

(b) if so, whether it is a fact that this monopoly creates difficulty in export of Indian tea at cheaper rates which might increase demand of the same in other countries; and

(c) the measures adopted by Government to expand auctioning and booking arrangement for export of tea?

The Minister of Commerce (Shri Kanungo): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) and (b). There is no absolute monopoly of tea auctions in Calcutta by foreign broking firms. The North East Indian tea crop is handled in Calcutta largely by seven broking firms out of which three are entirely Indian and four are predominantly non-Indian. The bulk of the sales, however, is handled by non-Indian broking firms.

No complaints or allegations have come to the notice of Government of any artificial rigging up of prices. The quantity of tea to be offered at the auctions is decided after joint consultation among sellers, buyers and brokers who are members of the Calcutta Tea Traders' Association. The price of tea at the auctions is settled by open bidding.

(c) Following the report of the Tea Auctions Committee appointed by Government in 1954, Government embarked on the policy of encouraging the Calcutta auctions. A ceiling has been fixed for each year on direct export of tea for London auctions from North East Indian crop.

Shri Bishwanath Roy: May I know whether the Government has any idea about the value of tea exported last year through foreign firms?

Shri Kanungo: We certainly have the figure for exports but we do not have the figures of the exports for particular firms.

Shri Bishwanath Roy: May I know whether some Indian firms are pre-

pared to undertake this work of auctioning and booking of tea?

Shri Kanungo: A large number of Indian firms do it and some of them do it in large quantities.

Shri Bishwanath Roy: What is the ratio of export through the Indian firms in relation to the quantity exported by the foreign firms?

Shri Kanungo: A large bulk—almost two-thirds of the crop available—is auctioned in Calcutta and one-third is sent out by consignment. In the consignment, Indians also take part and send and in the auctions anybody can offer and buy. There is no distinction.

Shri R. Narayanasamy: May I know whether only foreign tasters are employed and if so, what steps are taken to take Indian tasters?

Shri Kanungo: There are quite a number of Indian tasters now—of high calibre.

M/s. Jessop and Co. Ltd.

*1026. **Shri Indrajit Gupta:** Will the Minister of Commerce and Industry be pleased to state:

(a) the degree and manner of control exercised at present by the Central Government over the management of M/s. Jessop and Co. Ltd.;

(b) what percentage of share capital in this firm is held by Government; and

(c) whether there is any proposal for nationalisation of the firm?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). A statement is laid on the Table of the House. [See Appendix III, annexure No. 69].

Shri Indrajit Gupta: From the statement I find that only part (a) of the question has been replied to and no reply is given to parts (b) and (c).

Shri Manubhai Shah: I have tried to make the statement as comprehensive as possible. As far as the

Government shares in this company are concerned, there has been no direct shareholding by the Government as such. Therefore, we are silent on that point. If the Life Insurance Corporation is also considered as a Government corporation, then it holds about 20 per cent. of the shares.

Shri Indrajit Gupta: Part (c) of the question is whether there is any proposal for nationalisation of the firm.

Shri Manubhai Shah: As it is already under the control of the Government and it is going to be for a number of years, under the Act as the hon. Member knows, that question would not arise at this particular juncture.

Shri Indrajit Gupta: As far as I know this control which the Government exercises is due to the past history and financial mismanagement of this concern. But in view of the fact that this factory does very important works almost entirely on Government orders such as the supply of rolling stock for the railways under the Five Year Plans, would it not be in our interest to nationalise the firm and take it over?

Shri Manubhai Shah: For many years to come the order stipulates the company is to be held by us. In due course it will be for consideration of the Government. For the present, that question does not arise.

Shri Prabhat Kar: May I know whether the Government are aware that the shares of Jessops Company Ltd. are being purchased by Shri Shanti Prasad Jain from the market and he is mopping up shares to gain controlling interest? What steps do the Government propose to take in view of the fact that all the articles manufactured are for Government orders?

Shri Manubhai Shah: As far as the sale of shares is concerned, under the Act what we do is to manage the company and the corpus vests in the

Government. As far as the transfer is concerned, it is like the purchase of a commodity by one party of the other. We have no knowledge as to who is a particular holder. The hon. Member has given the name. It is difficult to identify any particular purchaser as an individual buying a share.

