

(c) What are its authorised and paid-up capitals?

(d) Is there any Indian participation in the firm and if so, what is the percentage of Indian investment?

(e) Who are the Indians on the Board of Directors, if any?

(f) Do Government propose to place on the Table of the House a statement giving the number of Indian-owned Ink factories in the country, the capital invested in each of them and the production capacity of each of them?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Messrs. T. A. Taylor and Co., (Madras) Ltd., Madras, have been permitted to manufacture Quink ink in collaboration with Messrs. Parker Pen Co. Ltd., London, under certain conditions through a private limited company formed for this purpose.

(b) The proposed factory will be located at Madras. The machinery for Quink ink manufacture is expected to arrive in India by the middle of 1953 and production is expected to commence soon thereafter. Production during the first year of operation is estimated to be 10,000 gross bottles of 2 oz. each.

(c) and (d). The capital of the Company will be Rs. 2 lakhs, which will be subscribed by the Indian and the U.K. firms in the ratio of 1 : 2.

(e) To the knowledge of this Ministry, Mr. R. K. Murthe and Mr. Norman Beauford, are the directors of the Company.

(f) There are about 70 firms manufacturing fountain-pen ink in India. Information regarding rated capacity is available only in respect of 23 firms. A statement is laid on the Table of the House. [See Appendix II, annexure No. 44]. The capital invested in these units varies from Rs. 250 to Rs. 2 lakhs and most of the factories have a capital well below Rs. 20,000.

Shri Nambiar: In view of the fact that it is mentioned in the statement that 15,86,000 bottles of ink are produced by Indian firms, what is the necessity to give permission to a foreign firm to produce 10,000 bottles?

Shri T. T. Krishnamachari: In the first place, the inference which the hon. Member has drawn from the statement is not accurate. It is the rated capacity that is mentioned there, and the rated capacity, unfortunately in our country, does not always mean the amount of goods manufactured.

Shri Nambiar: May I know if ever Government conducted any negotiations with any Indian firm before giving permission to this foreign firm to manufacture ink?

Shri T. T. Krishnamachari: Government do not conduct negotiations.

Shri Sarangadhar Das: May I know, Sir, if in the ink industry, the ink manufactured has to be tested for 10, 15 years before it can be called proper ink that will last when written on paper?

Shri T. T. Krishnamachari: It is a matter of opinion, and I am not an expert. All that I know is that at times when I buy ink manufactured in this country, it sticks in my fountain pen, and I am not able to use it.

Shri K. K. Basu: Is the Government aware that indigenous ink manufacturers are in a precarious condition, and this will only aggravate the situation?

Mr. Speaker: Order, order. No answer need be given.

Shri Nambiar: Why did Government invite foreign investors in this consumer goods industry when there is enough ink manufactured in India?

Mr. Speaker: He is arguing the whole question again. It is only another way of putting the question.

Shri Kelappan: May I know how many foreign firms are already in the field?

Shri T. T. Krishnamachari: I have given the list here which the hon. Member might see. I do not know how many are foreign, and how many are Indian.

CONFECTIONARIES

*410. **Shri Nambiar:** (a) Will the Minister of Commerce and Industry be pleased to state whether permission has been granted for the starting of a factory in India by Messrs. Cadbury's Ltd.?

(b) If so, where is it to be situated, when will it start production and what will be its total capacity of production?

(c) What are its authorised and paid up capitals?

(d) Is there any Indian participation in the firm and what is the percentage of Indian investment in it?

(e) Who are the Indian Directors on its Board, if any?

(f) What has been India's total consumption of confectionaries during the past three years, how much of this was produced in India and how much imported, as also the value of the imports?

(g) Which are the major factories in India producing confectionaries, what is the capital invested in each of them and what is their total capacity for production?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):
(a) Yes, in December, 1948.

(b) The factory has already been established at Bombay and is at present producing mould chocolate, pack cocoa powder and Bourrvita. Their proposed capacity for producing chocolate from cocoa beans would be about 450 tons per annum and for cocoa powder about 250 tons.

(c) The authorised capital of the company is Rs. 20 lakhs which seems to have been fully paid up.

(d) We understand that the percentage of Indian investment is 35.06.

(e) A Statement is laid on the Table of the House.

(f) A Statement is laid on the Table of the House.

(g) A similar Statement is laid on the Table of the House.

[(e) to (g). See Appendix II, annexure No. 45].

Shri Nambiar: From the statement it is seen that the total estimated consumption for 1949 was 738 tons, whereas in 1950/51, it is 10,895 tons. May I know the reason for such a vast difference?

Shri T. T. Krishnamachari: Which statement is the hon. Member referring to?

Shri Nambiar: The statement in reply to part (f).

Shri T. T. Krishnamachari: I am afraid it is a mistake. I think it is somewhere in the region of 9,738 tons. I am sorry for the mistake.

Shri Nambiar: May I know if the Government have entered into an agreement with this concern?

