities.

Sambhar Salts Limited (SSL) was registered as a subsidiary Company of the HSL on 30th September 1964 for working the Sambhar Lake area, with 60 per cent shares owned by the HSL and the balance 40 per cent by Rajasthan Government. No formal Agreements have been executed so far (June 1982) for the transfer of the rights of the salts works at Kharaghodha, Mandi and Sambhar to the two Companies.

The Ministry stated (March, 1982) that the execution of agreements for the transfer of rights of these salt works was under active consideration.

1.02 The working of the Company was last reviewed by the Comptroller & Auditor General of India vide Section IX of the Audit Report (Commercial) 1965. The present review covers the working of the Company and its subsidiary Company during the last 10 years ending 30th September, 1981. The Accounting year of the Companies corresponds to the salt season, viz. 1st October of a year to 30th September of the following year.

2. Objectives

2.01 Both the Companies were established for carrying on business relating to the manufacture and sale of salt, its by-products and other allied chemicals. Despite Government's instructions issued in November 1970, as per the recommendation of the Administrative Reforms Commission, that Government should formulate a comprehensive and clear statement on the objectives and obligations of Public Sector Undertakings, the objectives of the two Companies were approved finally by the Government only in July 1982 and were broadly as under :—

Non-financial

- (i) To manufacture common salt, including mining of common salt, processed salt and its by-products under hygienic conditions for supply at reasonable prices and thus help in improving supply of common salt for human consumption as well as to industries as their raw materials and in particular;
- (ii) to take steps for achieving over a period of time a production level of 10 to 15 per cent of the total production of salt in the country;
- (iii) to take steps to ensure fair and equitable supply and distribution of iodized salt to the goitre endemic areas; and
- (iv) to develop and exploit additional marine area with potential for salt manufacture and for planned utilisation of bitterns.

Financial

- (i) To give adequate return on investment to shareholders and to create a favourable image;
- (ii) to price the products taking into account (a) the cost of production, (b) the need to ensure adequate return on the capital invested, and (c) the price of similar products in the market; and

- (iii) to pay remuneration to the employees keeping in view the wage structure/policy as declared by the Central Government to be applicable to public sector enterprises and the likely implication on the cost of production.

3. Capital Structure

3.01 The authorised and paid up capital of the two Companies as on 30th September 1981 was as under:—

(Rupees in lakhs)

	Authorised Capital	Paid up Capital
1. HSL	400	245.81*
2. SSL	200	100.00**

*Wholly subscribed by the Government of India.

**Partly subscribed by HSL and partly by Rajasthan Government.

HSL had also obtained loans from the Government of India. As on 30-9-1981, the loans given by the Government of India and interest thereon outstanding against the HSL amounted to Rs. 208.73 lakhs and Rs. 16.77 lakhs respectively. Further, both the Companies were having cash credit arrangements with the Banks. The amount of cash credit in the case of HSL was Rs. 24.02 lakhs and in the case of SSL, Rs. 28.37 lakhs as on 30-9-1981.

3.02 During the period January 1977 to April 1979, the HSL had given loans amounting to Rs. 230 lakhs to its subsidiary, SSL (Rs. 185 lakhs for raising the height of Gudha-Jhapog Dam and Rs. 45 lakhs for Working Capital). Out of

this, the SSL repaid Rs. 54.14 lakhs upto September 1981 leaving an outstanding balance of Rs. 175.86 lakhs. Interest on the loan has not been paid (June 1982). Interest receivable from the SSL as on 30-9-1981 worked out to Rs. 87.63 lakhs.

The Ministry stated (July 1982) that since the expenditure was essentially of capital nature arising out of natural disaster and the Company could not generate enough surplus to service the debt, the matter was being processed for conversion of loan into a grant.

4. Production Performance

4.01 Demand for Salt

Common salt is an article of daily necessity for human consumption and is also a vital industrial raw material.

Demand projections upto 1987 for salt are given below:—

Estimated requirements of salt for human and industrial consumption:

(Figures in '000 tonnes)

Year	Human & Live Stock	Industrial	Exports	Total
1982	4107	3030	340	7477
1983	4183	3190	367	7740
1984	4259	3360	394	8013
1985	4334	3490	396	8220
1986	4410	3730	423	8563
1987	4486	4030	425	8941

4.02 The total area licensed and the production obtained in the country since 1976 etc. are given in the following table :—

(In '000 tonnes)

Year	Area Licensed (in acres)	Production of salt		Grand total Col. 3 & 4	Average Production of salt per acre of licensed area
		Licensed	Unlicensed		
1	2	3	4	5	6
1976	3,31,598	3,224.8	851.6	4,076.4	9.7
1977	3,56,783	4,505.0	823.5	5,328.5	12.6
1978	3,63,888	5,439.4	1,254.1	6,693.5	14.9
1979	3,73,583	5,749.0	1,288.0	7,037.0	15.4
1980	3,86,246	6,709.7	1,297.7	8,007.4	17.4

4.03 The statewise share of the Public Sector and the Private Sector in the total production in the year 1980 was as follows:—

Sl. No.	Name of the State	Licensed Area covered in 1980 (in acres)	Production of salt during 1980 (in '000 of tonnes)		
			Public Sector	Private Sector	Total
1.	Rajasthan	86965	446.4	490.8	937.2
2.	Gujarat	179963	133.8	4,179.1	4,312.9
3.	Himachal Pradesh	2	4.7	—	4.7
4.	Tamil Nadu	31158	28.1	1,663.9	1,692.0
5.	Orissa	4423	9.7	108.9	118.6
6.	Maharashtra	25759	5.4	489.1	494.5
7.	Andhra Pradesh	16116	16.9	387.3	404.2
8.	Karnataka	2017	—	14.9	14.9
9.	West Bengal	2531	—	12.7	12.7
10.	Pondicherry	643	—	0.3	0.3
11.	Goa, Daman & Diu	1235	—	15.4	15.4
TOTAL		350812	645.0	7,362.4	8,007.4

Out of the total production of 6.45 lakh tonnes in the Public Sector, the contribution of HSL and SSL was 3.13 lakh tonnes approximately which was 3.9% of the total production in the country and 48.5% of the total production in the Public Sector, as against 10.9 % and 81.7% respectively in 1962.

The Ministry stated (July 1982) that Company is looking for suitable opportunities for the production of marine salt in other States and that possibilities are being explored in Andhra Pradesh and Orissa coast and in the Bhavnagar area of Gujarat.

4.04 Production Potentialities

A—HINDUSTAN SALTS LIMITED

KHARAGHODA UNIT

Kharaghoda Unit produces two types of salts, viz. (i) Baragara Salt and (ii) Kurkutch Salt.

(i) Baragara Salt

Baragara Salt is manufactured from sub-soil brine (salty water) drawn from wells. Only one crop is received in a season.

This salt is manufactured by the Agarias (piece rate workers) with whom agreements are entered into every year.

(ii) Kurkutch Salt

This salt is manufactured from sub-soil brine departmentally and its crystals are smaller than those of Baragara Salt. Its crop is collected 4 to 5 times in a season.

The Company possesses 22,768 acres for manufacture of salt. Although the Company has been operating in this area since January 1959, the potentialities of production in this area have not been assessed so far (June 1982).

The Company gave the break-up of the area as follows:

	Acres
Directly utilised for salt production	8,362
Kept reserve and stand-by	3,278
Unsuitable for manufacture of salt	7,674
Covered by roads, feeder channels, pipe lines, etc.	3,454
	22,768

The Ministry stated (July 1982) that as far as Kharaghoda source was concerned, the brine bearing tracks were being identified in the Rann of Kutch with the help of the Geological Survey of India (GSI) based on whose investigations, areas containing regular and copious supply of brine could be identified. The Company is keen to retain only such areas as could be exploited economically. A decision would be taken after the GSI had completed their investigations.

MANDI UNIT

Mandi Unit produces three varieties of salt viz., (i) Rock Salt (ii) Pan Salt, and (iii) Refined Salt.

(i) Rock Salt is produced by excavating mines at Drang and Guma. The proved reserves of Rock Salt at Drang were estimated at 7.5 million tonnes by the Indian Bureau of Mines in September/October 1967 and 2.7 million tonnes at Guma by GSI in 1972. Rock Salt is used for cattle licks as it is not fit for human consumption as the percentage of sodium chloride in this salt is about 70% only as against 96% required for human consumption.

(ii) Pan Salt is an edible salt manufactured from Maigal Spring Brine by solar evaporation method. The production of Pan Salt from Maigal Spring area was estimated at 14,585 tonnes per annum by the Mines Manager, Mandi, in May/June 1972.

(iii) Refined Salt is also an edible salt and is manufactured from the available brine by artificial evaporation method (viz., by heating).

B—SAMBHAR SALTS LIMITED

The SSL produces three varieties of salt viz. (i) Kyar Salt, (ii) Reshta Salt and (iii) Pan Salt.

(i) *Kyar Salt*

It is manufactured in Kyars (crystallizers) once a year by solar evaporation method from the brine obtained from the Lake. It consists of large coarse grained crystals of 1/2" to 1" size. Only one crop is received in a season.