Shri Basappa: May I know, Sir, whether the affairs of this Jessop and Company Limited have improved considerably due to the management by the Government?

Shri Manubhai Shah: There is no doubt on that point; the production has increased, so also all the other things.

Shri Kamalnayan Bajaj: There is a rumour in the market that Shri Mundhra has made considerable money and he is trying to buy up the other investments that he has otherwise lost. Is there any truth in it? Has the Government any information about it?

Shri Manubhai Shah: No such information is available with the Government, but I can assure the House that we are going to hold on to this company, manage it well and in due course we shall consider all the aspects of the question.

Shri Ramanathan Chettiar: May I know whether Mr. B. P. Singh Roy continues to be the Chairman of the Company?

Shri Manubhai Shah: Yes, he is still the Chairman of the Board of Control.

Shri Tridib Kumari Chaudhuri: Is it not a fact that even certain well known financial journals remarked the fact that Shri Mundhra has again entered the market with Rs. 4 crores; if so, what guarantee is there that he would not be able to corner all the shares of this company as the Government has no control over the shares?

Shri Manubhai Shah: Rumours of different types would always continue. We do not have the knowledge

of that particular rumour. But I can assure the House that whatever shares are held by the Government—by the Life Insurance Corporation—are remaining intact with us. As far as other holdings are concerned, as I said, the question will have to be considered over a number of years because the management entirely rests with us.

Shri Tridib Kumar Chaudhuri: May I again point out to the Government, Sir, that rumours about Shri Mundhra and the L.I.C. were there in the market and well known financial journals like *Capital* and others had commented that Shri Mundhra was on the market. The Government took no notice of that. Then we had to drop one Minister at the Centre. Why does the Government not go into these facts? Why do they fight shy of it?

Shri Manubhai Shah: We are fully aware of all the facts and what is going into the market. As far as shares of Jessops are concerned, what I would like to tell hon. Members is, as far as control and management is entirely vesting in Government and under the Act it vests up to a period of three years which is renewable for a further period of the same time if the Government so desires, there is enough time for the Government to consider all these aspects during the course of its management.

Shri Indrajit Gupta: May I know whether four out of the five whole-time directors of the Board are persons who were fellow directors of Mr. Haridas Mundhra?

Shri Manubhai Shah: No, Sir. Firstly, there are nine members on the Board. Three of them, to whom the hon. Member refers, are the British experts who have had a continuous association with this concern for a long time. As a matter of fact, it was those persons who were helpful in bringing all the defects of this company while Mr. Mundhra was associated with it to the Government's notice. So there is no reason to

believe that their association is at all detrimental to the working of this company.

WRITTEN ANSWERS TO QUESTIONS

Permanent Exhibition in New Delhi

*1014. **Shri Pangarkar:** Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 642 on the 4th March, 1960 and state the nature of final decision taken regarding the proposal to set up a permanent exhibition at the site where the "India 1958" exhibition was held?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): Consultations with the concerned Ministries on the proposed Permanent Exhibition have still not been concluded. In the meantime, due to the impending Indian Industrial Fair to be held in 1961 on the Exhibition Grounds, the scheme has slowed down.

राजस्थान में कपड़े की मिलें

*१०१६. श्री प० ला० बाबूपाल : क्या वाणिज्य तथा उद्योग मंत्री यह बताने की कृपा करेंगे कि :

(क) राजस्थान में कितनी कपड़ा मिलें बन्द पड़ी हैं और उन के बन्द होने के क्या कारण हैं; और

(ख) क्या यह सच है कि जो मिलें चल रही हैं उनकी भी आन्तरिक स्थिति अच्छी नहीं है और उन के भवन टूटे-फूटे हैं ?

वाणिज्य मंत्री (श्री कानू गो) : (क) चार । उनके बन्द होने का कारण यह है कि उनकी मशीनें और संयंत्र घिस गये हैं तथा पुराने ढंग के हैं और उन्हें चलाने से लाभ नहीं होता ।