

### Hindicrafts and Handlooms Exports Corporation

\*1403. SHRI BABURAO PATEL : Will the Minister of COMMERCE be pleased to state :

(a) the amount spent by the Handicrafts and Handlooms Exports Corporation on French designer, Pierre Cardin who flew to Delhi in February, 1968 as a guest of the Corporation to design dresses from Indian fabrics ;

(b) the amount of commission paid to him so far ;

(c) whether some more French or foreign designers are being engaged and if so, what are their names ; and

(d) why the work could not be entrusted to Indian designers ?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) Rs. 14,250.

(b) Nil.

(c) Certain proposals are currently being examined by the Corporation ; no final decision has yet been taken.

(d) Fashion designing in India to suit Western tastes has not yet developed and has not acquired the organization available with some foreign designers.

### Silk Factory in Bhagalpur

\*1404. SHRI SHIVA CHANDRA JHA : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that a silk factory is proposed to be set up in Bhagalpur (Bihar) in the public sector with Japanese Collaboration ;

(b) if so, the details thereof specially the terms of Collaboration and the foreign exchange involved, if any ; and

(c) the total annual production of silk in the country vis-a-vis the internal and external demand ?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) to (c). The Government of Bihar propose to set up a Spun Silk Mill of 3,000 spin dles at Bhagalpur. The foreign exchange required for the import of machinery from Japan is of the order of Rs. 63.09 lakhs. The State

Government also proposes to avail the services of a Japanese Consulting Engineer and an Assistant Consulting Engineer for a period of two years and 3 Erection Engineers for a period of three months at an approximate cost of Rs. 4.13 lakhs.

The average annual production for three years 1965-67 of raw silk is 15.99 lakh kgs. of mulberry raw silk and 5.27 lakh kgs. of non-mulberry raw silk and 0.58 lakh kg. of spun silk yarn. Domestic demand for raw silk per annum taking into account the export and indigenous requirements of fabrics is estimated at 23.5 lakh kgs. and 1 lakh kg. of spun silk yarn. At present India is a net importer and raw silk and/or spun silk yarn as such is not exported.

### British India Corporation

\*1405. SHAI S. M. BANERJEE : Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether a final decision has been taken to take over the British India Corporation ;

(b) if not, the reason therefor ;

(c) whether top heavy administration is one of the causes for sustaining financial losses ;

(d) if so, the yearly wage bill for the supervisory staff ; and

(e) the steps taken so far to rationalise it ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) : (a) No, Sir.

(b) Attention of the hon. Member is invited to the reply given on the 8th December, 1967 to part (c) of Unstarred Question No. 3677-K.

(c) If the cost incurred on Senior administrative and technical staff of the head office and the branches as well as the Deputy Managing Directors drawing a basic salary of Rs. 1,000 per month and above is taken into account, the cost comes to about 4.24 per cent of the total wage bill or about 1.2 per cent of the total production or sales during 1967.

(d) The wage bill of staff drawing a basic salary of Rs. 400/- per month and above and senior staff drawing a basic salary of Rs. 1000 per month and above during 1967 amounted to Rs. 21.64 and Rs. 11.97 lakhs respectively.

(e) It is understood that the management is examining all over-head expenses. Wherever possible, the surplus senior staff will be reduced and the expenditure on the remaining senior staff will be cut down. Some members of the senior staff have already retired from the service of the Corporation.

#### **Increase of Exports with Italy**

\*1406. SHRI RABI RAY : Will the Minister of COMMERCE be pleased to state :

(a) whether his attention has been drawn to the statement of Dr. C. Rossi, President of Italian Chamber of Commerce as reported in the Patriot of the 28th March that India could easily double its exports and balance its payment position with Italy ;

(b) whether it has also been brought to his notice that Italy was keen to buy several items like hides and skins, iron ore, mica, tea, bananas, mangoes, cashewnuts and others ; and

(c) if so, the steps taken by Government to increase the exports to Italy ?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) and (b). Yes, Sir.

(c) The Government have taken a series of steps to promote exports to the Common Market countries including Italy. This includes the setting up of a number of Export Promotion Offices in West Europe, participation in general and specialised fairs in Italy, organisation of exclusive India events, and bilateral and multilateral discussions to create favourable conditions for the entry of our goods in the Italian market. Recently, a fourteen-member Indian Trade Delegation also visited Italy to explore the market for some of our important traditional and non-traditional goods.

The House is aware that there is a ban on the export from India of raw Hides and

the export of raw skins is regulated on quota basis. This is in accordance with our policy to encourage the export of leather and finished leather goods.

#### **Premier Credit and Motors (Private) Limited.**

8124. SHRI BABURAO PATEL : Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that the Premier Credit and Motors (P) Ltd. has cheated over 700 depositors of nearly Rs. 28 lakhs and now unable to pay back the money ;

(b) the steps taken by Government against the firm to prevent such frauds in future ; and

(c) the names of ten such top firms, who operate on this deposit basis with the amount involved ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) : (a) According to information available with Government there are about 711 depositors who seem to have deposited with the company nearly Rs. 28 lakhs. It appears that the company has found it difficult to repay the deposits in full and have filed a petition under Section 391 of the Companies Act, 1956 along with a scheme of compromise with the unsecured depositors.

(b) Acceptance of deposits from public by companies does not require the approval of the Government or of the Company Law Board under the Companies Act. However, provisions were made in the Reserve Bank of India Act, 1934 in December, 1963 enabling the Reserve Bank to exercise control over the acceptance of deposits by non-banking companies, corporations and firms with subscribed capital in excess of Rs. 1 lakh. In pursuance of the powers vested in the Reserve Bank of India, the Bank issued general directions to non-banking companies putting a curb on the acceptance of deposits disproportionate to their capital structure. In the case of this company when a notice is received from the High Court regarding petition under Section 391 filed by the company, the