(ii) Reshta Salt

Reshta Salt is formed by the action of westerly winds in the crystallizers as well as in the areas covered by bitterns (mother liquor remaining after formation of salt crystals in the brine charged into pans). It is in the form of tiny crystals and only one crop is obtained along with Kyar Salt.

(iii) Pan Salt

It is manufactured from brine, procured from shallow wells of depth 10 to 15 feet, dug by piece rate workers. Salt is scrapped several times in the course of a season. The crystals of this salt are smaller than those of Kyar Salt.

The lake area at Sambhar is about 90 sq. miles. The Company stated that the salt works are laid out in an area of 30 sq. miles and the remaining 60 sq. miles form the main lake where the rain water is collected during monsoon. The brine available in the lake is also supplemented by the supply of brine from the sub-soil sources, obtained by digging percolation canals. The potentialities of production of salt from this source have not been assessed so far (June 1982).

The Management stated (June 1982) that due to natural constraints, viz., weather conditions, it was difficult to fix production potential and that the production under normal conditions was 2.2 lakh tonnes per annum.

4.05 Production Planned and Actual Performance

According to the Company, the production is planned before the commencement of manufacturing operation in August/September for the ensuing year keeping in view the overall market trends, stock of salt with the Company and anticipated off-take.

The following table gives the production of common salt planned by both the Companies and their actual performance

vis-a-vis the total production in the country for the last five years:—

(In '000 tonnes)

Year	HSL		SSL		Total planned production	Total actual production of both the Companies	All-India production	Percentage of Company's production of All-India production
	Planned production	Actual production	Planned production	Actual production				
1976-77	104.40	108.20	15.00	0.40	119.40	108.60	5,328.50	2.04
1977-78	134.97	125.10	10.00	8.50	144.97	133.60	6,693.50	2.00
1978-79	154.40	151.80	60.00	59.10	214.40	210.90	7,037.00	3.00
1979-80	164.00	136.50	150.00	177.04	314.00	313.54	8,007.40	3.90
1980-81	154.03	163.20	205.00	294.44	359.03	457.64	N.A.	N.A.

4.06 The production of each unit for each variety of salt against that programmed for is indicated in Annexure I(a), I(b) and I(c).

The production performance of each unit is analysed below:—

(a) *Kharaghoda Unit*

The targets set for the production of salt at Kharaghoda Unit varied between 0.65 lakh tonnes in 1975-76 and 1.60 lakh tonnes in 1979-80. The actual production during this period varied between 0.72 lakh tonnes and 1.59 lakh tonnes. The targets set were met by and large except for the years 1971-72 to 1973-74 and 1979-80 when there were substantial shortfalls in production. The shortfalls have been attributed by the Company to scarcity of brine, reduced manufacturing season caused by unseasonal rains, power shortage/fluctuations and non-availability of salt workers in sufficient number.

(b) *Mandi Unit*

The production at Mandi Unit had been very small (about 4,000 tonnes a year) primarily because the rock salt obtained in this unit is fit for use as cattle licks only and its demand is limited to the neighbouring States. The production of the two varieties of edible salts produced by this unit; namely, Pan Salt and Refined Salt did not exceed 30 tonnes and 460 tonnes per annum respectively due to production difficulties. The production of Pan Salt at Mandi by the solar evaporation method was limited by the weather conditions at Mandi. The production of refined salt was limited due to fuel difficulties.

A Refinery Plant was set up at Mandi in April 1967 at a cost of Rs. 40,000 and it was renovated in 1976 at a further cost of Rs. 37,000. The rated capacity of the plant was initially assessed at 1,000 tonnes per annum but this was later re-assessed at 600 tonnes per annum due to low density of brine available. The operation of this plant was affected from the very beginning due to non-availability of coal and its operation was suspended from July 1973 on this account. The plant was recommissioned

in November 1976 utilising fire wood in lieu of coal but it proved to be very uneconomical. The refinery was, therefore, closed in September 1978 and it has not been recommissioned (June 1982).

(c) *Sambhar Salt Works*

The production planned till 1974-75 at Sambhar lake which varied between 1 lakh and 2 lakh tonnes was achieved by and large. There was virtually no production in this unit during the period 1975-76 to 1977-78 due to unprecedented floods in the year 1975 and heavy rains in the subsequent two years as the salt works at Sambhar remained submerged under water. The height of the Gudha-Jhapog Dam was raised from RL 1181' to RL 1203' at a cost of Rs. 184 lakhs to save the salt works from floods in future. The production was again started from 1978-79. There had been more production than planned during the years 1979-80 and 1980-81; the maximum production achieved in 1980-81, being 2.94 lakh tonnes as against 2.50 lakh tonnes planned.

In this unit, small quantities of processed salt (Table/Dairy Salt) and Refined Salt were produced out of Kyar Salt and Pan Salt respectively.

A Table Salt Plant with a capacity of one tonne per day on single shift basis, was installed at this unit during 1959-60 at a cost of Rs. 1.70 lakhs. The plant was submerged due to floods in 1975 and the production of Table/Dairy Salt was affected. In order to cater to the needs of old customers, Table/Dairy Salt was produced by an improvised method. No targets of its production were fixed. The actual production of the Processed Salt (Table/Dairy Salt) for the last five years was as follows:

1976-77	.	.	.	.	107 tonnes (including Refined Salt)
1977-78	.	.	.	.	Nil
1978-79	.	.	.	.	136 tonnes
1979-80	.	.	.	.	288 tonnes
1980-81	.	.	.	.	374 tonnes

The production of Refined Salt commenced from 1975-76. Its production for the last four years is given below:

1977-78	43 tonnes
1978-79	70 tonnes
1979-80	202 tonnes
1980-81	146 tonnes

It would be seen from the table in para 4.05 that the production of common salt by the two Central Government Companies constituted a small percentage of the total production in the Country. Consequently, the Company's role in improving supply of common salt for human consumption, etc. at reasonable prices was limited by this factor.

No planned effort has been made in recent years to increase the production of salt. The production planned and achieved by HSL in 1962-63 (production planned 2.20 lakh tonnes and achieved 2.22 lakh tonnes) has been the maximum production of HSL since that year. In case of SSL, the production achieved in 1964-65 was 2.51 lakh tonnes which has been its highest production till 1980-81 except that this production was marginally exceeded in the years 1972-73 and 1980-81 when the production achieved was 2.58 lakh tonnes and 2.94 lakh tonnes respectively. The production has thus remained static for the last 17—19 years.

The Ministry stated (March 1982) that there are natural constraints beyond the control of the Company, viz., rainfall and climatic conditions which determine the availability of brine and thus production of salt in a year. At Sambhar, the limitation is availability of Lake brine while at Kharaghoda, the limitation is the availability of sub-soil brine. At Sambhar, brine available is utilised by the Company while at Kharaghoda, the Company is required to shift the area of manufacture from one place to another on depletion of brine.

4.07 Iodization of Salt

Insufficiency or lack of iodine in food and water is the principal cause of endemic goitre. The most convenient method of preventing goitre is found to be to administer iodine with salt. The States in which certain areas which have been identified as goitre-prone and brought under the National Goitre Control Scheme launched in 1962 and the annual requirement of iodized salt for these areas is given below:—

	(All figures in ' 000 tonnes)
Himachal Pradesh	24.0
Chandigarh	2.1
Haryana (Ambala District)	8.0
Punjab	20.0
Uttar Pradesh	37.5
Jammu & Kashmir	34.0
Bihar	30.0
West Bengal	51.4
Manipur	8.5
Nagaland	4.2
Arunachal Pradesh	3.7
	223.4

The requirement of iodized salt for the areas to be brought under the National Goitre Control scheme has been estimated in July 1980 as 4.57 lakh tonnes.

At present only HSL and SSL are selling iodized salt to the notified Goitre-endemic areas, besides the Salt Department which has been iodizing salt as supplied by the State nominees in the iodization plant at Calcutta. The HSL has 3 Spray Type Iodization Plants at Kharaghoda with a total capacity of 24 tonnes per

hour and the SSL 5 Iodization Plants (3 Spray Type and 2 Mixer Type) at Sambhar with a total capacity of 34 tonnes per hour.

The quota of iodization of salt is fixed by the Salt Commissioner. The iodization of salt in Calcutta by the Salt Department varied between 10,000 tonnes and 38,000 tonnes per annum during the years 1972 to 1979. The quota fixed and the quantity of salt actually iodized by these companies during the last six years are indicated below:

Year	Quota allotted to		Iodization of salt by		Shortfall in supplies	
	HSL	SSL	HSL	SSL	HSL	SSL
1976	76,500	77,069	52,366	36,063	24,134	41,006
1977	76,500	77,069	49,980	31,804	26,520	45,265
1978	76,500	77,069	21,366	35,978	55,134	41,091
1979	78,500	77,100	50,043	47,517	28,457	29,583
1980	78,500	93,500	39,973	40,308	38,527	53,192
1981	78,500	93,500	46,024	52,904	32,476	40,596

The actual iodization of salt was generally less than the quotas allotted to these Companies although the capacity of their iodization plants remained partly unutilised. This indicated that some uniodized salt was being sold in goitre-affected areas.

