

(a) the total establishment and other overhead charges for running the Handicrafts and Handloom Export Organization, Madras and its branches including the overseas branches, if any;

(b) the total exports of (i) handloom goods and (ii) handicrafts during the years 1965 and 1966; and

(c) the amount of loss or profit during the said period?

The Deputy Minister in the Ministry of Commerce (Shri Shafi Qureshi): (a) to (c): The reference presumably is to Handicrafts and Handlooms Export Corporation of India, New Delhi which has a branch office in Madras and a regional office at Calcutta besides three foreign offices in New York, Montreal and Hamburg.

A statement giving information in respect of parts (a) to (c) is laid on the Table of the House. [Placed in the Library. See No. LT-314(67)].

Cotton Spinning Mills

777. Shri S. K. Sambandhan: Will the Minister of Commerce be pleased to state:

(a) the number of cotton spinning mills that were proposed to be set up in the Private Sector during the Third Five Year Plan in Madras State; and

(b) the number of spinning mills (i) which have commenced production; (ii) which are still under construction; and (iii) which have not yet commenced the construction?

The Minister of Commerce (Shri Dinesh Singh): (a) and (b). 12 licences were granted for setting up new cotton spinning mills in the private sector during the Third Five Year Plan in Madras State. No spinning mill covered by these licences has so far gone into production. However, effective steps for setting up the mills have been taken in respect of 10 licences. In respect of the remaining 2 licences, no steps have been taken.

National Coal Development Corporation

778. Dr. P. Mendal:
Shri S. C. Samanta:

Will the Minister of Steel, Mines and Metals be pleased to state:

(a) the details of the working results of the National Coal Development Corporation collieries during 1965-66 as compared with those of the previous years;

(b) the average cost of production and average selling price of coal in the collieries; and

(c) the proposals to eliminate or reduce the losses, if any, or to increase the profits?

The Minister of State in the Ministry of Steel, Mines and Metals (Shri P. C. Sethi): (a) During the year 1965-66, the Corporation earned profit of Rs. 6,76,392 as against the loss of Rs. 1.7 crores in 1964-65. The total production during the year 1965-66 was 9.85 million tonnes as against 8.24 million tonnes in 1964-65. Further details are available in the Annual Report of National Coal Development Corporation for 1965-66 laid on the Table of the House on 29-3-1967.

(b) National Coal Development Corporation are running a large number of revenue collieries and cost of production varies from unit to unit. It will not be in the public interest to divulge the average cost of production. The average selling price, however, of coal produced by the Corporation during the year 1965-66 was Rs. 25.29 per tonne.

(c) As a result of the following remedial measures taken by the Corporation, the Corporation have been able to increase its output as well as to earn profit during the year 1965-66:

1. Special sales drive.
2. Restriction of production to sales potentiality.

3. Austerity and economic measures to reduce expenditure wherever possible.
4. Postponement of civil works which are capable of being deferred.
5. Close scrutiny of the quantum of holding of stores and spare parts with a view to dispose of surpluses not required.

Fresh intake is also regulated by strict adoption of inventory control procedure.

Recovering Sulphur from Steel Plants

779. Dr. P. Mondal:
Shri S. C. Samanta:

Will the Minister of Steel, Mines and Metals be pleased to state:

- (a) whether Government have completed the study of the prospects of recovering sulphur from steel plants and Assam coal; and
- (b) if so, the details of the findings?

The Minister of Steel in the Ministry of Steel, Mines and Metals (Shri P. C. Sethi): (a) No, Sir.

- (b) Does not arise.

M/s. Ashoka Marketing, Limited

780. Shri Madhu Limaye: Will the Minister of Industrial Development and Company Affairs be pleased to state:

- (a) whether Government's attention has been drawn to the Balance Sheet for the year 1965-66 of M/s. Ashoka Marketing, Limited and the remarks passed by the Auditors on the foreign buyers' claims for the supply of jute goods;
- (b) whether permission of the Reserve Bank of India has been sought for adjusting these claims;
- (c) whether it is a fact that the Auditors of this Company, M/s. Singhi and Co., have protested against this adjustment and have resigned;

(d) whether M/s. Ashoka Marketing, Ltd., have shown any credit for the claim they have on the supply of jute goods for Rs. 2,80,000 in their Balance Sheet; and

(e) whether any inquiry has been ordered into the affairs of M/s. Ashoka Marketing, Ltd.?

The Minister of Industrial Development and Company Affairs (Shri F. A. Ahmed): (a) Yes, Sir. The auditors for 1964-65 and 1965-66 have drawn the attention of the shareholders to the write-off of Rs. 21,77,446 and Rs. 21,57,769 respectively, for these years.

(b) In March, 1965 the Company reported to the Reserve Bank of India that payment of their bills amounting of \$1,215,859 against their exports of jute carpet backing cloth was withheld by their American buyers on the plea that the ultimate buyers had found certain goods, for which they had already made payment, defective and that they had to suffer a loss of \$733,758. The matter seems to have been referred to an arbitrator.

(c) Government have no information to that effect. M/s. H. P. Khandelwal and Co. were the auditors for the year 1964-65 and not M/s. Singhi & Co. Shri R. Singhi with some others became partners of M/s. H. P. Khandelwal & Co. after Shri Khandelwal's death. The firm was carrying on its business under the old name. From the records it appears that the Company in a general meeting appointed M/s. Gutgutia & Co., for the year 1965-66. Consequent on a change in the constitution of the firm of auditors, M/s. Gutgutia & Co., the Board of Directors of the Company appointed M/s. K. N. Gutgutia & Co. as auditors for the year in the casual vacancy caused.

(d) No, Sir. The Company appears to have filed a suit for the recovery of a claim of that amount.

(e) In April, 1963, an investigation was ordered under Section 237(b) and 249(1) (a) of the Companies Act.