Shri T. T. Krishnamachari: The hon. Member does not seem to be familiar with the procedure. Government does not come to an agreement. They come for permission to Government for starting the manufacture. There are two types. Under the Industries (Regulation and Development) Act, certain scheduled industries will have to obtain licences from the Licensing Committee. Other-

wise, any application of this nature comes to Government and is passed on to a Committee called the Secretaries' Committee. They scrutinise each application, and in the case of this particular concern or any other concern, they impose certain conditions, or give it without conditions. So, there is no question of Government inviting anybody to come and start anything here.

Shri Nambiar: When it is a question of granting license to a foreign concern, and there are enough Indian concerns manufacturing these things, may I know what the terms and conditions of license are for this foreign concern?

Shri T. T. Krishnamachari: There are no terms of license. They ask for a license. If it is under the Industries (Regulation and Development) Act, the conditions are stated therein. Otherwise they are merely permitted. The question really is based on certain assumptions made by the hon. Member, which I am afraid do not bear any scrutiny.

Mr. Speaker: The point at issue is not the general practice or procedure. The hon. Member wants to know in this specific case, the terms of the license that has been granted.

Shri T. T. Krishnamachari: This concern has been coming up to Government now and again from 1949, and in the latest instance I believe the matter was again considered by the Secretaries' Committee and they have insisted that they should start manufacturing in this country, and orders should be placed before 1952, and that the production will be increased to about 750 tons. Subject to these conditions, they have been permitted to carry on their work.

Shri Nambiar: From the statement laid on the Table of the House, it will be seen that there are nine factories producing these confectionaries, most of which are owned by foreigners. Why should any foreigner be allowed.....

Mr. Speaker: Order, order. The hon. Member is arguing the point again.

Shri Kelappan: Is this particular industry a scheduled industry?

Shri T. T. Krishnamachari: No, Sir. It is not.

Shri M. A. Ayyangar: Before license is given to any foreign company or it is permitted to establish a

factory here, are all other similar industries or concerns which are producing similar articles consulted as to whether they can produce more?

Shri T. T. Krishnamachari: If it is something very big, well, we do consult other industries. If not, the industrialists are active enough to find out that somebody has applied for a license and write to the Government and object to the license being granted.

If it is a scheduled industry, when the Licensing Committee examines it, the Governments of the various States are invited to send their representatives, and if they have any information regarding any private industry, then that information is taken into account.

Shri Nambiar: Were there any objections raised by the industrialists in this case?

Mr. Speaker: I think it is no use pursuing an individual question in that manner.

Shri Syamandan Sahaya: There being a large number of Indian manufacturers already in this line, have the Government considered the effect that this foreign combine is likely to have on the Indian manufacture?

Mr. Speaker: I think it is a matter of opinion again.

Shri Syamandan Sahaya: I only want to know whether the Government have considered the effect or not.....

Mr. Speaker: It is a matter for argument or it is a suggestion for action.

Shri Syamandan Sahaya: I only want to know whether this aspect has been considered.....

Mr. Speaker: Order, order.

Shri Sarangadhar Das: May I know whether these confectioners i.e. Cadbury's manufacture sweets like Parry's or Morton's, or only chocolate and cocoa?

Shri T. T. Krishnamachari: There is a slight misapprehension, I think, considering the nature of the question asked. Confectionary, generally according to the dictionary includes chocolates; there are firms in this country which manufacture confectionary bar No. 1; there are also others which manufacture chocolates. The hon. Member is quite right when

he says that chocolates are quite different from confectionary. This particular firm only manufactures chocolates, cocoa, and another drink called 'Bournvita'.

Pandit L. K. Maitra: Was the opinion of the State Government obtained?

Shri K. K. Basu: rose—

Mr. Speaker: Order, order. We have already spent more than five minutes on this question. I am going to the next question.

MANUFACTURE OF DIESEL ENGINES

*411. **Shri Namdas:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that an Indian company is starting the manufacture of diesel engines in India?

(b) If so, which is the company, when will it start production and what will be its total capacity?

(c) Is it a purely Indian venture and if not, what percentage of foreign capital is invested in it?

(d) What other help is the Indian concern getting from foreign sources and under what agreements?

(e) What has been the value of Diesel engines imported into India during the past three years?

(f) To what extent will Indian manufacture save foreign currency reserves?

(g) What help, if any, are the Government of India rendering in the starting of this plant?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). There are 5 Indian firms, who are manufacturing diesel engines and 8 schemes have been approved by the Government. Particulars of the firms are given in the statement laid on the Table of the House. [See Appendix II, annexure No. 46].

(c), (d) and (g). In the absence of the name of the particular company, to which the hon. Member is referring, it is not possible to furnish the information asked for. Some of the Indian firms have of course entered into technical collaboration with foreign principals purely under royalty terms for specified periods for receiving technical 'know-how'.

(e) Rs. 864 lakhs, Rs. 683 lakhs and Rs. 1473 lakhs during the years 1949-50, 1950-51 and 1951-52 respectively.