The Ministry stated (March 1982 and July 1982) that "the general reason for the shortfall in the utilisation of iodization facilities was the lack of adequate demand from the State nominees and at times the non-supply of rail wagons. The iodization of salt was deliberately restricted to meet the specified demands as iodized salt that remained undespached loses its iodine contents".

The Ministry also stated that the Ministry of Health (DGHS) had been requested to take necessary steps for stopping the entry of the non-iodized salt in the goitre endemic areas in order to improve the off-take of iodized salt and that they had also been requested to take steps for propagating general awareness of the benefits of iodized salt in the goitre endemic areas so that people might take more readily to iodized salt.

4.08 By-Products

The mother liquor remaining after the formation of the salt crystals in the brine charged into the pans is known as 'Bitterns'. The availability of bitterns is estimated at one tonne bitterns for every tonne of salt produced. From bitterns, valuable chemicals can be extracted. As the composition of brine available at Kharaghoda and Sambhar Lake is not the same, the by-products obtainable from these sources are somewhat different as indicated below :—

By Products obtainable from Bitterns.

At Khanaghadoc Unit	At Sambhar Lake
(i) Bromine	(i) Sodium Sulphate
(ii) Magnesium Chloride	(ii) Sodium Carbonate
(iii) Magnesium Sulphate	
(iv) Scheonite	
(v) Potassium Chloride	

The recovery of valuable by-products obtainable from bitterns has received the consideration of the Company from time to time but no planned efforts have been made in this direction. With reference to a project report prepared by the Central Salts and Marine Chemical Research Institute, Bhavanagar, in 1966 for manufacture of potassium Sulphate from the carnallite and Kainite type Mixed Salt available from the Kharagodha Salt Works, the pilot plant shifted from Bhavanagar was commissioned in June 1968. On processing these Salts in the pilot plant, it was found that the Potassium Chloride and Potassium Scheonite could not be produced due to higher percentage of Magnesium Chloride in the Mixed Salt. After spending a sum of Rs. 0.63 lakh on these experiments, the pilot plant was returned to C. S&M. C. R. I., Bhavanagar, in June 1974.

A Committee constituted by the Board of Directors of HSL and SSL indicated in its report that the following quantity of by-products were recoverable from the Kharaghoda and Sambhar Salt sources:—

<i>From Kharaghoda:</i>	Bromine	600 tonnes
	Potassium Chloride	2,000 tonnes
	Magnesium Chloride	46,000 tonnes
	Magnesium Sulphate	6,000 tonnes
<i>From Sambhar</i>	Sodium Sulphate	50 tonnes a day (approximately)
	Sodium Carbonate	25 tonnes a day (approximately).

Considering the Country's requirement, the Committee gave the following priorities :

- (i) Bromine
- (ii) Potassium Chloride and
- (iii) Magnesium Sulphate.

The Report of the Committee was considered by the Board of Directors in January, 1973 and it was decided that viability reports on the various projects be prepared through consultants.

In pursuance of this Committee's recommendations, action was initiated to set up a Bromine Recovery Plant at Kharaghoda and a Sodium Sulphate Plant along with a Salt Washery Plant at Sambhar Lake. The details of these are given below :

(a) *Bromine Recovery Plant at Kharaghoda*

Licence to use the process developed and patented by the CS&MCRI, Bhavanagar, for recovery of Bromine from bitterns was obtained from the National Research Development Corporation on payment of a licence fee of Rs. 5,000. The Project Report prepared by C. S. & M. C.R.I., Bhavanagar, and received by the Company in August 1974 envisaged installation of Bromine Plant (150 tonnes

per annum) at a capital outlay of Rs. 16 lakhs. The Company entered into an agreement in November 1976, *i.e.* after 2 years with M/s. Industrial Consultancy Bureau for supply of the plant on turn-key basis at a cost of Rs. 17.50 lakhs. The plant which was to be commissioned and handed over to the Company by July, 1978 was commissioned and handed over to the Company in February 1979 after a delay of 6½ months.

The Plant worked for only 87 days from February to July 1979. After production of approximately 27 tonnes of bromine, it stopped working from 27th July 1979. The Company stated that the same was due to erratic supply of electricity and inadequate supply of diesel for running the generating set. It was restarted in October 1979 and during 1979-80 and 1980-81 it produced 116 tonnes. In view of the high cost of production the Company suffered a loss of Rs. 10.16 lakhs during the year 1979-80 and Rs. 8.53 lakhs during the year 1980-81 in marketing this product. The cost of production in the Company's plant worked out to Rs. 32,000 approximately per tonne as against the market price of Rs. 20,000 per tonne for imported bromine. The working of the plant was suspended with effect from 23-3-1982 as it was not found viable.

The Ministry stated (July 1982) that

“in spite of restrictions on import of bromine from abroad, limited to actual users, landed cost of bromine is highly competitive. Not only this Company but all bromine producers in the Country are facing somewhat handicapped. DGTD is arranging to have a discussion with all bromine producers to assess the prospects ahead..... The Company has also appointed NIDC to look into the reduction in the cost of transportation of bitterns which constitutes a significant element in the cost of production of bromine. Steps are being taken to consult experts as to whether any new route is available for the manufacture of bromine. Their advice is awaited.”

(b) *Sambhar Salt Works—Recovery of Burkeite and Sodium Sulphate*

Small quantities of Burkeites and Sodium Sulphate were being manufactured from bitterns crust and pan crust with the help of a Pilot Refrigeration Plant of 5 tonne capacity per day. The quantity of the by-products so recovered during the period 1971-72 to 1980-81 was as under:—

(In tonnes)

Year	Burkeite	Sodium Sulphate
1971-72	300	100
1972-73	305	145
1973-74	80	47
1974-75	No production	327
1975-76 to 1979-80	—do—	No production
1980-81	—do—	75

For greater utilisation of bitterns at Sambhar Lake, a Committee of Directors of the Company recommended in 1971 that a Sodium Sulphate Plant of 30/40 tonnes per day capacity should be set up at Sambhar Lake.

Feasibility Report for this Project as well as Salt Washery Project was got prepared by NIDC in 1974 at a cost of Rs. 50,000. The Salt Washery Project was to follow the Sodium Sulphate Project.

After the Planning Commission had cleared the Sodium Sulphate Project, tenders were invited in 1974 for installation of 40 tonnes per day Sodium Sulphate Plant. But they could not be processed due to floods at Sambhar Lake in 1975 followed by heavy rains in 1976 and 1977. The normal salt production at Sambhar was resumed in 1980. The progress in putting up the plant was reviewed but it was felt that the old Project Report prepared by NIDC in 1974 for Sodium Sulphate Plant and Salt Washery Project should be got up-dated.

The Ministry have stated (July 1982) that the up-dated feasibility reports have been received and the details are under examination. A Sulphate Plant and a Washery are being put up at Sambhar. The former would increase the overall viability of the Company and the latter would assist the Company in producing 99.95% purity of salt for industrial consumers.

While the setting up of the required Sodium Sulphate Plant was under consideration, the Company procured a Sodium Sulphide Plant in 1973 for production of 2 tonnes of sulphide per day from Sodium Sulphate without undertaking feasibility studies. The purchase was effected with reference to an advertisement by the NSIC in September 1972 for sale of the plant on "as is where is basis". This Plant had been imported by NSIC in 1970 and supplied to a private party at Kanpur on hire purchase system. When the installation of the plant was in progress, the private party decided to surrender it to NSIC.

The Plant was received by the Company in 1973 and commissioned in March 1974 at a total cost of Rs. 8.46 lakhs (including the cost of civil works at Rs. 1.30 lakhs). Trial runs were conducted in June 1974 after 1½ years. The plant could not run to its full capacity to produce 50 tonnes of sulphide per month. Till December 1974, only 112 tonnes of Sodium Sulphide could be produced. Further, the rotary furnace developed certain faults. A new reverberatory furnace (value Rs. 38,513) had to be constructed in January 1975 which produced 35 tonnes of sulphide till 31st July 1975, when flood water engulfed the plant. As the required raw-material for running of the plant was not likely to be available for the next few years as a result of the inundation of the salt works due to floods and heavy rains, the Board of Directors decided in November 1976 to dispose of the plant. It was put to auction in September 1977. The highest bid received (Rs. 1.06 lakhs) was considered very low and rejected. An attempt made to lease the plant to another party at an annual rent of Rs. 0.75 lakh did not succeed either. In January 1979, an offer for Rs. 2.5 lakhs was received but it was not accepted due to the condition attached to the offer that the Company

should arrange the requisite supply of power from Rajasthan State Electricity Board.

The procurement of this Plant was ill-planned due to the following reasons:—

- (i) To run the plant efficiently, sodium Sulphate of 99 per cent purity and superior coal with an ash content of 10 per cent or less were required. Neither coal nor sodium sulphate of the required specification was available.
- (ii) The plant has rated capacity to produce 2 tonnes of Sodium sulphide per day for which 3 tonnes of sodium sulphate is required. As against this, the company could produce 0.8 tonne of sodium sulphate per day from bitterns and burkeites. Thus setting up of the sodium sulphide plant without ensuring the availability of required quantity of sodium sulphate was injudicious.
- (iii) The Company's cost of production of sodium sulphide in 1974-75 was Rs. 5,129 per tonne which was higher than the prevailing market rates. Consequently, the Company suffered a loss of Rs. 3.90 lakhs on 127 tonnes sold in addition to the loss of Rs. 1 lakh on account of sulphide washed away by the floods.

The Management stated (May 1981) that "in order to meet the requirement of sodium sulphate for manufacture of sodium sulphide, the Company was to put up a plant for the manufacture of sodium sulphate, which had also been approved as a Plan Project. However, as the Sambhar Salt sources experienced the floods to 1974 and unprecedented one in 1975 followed by heavy rains in 1976 and 1977 thereby inundating the Sambhar Lake Salt sources, the Company's plans did not materialise. The cost of production of sodium sulphide shot up due to steep rise in the price of furnace oil, as also due to increase in the cost of other materials, which could not be foreseen earlier. There was,

however, no corresponding increase in the market price of the product and as a result thereof, the Company had to incur loss on the sale of sodium sulphide”.

It will thus be seen tht although salt is being produced by the Company at Kharaghoda and Sambhar since 1958, no appreciable progress has been made for the recovery of by-products. The bitterns available at Kharaghoda Unit were being disposed of to a private firm in consideration of the royalties payable as per the terms of the agreement with the firm concluded by the Salt Department for a term of 25 years from 1st January 19654 which was extended by the Compny for another year till 31-12-1980. A fresh agreement (effective from 1-1-1981) has been entered into with this firm on 31st July 1981 for 15 years and to be reviewed thereafter for a further period of 5 years on such terms and conditions, as may be then finalised.

The firm has been utilising only a fraction of the bitterns available in each year and the remaining quantity is being drained out. The quantity of bitterns available, the quantity lifted by the party and the royalty received from the party during the years 1971-72 to 1979-80 are indicated below :

Year	Bitterns available (equivalent to salt production) (Tonnes)	Bitterns lifted by the private firm (Tonnes)	Royalty received for bitterns sold (Rupees)	Remarks
1971-72	73,933	11,702	34,634	Bitterns
1972-73	96,800	11,745	58,446	33,086
1973-74	76,234	8,170	43,733	tonnes
1974-75	70,845	6,830	41,928	were trans-
1975-76	71,561	12,038	52,683	ferred to
1976-77	1,04,482	18,851	56,453	bromine
1977-78	1,20,624	15,984	57,250	plant
1978-79	1,47,708	31,903	69,921	during
1979-80	1,32,353	33,056	80,100	1979-80

The bitterns left over at Sambhar source after utilising for Burkeite and Sodium Sulphate remains largely unutilised (June 1982).

5. Research & Development

5.01 The Company had no Research & Development Wing upto 1970-71. A laboratory building was, however, taken in January 1972 from the Malaviya Engineering College, Jaipur and orders for the purchase of 4 equipments valued at Rs. 2.48 lakhs were placed in August and September 1971. A Chief Technical Officer was appointed in October 1971 and skeleton staff was provided to him. Out of the 4 equipments, one was received in July 1972 and three were received in October 1973. The equipments received were, however, not installed at Jaipur. The Chief Technical Officer left the Company in July 1973. An expenditure of Rs. 0.76 lakh was incurred by the Company on pay and allowances of the Chief Technical Officer and the staff provided to him. The post was filled up again in November 1978.

The Management stated (December 1980) that the space made available by the Malaviya Engineering College for the laboratory was too small to accommodate the imported equipments and running of a fullfledged R & D Laboratory and the Company had decided to shift the Laboratory to Sambhar before the equipments were received. The Management further stated that after the shifting of the Laboratory to Sambhar in April 1974, no progress could be made in regard to the installation of the equipments at Sambhar due to heavy rains and unprecedented floods.

The Management stated (June 1981) that the imported equipments would now be used at Kharaghoda in the recovery of potassium salts from mixed salts on a pilot scale for which the equipments were mainly purchased.

The fact remains that the equipments have not been installed as yet and Research and Development Wing is yet to start its functioning (June 1982).

6. Material Management and Inventory Control

6.01 Hindustan Salts Limited -

The following table indicates the opening stock, production, purchases, sales and closing stock of salt during the period 1971-72 to 1980-81 :—

Year	(Quantity in tonnes)								
	Opening stock		Production during the year	Salt purchased during the year	Sales		Closing stock at the end of year		In terms of average monthly sale
	Own production	Purchased salt			Own production	Purchased salt	Own production	Purchased salt	
1971-72	181961	—	73933	2478	138673	—	41512	2478	3.8
1972-73	41512	2478	96800	107370	59651	46258	65326	63590	14.6
1973-74	65326	63590	76234	40994	47618	75135	90881	27336	11.6
1974-75	90881	27336	76845	48795	44145	54564	105697	17682	15.0
1975-76	105697	17682	71561	105605	46565	41457	130616	79415	28.6
1976-77	130616	79415	104482	Nil	86017	41994	120888	31328	14.3
1977-78	120888	31328	120660	3201	103475	10535	130746	15087	15.3
1978-79	130746	15087	147708	Nil	87326	589	174956	12037	25.5
1979-80	174956	12037	132353	Nil	123423	2591	122197	2167	11.8
1980-81	122197	2167	159266	Nil	113497	100	153952	—	16.3

NOTE : The closing stock is after adjustment of provision for wastages.

There were regular purchases of salt during the period 1971-72 to 1975-76 to have adequate stock mainly because of low production at Kharaghoda Unit during the period 1971-72 to 1974-75. As the Company had built up a sufficient stock balance by 1974-75, the purchase of more than a lakh tonne of salt from 1973-74 onwards lacked justification. The Ministry stated (July 1982) that "the company has stopped the purchase of outside salt since 1976 except for a small quantity of 3,200 tonne in 1977-78".

Regarding the closing stock at Kharaghoda at the end of year 1980-81, the Ministry stated (July 1982) that the total lifting from Kharaghoda was likely to be 1,94,000 tonnes if the nominees of various State Governments lifted their quota as per their allotment and therefore, the stock at Kharaghoda should not present any problem. The Ministry further stated that the closing stock included about 80,000 tonnes of Baragara Salt which was not fit for human consumption and could be sold only to salt-based industry. Efforts in this direction were in hand.

6.02 Sambhar Salts Limited

The following table indicates the opening stock, production, purchases, sales and closing stock of salt and by-products for the years 1971-72 to 1980-81 :

Year	(Quantity in tonnes)								
	Opening stock		Production	Purchased salt	Sales		Closing stock		In terms of average monthly sales
	own production	purchased salt			own production	purchased salt	own production	purchased salt	
1971-72	241715	6	176195	—	208898	—	196788	—	11.3
1972-73	196788	—	257635	—	189615	—	256953	—	16.3
1973-74	256953	—	202057	—	184196	—	243119	—	15.8
1974-75	243119	—	95777	—	190212	—	99234	—	6.3
1975-76	99234	—	—	16706	72346	15198	9501	1507	1.5
1976-77	9501	1507	433	75381	1337	59672	20	17216	3.4
1977-78	20	17216	8526	56911	619	58704	7927	15423	4.7
1978-79	7927	15423	59075	43003	15557	47843	51439	10583	11.7
1979-80	51439	10583	1777039	4850	85947	15433	142531	Nil	16.9
1980-81	142531	—	294445	—	122111	—	314865	—	30.9

NOTE : The closing stock is after adjustment of provision for wastages.

It would be seen from the above table that the closing stock of salt was quite heavy during the years 1972-73, 1973-74, 1979-80 and 1980-81. In terms of average monthly sales, the same varied from 15.2 to 30.9 months'. The Ministry stated (July 1982) that appropriate steps to offer price discounts had been taken to clear the stocks. During the recent quarterly review, the Company had been advised to undertake aggressive marketing, especially for industrial consumers. The Ministry also stated that a plan of operation in regard to marketing to domestic and industrial consumers was being worked out.

6.03 Export of Salt

The Companies are exporting only iodized salt to Nepal by direct negotiations with the STC, Nepal. The quantity contracted for, the quantity actually sold and the rates at which it was sold are given in the Annexure II.

In February 1973, the Government of India centered into an agreement with the Government of Nepal for supply of iodized salt for a period of 4 years. Afterwards the agreements were made on yearly basis between HSL and STC of Nepal. As per the decision taken in the meeting held in March 1973, the selling prices were to be negotiated and settled in the event of any revision of the basic selling prices or despatch/incidental charges. In June 1974, it was agreed that 30,000 tonnes of Baragara Salt would be exported by HSL at Rs. 38.70 per tonne (excluding cess & despatch charges) subject to review during the period of supply. As the price of Baragara Salt in India was increased from Rs. 38 to Rs.43 per tonne (excluding cess and despatch charges) due to increase in cost of production, the foreign buyers were informed in July 1974 that the selling price would be increased to Rs. 44.20 per tonne. The buyers did not, however, agree to the above increase (except for increase of Re 1 per tonne in despatch charges from October 1974) on the ground that the Company had demanded an increase in the price within 15 days of settlement of prices which meant that the Company was well aware that the price rise was in the offing and this

increase would have been taken into account at the time of price settlement in June 1974. This resulted in less earning of about Rs. 1.89 lakhs on Baragara salt supplied during 1974-75.

It was also seen that the selling price charged from Nepal was lower than that charged in the domestic market as stated under:—

(a) The Board of Directors in their meeting held on 14-11-1977 advised that negotiations might be held with STC, Nepal, in terms of the agreement for an increase in the price of salt. Accordingly, the prices were negotiated and increased from December 1977 in respect of Baragara Salt from Rs. 44.66 to Rs. 49 per tonne and in respect of purchased salt of Phalodi from Rs. 67.50 to Rs.75 per tonne with effect from 1-12-1977. The price ruling in the internal market on the 1st December 1977 was Rs. 60 per tonne of Baragara Salt and Rs. 80 per tonne of Phalodi Salt.

(b) The selling price of iodized salt in domestic market was Rs. 120 per tonne on 23rd January 1978 as against the contracted selling price of Rs. 95 for the year 1978-79 for salt sold to Nepal. The internal selling price was increased to Rs. 130 per tonne from August 1978 but the selling price for Nepal was not reviewed.

The Management stated (June 1982) that the selling price in the case of STC, Nepal, was negotiated and was not subject to revision. Since Nepal was taking its entire requirement of iodized salt from the Company, they would not like to lose an important customer.

The Company had not exported salt to any other foreign country so far except a very small quantity sold to Bhutan in 1980-81.

The Ministry stated (July 1982) that the main constraint for increased export of salt lies in the inadequate port handling

facilities at Kandla and Okha. Some handling facilities at present available at Kandla and Tuticorin could be improved. The Salt Commissioner was in touch with the Ministry of Transport and Communication to see how best and how soon this could be done.

6.04 Pricing Policy

Selling price of salt is fixed, based on the prevailing market price of salt keeping in view the cost of production.

As the production of salt of these Companies is not significant compared to the production in the private sector and as bulk of the salt is iodized and is sold against the quota released by the Salt Commissioner, their sales in the free market are very limited. As such the Companies are not in a position to influence the market price of salt excepting Northern Region, where the supply from SSL makes some impact on the market.

The Ministry stated (July 1982) that with wide spread consumers in a competitive setting, the Company could not be a price leader in the market but had to be a price taker.

6.05 Shortages in stores of salt

Prior to 1968-69, Hindustan Salts Limited was charging directly to Profit and Loss Account the actual wastages noticed on final clearance of heaps after obtaining sanction of the competent authority. With effect from 1968-69, the Company decided to make a provision of 5% on value of stock held at the end of the year to cover the losses that might arise on account of wastages. Under this procedure, actual shortages noticed at the time of verification on clearance of heaps are adjusted against the provision made and the balance is charged to the Profit and Loss Account. With effect from 1973-74, however, the Board of Directors decided to make a provision for deficit/wastages at 5% of the quantity stored in the first year and at 2½% on the balance quantity as at the beginning of the year in the subsequent years.

Provisions in the accounts at these rates are now made and the final adjustments as necessary in respect of shortages or excesses are carried out in accounts only on final clearance of each heap.

Losses in some individual heaps on final clearance were found to be 30% or more as given below :—

Year	Heaped in	Qty. stored.	Qty. cleared	(Qty. in tonnes)	
				Shortages	Percentage of shortages
1971-72	Chowkey No. 19	1405.3	983.6	421.7	33.59
1973-74	Ground stores	4142.7	2499.0	1643.7	39.67
1975-76	—do—	6265.4	3862.4	2403.0	38.34

The Works Manager, Kharaghoda, was asked in May 1977 to submit a statement showing the final clearance of the heaps of salt so that wastages if any, during 1976-77 could be ascertained. The Works Manager's report received in July 1977 was examined by the Financial Adviser and Chief Accounts Officer and the Sale and Publicity Officer of the Company. After site inspection, the officers reported in August 1977, that two heaps which contained according to the Stock Register, 6020 tonnes of salt (value Rs. 1.52 lakhs) were not there. After further investigations, the Works Manager was held responsible for the loss.

A Committee was subsequently appointed to physically verify the salt heaps and to assess the quantity of salt as on 31st December 1977. According to the Committee's report, the shortages/wastages of salt were estimated to be around 87,180 tonnes (costing Rs. 22.71 lakhs) including shortage of two heaps containing 6020 tonnes of salt (value Rs. 1.52 lakhs) as brought out in foregoing para.

The matter was investigated by C.B.I. and its report was received in July 1979. The CBI held the then Works Manager responsible for the heavy shortages/wastages of 87,180 tonnes of salt but no departmental action was recommended against him as he had already been dismissed from service, on the 18th September 1978 for the same allegation.

The loss due to shortages/wastages amounting to Rs. 22.71 lakhs has been written off in the accounts.

7. Internal Audit

(a) In their 15th Report (Fourth Lok Sabha—April 1968) on the Financial Management in Public Sector Undertakings, the Committee on Public Undertakings recommended that the undertakings which had not set up Internal Audit Department should do so immediately.

The system of Internal Audit in the two Companies was inadequate and insufficient as per the Report dated 24th November 1979 of the Statutory Auditors.

For both the companies there is one Internal Audit Section headed by an Internal Audit Officer. He is assisted by one Assistant. This Internal Audit team conducts the audit of the accounts of the Units. Internal Audit Manual outlining the scope and programme of work for Internal Audit was approved by the Board only in September 1980.

Internal Auditors in their report of October 1979 had pointed out the following shortcomings in respect of Kharaghoda Unit :

1. Maximum and minimum levels of stores had not been prescribed.
2. There was no control over men and material in workshop as job cards and time sheets were not prepared.

No action has been taken so far to remove the deficiencies (June 1982).

8. FINANCIAL POSITION

8.01 (a) Hindustan Salts Limited

The table below summarises the financial position of the Company under broad headings for the last five years.

	(Rupees in lakhs)				
	1976-77	1977-78	1978-79	1979-80	1980-81
LIABILITIES					
Paid up capital	215.81	215.81	215.81	215.81	215.81
Reserves & surplus	10.09	17.06	24.43	45.23	48.04
Borrowings	30.00	173.00	208.44	206.69	232.75
Trade dues & other current liabilities (including provisions)	32.30	51.92	99.39	93.76	83.15
TOTAL	288.20	457.79	548.07	561.49	579.75
ASSETS					
Gross Block	73.52	69.39	95.97	97.70	105.49
Less Depreciation	32.20	30.89	34.81	34.94	40.13
Net fixed assets	41.32	38.50	61.16	62.76	65.36
Capital work-in-progress	2.23	8.26	7.15	8.29	2.61
Investments	60.15	60.10	60.10	60.05	60.05
Current Assets, Loans & Advances (including earmarked investments)	184.50	350.57	419.59	430.34	451.70
Miscellaneous expenditure	—	0.36	0.07	0.05	0.03
TOTAL	288.20	457.79	548.07	561.49	579.75
Capital employed	196.58	340.76	385.62	404.24	436.36
Net worth	225.90	232.51	240.17	260.99	263.82

NOTE : 1. Capital employed represents net fixed assets plus working capital.

2. Net worth represents paid up capital plus reserves less intangible assets.

(b) *Sambhar Salts Limited*

The table below summarises the financial position of the Company under broad headings for the last five years.

	(Rupees in lakhs)				
	1976-77	1977-78	1978-79	1979-80	1980-81
LIABILITIES					
Paid up capital	100.00	100.00	100.00	100.00	100.00
Reserves & Surplus	12.47	12.88	9.49	12.23	38.57
BORROWINGS:					
(i) From Bank	9.60	—	11.07	9.04	33.42
(ii) From Holding Company	67.00	210.00	230.58	220.38	176.05
Trade dues & other current liabilities (including provisions)	106.80	70.10	117.18	128.64	164.11
TOTAL	295.87	392.98	468.32	470.29	512.15
ASSETS:					
Gross Block (including royalty rights)	144.42	145.50	155.85	162.07	364.23
Less : Depreciation	96.15	98.68	110.35	117.33	131.18
Net fixed assets	48.27	46.82	45.50	44.74	233.05
Capital work-in-progress	109.96	174.33	189.33	190.23	26.49
Investments	76.39	78.11	118.62	138.04	201.76
Current assets, loans & advances (including earmarked investments)	61.25	93.72	114.87	97.28	50.85
Miscellaneous Expenditure					
TOTAL	295.87	392.98	468.32	470.29	512.15
Capital employed	17.86	54.83	46.94	54.14	270.70
Net worth	51.22	19.16	(—)5.38	14.95	87.72

- NOTE : 1. Capital employed represents net fixed assets plus working capital.
2. Net worth represents paid up capital plus reserves less intangible assets.

8.02 Working Results

The profit/loss made by both the Companies alongwith the cumulative profit/loss for the years 1976-77 to 1980-81 is given in the table below :—

	(Rupees in lakhs)				
	1976-77	1977-78	1978-79	1979-80	1980-81
<i>Hindustan Salts Limited</i>					
Profit/Loss during the year	(-)16.44	(+)7.20	(+)3.56	(+)3.23	(+)0.92
Cumulative Profit/Loss	(-)8.69	(-)1.77	(+)0.36	(+)4.34	(+)6.21
<i>Sambhar Salts Limited</i>					
Profit/Loss during the year	(-)40.97	(-)32.24	(-)17.85	(+)15.34	(+)46.87
Cumulative Profit/Loss	-)78.88	(-)111.41	(-)132.57	(-)114.97	(-)68.05

HSL

The Management attributed the heavy loss for 1976-77 in Kharaghoda Unit of HSL mainly to:

- (i) (a) writing off of Rs. 5.18 lakhs on account of washing away of salt in early rains, (b) provisions of Rs. 12.79 lakhs towards excessive salt shortages,
- (ii) the Company did not receive any dividend from its subsidiary Company during the year 1975-76 and onwards.

SSL

the SSL has been suffering losses regularly since 1975-76. The cumulative overall loss as on 30-9-1981 was Rs. 68.05 lakhs.

The Management has attributed the following reasons for the losses :

- (i) loss of production due to heavy rains and floods;
- (ii) write-off of fixed assets damaged due to floods;
- (iii) loss of salt and by-products; and
- (iv) expenditure incurred incidental to floods.

The Company stated (May 1981) that with the revival of Sambhar Sources in 1979-80, it expected to make good the losses incurred in flood years in the next 3—4 years.

9. Other Topics of Interest**9.01 Loss due to washing away of salt**

(a) The Works Manager, Kharaghoda invited tenders in February 1977 for transportation of 1 lakh tonnes of salt by road from the Kharaghoda Salt Works to the Main Central Stores.

For the period from March to June 1977 of the four tenders received, the contract for the entire work was given to the lowest tenderer M/s. N, who had not done the job earlier.

The Contractor started work from the 11th March 1977 without a formal agreement being concluded. An advance of

Rs. 1 lakh was paid to the contractor in April 1977 by way of financial assistance. The formal agreement was signed on 5th May 1977 giving effect to the agreement from 30th March 1977. According to the agreement, the contractor was required to transport 1800 tonnes of salt per day. Till the 26th April 1977 the contractor could haul only 15,036 tonnes as against 50,000 tonnes stipulated for transport during the same period. In view of this position, the Company executed another agreement with M/s. G, on the 27th April 1977 for the haulage of 50,000 tonnes at the rates payable to M/s. N (This firm was the transport contractor in 1974-75 and 1975-76). This firm was also given an advance of Rs. 1 lakh. Each contractor was asked to transport a total quantity of 50,000 tonnes at the rate of 1,800 tonnes daily on an average. The work was to be completed by the 31st May 1977. From the 27th April to 26th May 1977, M/s. N transported 25,595 tonnes and M/s. G transported 37,094 tonnes. On the 26th and 27th May 1977, it rained and it was not possible to ply the trucks for a few days thereafter. However, M/s. G transported 889 tonnes in 4 days from the 5th to 9th June and M/s. N, transported 2090 tonnes between the 2nd and 14th June 1977. As the contractors could not lift the salt at the rate of 1,800 tonnes as per the terms of the contract, the quantity of 12,906 tonnes and 9,365 tonnes accumulated due to non-lifting by M/s. N and M/s. G respectively was washed away by the rain causing a revenue loss of Rs. 5.18 lakhs.

Had the contractors transported salt at the rate stipulated in the contract, *i.e.* at 1,800 tonnes per day, the contracted quantity could have been lifted by 25th May, *i.e.* before the onset of rains, though as stipulated in the contract, the entire quantity should have been lifted by 31st May 1977.

According to legal advice also, both the transport contractors had committed a breach of the contract and the Company was entitled to recover damages for the untransported salt.

But the Company did not proceed with legal action against the contractors on the apprehension that the haulage of salt in

the subsequent years might be adversely affected by litigation with these contractors as no other contractor was available for the next years' operation. The security deposit of Rs. 16,050 of M/s. N, which was in the form of a bank guarantee, was released and the Company also refunded the security deposit of M/s. G.

The Management stated (March 1979) that the Company was generally interested to encourage a competitor as there was only one party available for haulage of salt at Kharaghoda. It was unfortunate that the Company's experience did not turn out to be as per its expectation for which the then Works Manager was largely responsible.

9.02 Sale of Edible Salt as Industrial Salt

In December 1976, the Works Manager, Kharaghoda, proposed that selling price of Industrial salt be reduced from Rs. 40 to Rs. 33 per tonne to clear the accumulated stocks. On 5th April 1977, the Board of Directors approved the rate effective from the 1st February 1977. The selling price was restored to Rs. 40 per tonne from 15th March 1977. Further, the Board of Directors in their meeting held on 10-10-1977 fixed the selling price of Industrial Salt at Rs. 45 per tonne with retrospective effect from 12th August 1977.

In addition to Industrial salt sold, 9,353 tonnes of edible salt of the 1975-76 crop were also sold by the Unit during the period from February 1977 to April 1977 at Rs. 33 and Rs. 40 per tonne (the rate approved for Industrial Salt) against the then prevailing price of Rs. 60 per tonne for the same.

The Management stated (May 1981) that "this was done by the Works Manager, Kharaghoda, on his own without the approval of the Head Office/Board of Directors causing thereby a loss of Rs. 2.24 lakhs for which the then Works Manager, Kharaghoda, has already been dismissed from service."

A further quantity of 2,305 tonnes of edible salt was sold at the rate of Rs. 33 and Rs. 45 during 1977-78 causing a loss of Rs. 0.42 lakh to the Company. The then Superintendent of Sales was held responsible and was reduced in rank. He has since voluntarily retired from service.

9.03 *Purchase of Locomotive*

The Company had acquired a locomotive on hire from the Western Railways in.....1972 for haulage of salt during 1972-73 and 1973-74 and paid hire charges of Rs. 1.42 lakhs and Rs. 1.77 lakhs respectively. In May 1972 a second hand locomotive was purchased from Western Railway at a cost of about Rs. 3.08 lakhs to avoid payment of hire charges to the Railways. The period for which the locomotive was used between May 1972 and 30th September 1973 could not be ascertained in the absence of proper records. The locomotive worked for 67 days, from October 1973 to June 1974. A sum of about a lakh of rupees was spent on its repairs and maintenance. As the Company switched over to road transport, the locomotive became idle since July 1974. After keeping the locomotive idle for a period of about five years, it was disposed of in 1978-79 for Rs. 1.85 lakhs.

In March 1977, the Management stated that the Company was compelled to switch over from rail to road haulage as a result of shifting the site of salt manufacture (due to depletion of brine supplies from the old site workings) far away from the rail track which position, the Company could not foresee at the time of purchase of locomotive; the Company was also compelled to purchase the locomotive with a view to avoiding its dependence on the Railways in order to complete its haulage of salt before the onset of rains so as to avoid losses in the event of excessive rains, washing the fresh salt at the pan edges, especially as the Railways showed their inability/reluctance for the purpose. However, one locomotive was not adequate enough to complete the entire haulage of salt and as such the Company was obliged to hire locomotive from the Railways.

9.04 Idle Machine

For mechanisation of heaping operations of salt at Kharaghoda, the Company placed an order with M/s. P, Alwar, in January 1979 for the supply of one unit of portable Conveyor-cum-hopper for Rs. 52,500 and belt hopper for Rs. 12,500 f.o.r. Delhi. These were decided to be purchased on an experimental basis to explore and judge their effectiveness in the salt heaping operations at Kharaghoda Unit. The delivery period was 6 to 8 weeks. There was no penalty and force majeure clause in the purchase order. After protracted correspondence, the suppliers sent the machinery through a transport contractor on 26-4-1979 without having got it inspected by the Company's representative. 90 per cent payment of the billed amount of Rs. 60,840 was released to the party by the Company (Head Office). On asking, the suppliers sent their representatives in the last week of May 1979 for assembling and trial run of the equipment. As the tube and tyres were sub-standard, the trial run could not take place and the representatives of the suppliers went back on 29th and 30th May 1979. The Technical Officer of the Company in his report dated 12-6-1979 pointed out that :

- (i) the pair of numatic wheels were old, repaired and re-treated;
- (ii) the hopper did not appear to suit as the salt would not be able to be unloaded direct to the hopper from the truck for transportation over the heap; and
- (iii) the belt conveyor comprised 12 pieces of tractor tyres which had been joined by nut and bolts and could not give smooth and good service etc.

The machine has not been set in order (June 1982) and is lying idle. The Company has filed a civil suit against the party for alleged cheating and for making good the payment already made or to rectify the defects. The case is still sub-judice (June 1982).

9.05 Establishment of Drilling Section, Mandi

In December 1967, Hindustan Salts Limited decided to establish a Drilling Section at Mandi. A Senior Geologist was appointed in December 1967 and Drill and other equipments were purchased in March 1968 at a cost of Rs. 0.56 lakh. Other staff required for drilling, viz. Driller, Sr. Drilling Assistant and Drilling Assistant was appointed between March and August 1968. Drilling commenced in May 1968. Only one hole was drilled in August 1968 which was blank. Drilling was discontinued thereafter as the programme had not worked to any advantage. The Geologist and the Driller left services of the Company in August and October 1968 respectively. The services of the Sr. Drilling Assistant were terminated from 25th June 1970, but the Drilling Assistant was retained to look after the maintenance and up-keep of the Drill which was transferred to Sambhar Salt Works in September 1972. Drilling machine was repaired and expenditure incurred till May 1976 was Rs. 0.49 lakh but the same remained idle at Sambhar. It was transferred to the Kharaghoda Unit in May 1976 where also it has been lying idle.

The Works Manager, Kharaghoda Unit had sought in May 1979 the sanction of the Chairman and Managing Director for the disposal of the same but it has not been disposed of (June 1982). Thus the expenditure amounting to Rs. 1.70 lakhs (approximately) incurred by the Company for the drilling staff and running and maintenance of the drill has proved infructuous.

The Management stated (June 1982) that action to dispose of the drilling machine had since been initiated.

10. Summary

10.01 Introduction

Hindustan Salts Limited (HSL) was formed on 12th April, 1958 and Sambhar Salt Limited (SSL)—a subsidiary of HSL, on 30th September, 1964 to take over the departmentally run Government Salt sources in Rajasthan and Gujarat and to carry

on all kinds of business relating to manufacture of salt, its products and by-products. No formal agreements have, however, been executed (June 1982) for the transfer of the rights of the salt sources taken over by these Companies at Kharaghoda, Mandi and Sambhar, although a period of 18 to 24 years has since elapsed.

10.02 *Capital Structure*

As on 30th September 1981, the paid up capital of HSL was Rs. 215.81 lakhs and of SSL, Rs. 100 lakhs while loan amounted to Rs. 208.73 lakhs (HSL) and Rs. 175.86 lakhs (SSL). HSL was given loan by Government and SSL by HSL. Besides, both the Companies were having cash credit arrangement with the banks. The amount of cash credit in the case of HSL was Rs. 24.02 lakhs and in the case of SSL, Rs. 28.37 lakhs as on 30th September 1981.

10.03 *Objective and Production Performance*

Both the Companies were established to manufacture and sale of salt, its by-products and other allied minerals. The corporate objectives of the Companies were approved by the Government only in July 1982, which include achievement of production level of about 10—15% of the total salt production in the country.

Since formation, the production of salt by the two Companies has remained more or less static whereas the country's production has increased by 106%. In 1979-80, the contribution of the two Companies was 3.9 per cent of the total production of salt in the country as against 10.9 per cent in 1962-63. The two Companies have also not made any progress in the recovery of chemicals/by-products. As would be seen from the following paragraphs, no planned efforts have been made by the two Companies to increase the production of salt or recovery of by-products.

HSL

The production of salt at HSL was 1.63 lakhs tonnes during 1980-81 as against the production of 2.22 lakh tonnes during July 1962 to September 1963. Further, the actual utilisation of land for salt production at Kharaghoda by HSL was only 5 to 6 per cent of the total available land. At Mandi, the production of pan and refined edible salt did not exceed 30 tonnes and 460 tonnes respectively per annum. Refinery plant set up at Mandi in April 1967 at a cost of Rs. 0.40 lakh could not be operated fully due to non-availability of coal and was later closed in July 1973 on this account. The plant was recommissioned in November 1976 after renovating it for operation on firewood at a cost of Rs. 0.37 lakh. However, its operation on firewood in lieu of coal proved to be uneconomical. The plant is lying idle since september 1978.

SSL

During 1980-81, the production of salt in SSL was 2.94 lakh tonnes which exceeded the highest production of 2.51 lakh tonnes achieved in 1964-65. The company is also producing a small quantity of Table and Refined Salt. During the last ten years, the quantity of Table Salt produced has ranged from 133 tonnes to 374 tonnes per annum and of Refined Salt, the production of which commenced from 1975-76, from 43 tonnes to 202 tonnes per annum.

Iodized salt is supplied by HSL and SSL to the notified goitre-endemic areas as per allocations made by the Salt Commissioner. HSL has 3 iodization plants at Kharaghoda and SSL, 5 plants at Sambhar. The iodization of salt was, however, less than the quantity allotted to them by the Salt Commissioner, the shortfall being in the range of 24,314 to 55,134 tonnes in the case of HSL and 25,267 to 45,265 tonnes in the case of SSL during the last four years. Consequently, not only these plants remained under-utilised but also non-iodized salt though injurious to health had got outlet in goitre-endemic areas. The

Ministry stated (July 1982) that DGHS had been requested to take necessary steps for stopping the entry of non-iodized salt in the goitre-endemic areas.

10.04 By-products

The two companies have not been able to utilise the bitterns *i.e.*, mother liquor left over after the formation of salt. The availability of bitterns is estimated at one tonne of bitterns for every tonne of salt produced. The pilot plant commissioned at Khairaghoda in June 1968 to produce Potassium Chloride and Potassium Scheonite was closed down after running it during 1969-70 and incurring expenditure of Rs. 0.63 lakh as the two chemicals could not be produced due to higher percentage of Magnesium Chloride in the mixed salt processed in the pilot plant. Later, the Bromine plant commissioned in February 1979 at a cost of Rs. 17.50 lakhs with installed capacity of 150 tonnes per annum produced Bromine in the range of 28 tonnes to 74 tonnes per annum during the years 1978-79 to 1980-81. In view of the high cost of production *vis-a-vis* the price of imported Bromine, the loss on marketing the Bromine amounted to Rs. 10.16 lakhs in 1979-80 and Rs. 8.53 lakhs in 1980-81. The working of the plant being not viable has been suspended with effect from 23rd March 1982.

In Sambhar, small quantities of Burkeite and Sodium Sulphate were being manufactured from Bitterns with the help of Pilot Refrigeration plant of 5 tonne capacity per day. For greater utilisation of bitterns, it was recommended by a Committee of Directors of SSL in 1971 that 30/40 tonnes per day Sodium Sulphate plant may be set up at Sambhar. The Planning Commission also approved it for the Fifth Five Year Plan. Feasibility Report for this project as well as Salt Washing Project was prepared by NIDC at a cost of Rs. 50,000.

However, the Company purchased a Sodium Sulphide plant of 50 tonnes per month capacity from a private party in 1973 and commissioned it in March 1974 at a total cost of Rs. 8.46 lakhs without undertaking any feasibility studies. The plant

could not run to its capacity and till July 1975 produced only 147 tonnes of Sodium Sulphide. As the plant got submerged in water due to floods in 1975 and the required raw material for running the plant was also not likely to be available for two years as a result of inundation of salt works due to floods and heavy rains, the Board decided (November 1976) to dispose of the plant. The plant has, however, not been sold as the offers received were not found attractive. The procurement of the plant, however, lacked adequate justification as neither the coal nor Sodium Sulphate of the required specifications was available to operate the plant. Moreover, the cost of production of Sodium Sulphide in 1974-75 worked out to Rs. 5,129 which was higher than the market rates. The loss sustained by the Company on the sale of 147 tonnes of Sodium Sulphide which was produced during June 1974 to July 1975 amounted to Rs. 3.90 lakhs in addition to the loss of Rs. 1 lakh on the Sulphide washed away by floods.

The bitterns at Kharaghoda apart from being utilised in the production of Bromine are being sold to a private firm which is lifting about 9.75 to 25 per cent of bitterns per annum; the remaining quantity is being drained out. However, at Sambhar the bitterns remain largely unutilised. It will thus be seen that even after 18—24 years, there has been no progress towards recovery of Chemicals/by-products.

10.05 *Research & Development*

Four equipments were purchased by HSL during the period July 1972 to October 1973 at a cost of Rs. 2.48 lakhs for Research and Development Wing. Besides, expenditure of Rs. 0.76 lakh was incurred during this period on pay and allowances of the staff employed for the Wing. The equipments have, however, not been installed (June 1982) and consequently, the Research and Development wing has also not started functioning.

10.06 *Material Management and Inventory Control*

The closing stock of salt has been quite heavy in HSL throughout the last 10 years. No optimum limit has been fixed for

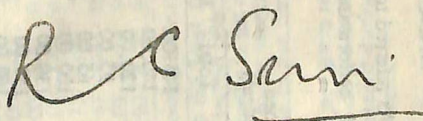
holding the stock of salt in respect of both the Companies. In terms of monthly sale, it varied from 11.6 to 28.6 months. In SSL it was heavy during 1972-73, 1973-74, 1979-80 and 1980-81. As on 30th September 1981, the closing stock of salt in HSL was equal to 16.3 months' sale and in SSL, equal to 30.9 month's sale.

10.07 Exports

The two Companies are exporting only iodized salt to Nepal. Due to settlement of price without taking into account the increased cost of production and prevailing market price the Company had to forgo earnings of about Rs. 1.89 lakhs on iodized salt supplied to Nepal during 1974-75.

10.08 Working Results

SSL suffered losses during 1975-76 to 1978-79 and HSL during 1976-77. As on 30th September 1981, the accumulated loss of SSL was Rs. 68.05 lakhs. The loss was attributed mainly to floods in the case of SSL and to washing away of salt due to early rains and excessive salt shortages in the case of HSL during 1976-77.



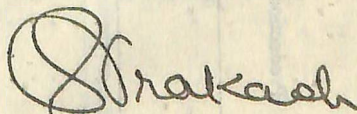
(R. C. SURI)

Chairman, Audit Board and Ex-officio
Additional Deputy Comptroller and
Auditor General (Commercial)

New Delhi

The 7-5-1983

Countersigned



(GIAN PRAKASH)

Comptroller and Auditor General
of India

New Delhi

The 7-5-1983

ANNEXURE-I (a)

(As referred to in para 4.06)

Production Planned and Actual performance—Hindustan Salts Limited—Kharaghoda Unit

(Quantity in Thousand Tonnes)

Year	Production planned (As per original budget)			Actual Production (As per accounts)			Shortfall/excess		
	Baragara	Kurkutch	Total	Baragara	Kurkutch	Total	Baragara	Kurkutch	Total
1971-72	100.00	45.00	145.00	50.63	23.30	73.93	(-)49.37	(-)21.70	(-)71.07
1972-73	100.00	40.00	140.00	84.37	12.43	96.80	(-)15.63	(-)27.57	(-)43.20
1973-74	100.00	20.00	120.00	65.18	11.05	76.23	(-)34.82	(-) 8.95	(-)43.77
1974-75	90.00	5.00	95.00	64.01	6.83	70.84	(-)25.99	(+) 1.83	(-)24.16
1975-76	60.00	5.00	65.00	66.61	4.95	71.56	(+) 6.61	(-)20.05	(+) 6.56
1976-77	90.00	10.00	100.00	99.00	5.48	104.48	(+) 9.00	(-) 4.52	(+) 4.48
1977-78	120.00	10.00	130.00	106.96	13.70	120.66	(-)13.04	(+) 3.70	(-) 9.34
1978-79	125.00	25.00	150.00	131.09	16.02	147.71	(+) 6.09	(-) 8.98	(-) 2.89
1979-80	125.00	35.00	160.00	119.65	12.70	132.35	(-) 5.35	(-)22.30	(-)27.65
1980-81	134.00	16.00	150.00	143.16	16.11	159.27	(+) 9.16	(+) 0.11	(+) 9.27

The shortfall in production from 1971-72 onwards was attributed by the Management mainly due to the following reasons:—

- 1971-72 . . . Non-availability of salt workers (Agarias) in sufficient number for manufacturing salt since higher wages were paid by the private salt manufacturer to their labour.
- 1972-73 . . . Acute scarcity of brine, powerload-shedding and low voltage of electric energy.
- 1973-74 } . . . (i) Shortfall in rainfall, (ii) depletion of brine supply both in quantity and in concentration, (iii) Powerload-shedding and (iv) low voltage of electric energy.
- 1974-75 } . . .
- 1975-76 . . . Due to non-transfer of the proposed staff from Sambhar.
- 1978-79 } . . . There is a minor variation only.
- 1979-80 } . . . Due to abnormal and unseasonal rains in November 1979 which reduced the manufacturing season by 1½ month.

ANNEXURE-I(b)

(As referred to in para 4.06)

Production Planned and Actual performance Hindustan Salts Ltd.—Mandi Unit

(Quantity in Thousand Tonnes)

	Production planned				Actual Production				Shortfall/excess			
	(as per original budget)				Rock Salt	Pan Salt	Refined	Total	Rock Salt	Pan salt	Refined Salt	Total
Rock Salt	Pan Salt	Refined	Total	Rock Salt									Pan salt	Refined Salt	Total
1971-72	5.00	0.05	0.45	5.50	4.29	0.02	0.46	4.77	(-)0.71	(-)0.03	(-)0.01	(-)0.73
1972-73	5.50	0.04	0.50	6.04	4.09	Nil	0.26	4.35	(-)1.41	(-)0.04	(-)0.24	(-)1.69
1973-74	6.00	Nil	Nil	6.00	4.49	Nil	Nil	4.49	(-)1.51	Nil	Nil	(-)1.51
1974-75	5.00	Nil	Nil	5.00	3.83	Nil	Nil	3.83	(-)1.17	Nil	Nil	(-)1.17
1975-76	5.00	Nil	Nil	5.00	4.17	0.02	Nil	4.19	(-)0.83	(+)0.02	Nil	(-)0.81
1976-77	4.50	0.20	0.45	5.15	3.68	0.02	0.04	3.74	(-)0.82	(-)0.18	(-)0.41	(-)1.41
1977-78	4.30	0.03	0.40	4.73	4.40	Nil	0.08	4.48	(+)0.10	(-)0.03	(-)0.32	(-)0.25
1978-79	4.00	0.03	0.40	4.43	4.11	0.01	—	4.12	(+)0.11	(-)0.02	(-)0.40	(-)0.31
1979-80	4.00	0.03	Nil	4.03	4.13	0.02	—	4.15	(+)0.13	(-)0.01	Nil	(+)0.12
1980-81	4.00	0.03	Nil	4.03	4.20	0.03	Nil	4.23	(+)0.20	Nil	Nil	(+)0.20

The Management has assigned the following main reasons for shortfall in Production of rock salt:

1971-72	Production was less as the Joint Director of Mines had imposed restrictions on the working of Guma Mines till the second opening was made.
1972-73	Production was not upto the target due to operational difficulties in the mines.
1973-74	Operational difficulties in the working of Drang Salt Mines.
1974-75	Production was less due to less demand and also operational difficulties in the working of Drang Salt Mines.
1975-76	The Management have not given reasons for the shortfall of production of Rock Salt for the year 1975-76 as the target of production was revised to 4,000 tonnes from 5,000 tonnes.
1976-77	The Production was curtailed during the year in view of the heavy accumulation of stock of Rock salt as a result of less sales.
1977-78 } 1978-79 }	As there was no production of refined salt due to non-availability of coal.

ANNEXURE-I (c)

(As referred to in Paragraph 4.06)

Production Planned and Actual performance—Sambhar Salts Limited

(Quantity in thousand tonnes)

Year	Production planned				Actual Production				Shortfall/ excess
	Kyar	(Original estimates) Reshta Pan		Total	Kyar	Reshta	Pan	Total	
1971-72	110.00	18.00	46.00	174.00	112.34	11.98	51.87	176.19	(+)2.19
1972-73	100.00	25.00	75.00	200.00	100.70	57.54	99.39	257.63	(+)57.63
1973-74	100.00	25.00	75.00	200.00	106.48	32.53	63.05	202.06	(+) 2.06
1974-75	80.00	10.00	10.00	100.00	71.53	8.15	16.10	95.78	(-) 4.22
1975-76	No Production due to floods								
1976-77	15.00	—	—	15.00	Nil	Nil	0.43	0.43	(-)14.57
1977-78	10.00	Nil	Nil	10.00	7.41	0.67	0.45	8.53	(-) 1.47
1978-79	35.00	5.00	20.00	60.00	30.71	3.73	24.63	59.07	(-) 0.93
1979-80	55.00	30.00	65.00	150.00	85.53	20.70	70.81	177.04	(+)27.04
1980-81	145.00	28.00	78.00	251.00	167.75	41.05	85.54	294.44	(+)43.44

Reasons for shortfall in production.

1975-76 }
 1976-77 } Due to flooding of Sambher lake sources.
 1977-78 }

ANNEXURE-II

(As referred to in Paragraph 6.03)

Period	Quantity contracted (tonnes)	Rate per tonne (Rs.)	quantity lifted (tonnes)	Variety of salt.
1	2	3	4	5
January 1970 to December 1970	3,000	26.60	—	Baragara
	3,000	29.28	—	Kurkutch
January 1971 to December 1971	3,000	26.60	2,984	Baragara
	3,000	29.28	—	Kurkutch
March 1973 to March 1974.	35,000	35.00	19,737	Baragara
	9,000	40.70	4,288	Crushed Kurkutch
	6,000	37.70	—	Kurkutch
April 1974 to March 1975	30,000	38.70	12,538	Baragara
		39.70	20,409	
	1,000	46.10	992	Uncrushed Kurkutch
April 1975 to March 1976	5,000	49.10	66	Crushed Kurkutch
	51,000	44.60	39,695	Baragara
		53.00	53	Kurkutch
April 1976 to March 1977	9,000	63.36		Kyar salt from SSL
	2,000	66.74		Reshta salt
	14,000	60.00		
	25,000		15,272	Uncrushed salt from Phalodi
	35,000	44.66		Baragara
	1,000	53.00		Kurkutch salt
	36,000		37,434	

1	2	3	4	5
April 1977 to March 1978	25,000	*67.50	to 24,895	Phalod
	5,000	*(Rates raised to Rs. 75 w.e.f. 1-12-1977) Prevaling price at the time of despatch		Table s
	40,000	44.66*	36,011	Baraga
April 1978 to March 1979		*(Rate riased to Rs. 49 w.e.f. 1-12-77)		
	55,000	52.00	49,457	Baraga
	15,000			
	20,000	*95.00	21,970	Rajasthan Urea sau
	5,000	95.00		
	100	*(Price raised to Rs. 100 for the Supplies between 1-4-78 to 15-4-78) Rate as prevailing table salt at the time of despatch.		
April 1979 to March 1980	85,000	62.50	59,523	Baragara
	25,000	122.00	29,966	Rajasthan Urea
	500			Table
		At the prices prevailing at the time of despatch		
April 1980 to March 1981	52,000	73.00	55,872	Baragara
	30,000	124.50	25,179	Pañ
	300			Table.
		At the rates prevailing on the date of despatch		

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