

**WRITTEN ANSWERS TO QUESTIONS****Export of leather**

\*7. ">1. SHRI DEORAO PATIL:

SHRI KHURSHED ALAM KHAN :

Will the Minister of COMMERCE be pleased to state the steps that are being taken by Government to promote export of Indian leather?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE); A statement is laid on the Table of the House.

**Statement**

The following are the steps that have been taken or are being taken by the Government to promote the export of Indian leathers:

(1) Leather and leather goods industry is included in the priority category of industries and liberal import of raw materials, chemicals, etc. which are not available indigenously, is allowed on actual consumption basis.

(2) Export of raw hides and skins is banned with a duty to making leather raw material available to the finished leather and leather goods manufacturers at competitive rates in the country.

(3) Duty free import of raw hides and skins is allowed for its re-export as processed leathers with added value.

(4) Import of vegetable tanning material is allowed under Open General licenses to meet the requirements of the leather industry.

(5) The licensing procedures have been simplified under which manufacturers of serai-finished leathers produce finished leathers, to the full extent of their semi-finished capacity, without having to obtain prior licences for the purpose.

(6) A list of machinery which are not available indigenously has been drawn up to expedite clearance for imports by registered exporters against their replenishment licences without having to go to the Directorate General of Technical Development every time.

(7) A list of chemicals and dyes which are allowed to be imported in the shopping list against replenishment licences has been expanded.

(8) Efforts are being made to train workers in the Extension Centres run by the Development Commissioner (Small Scale Industries) to manufacture leather and leather goods.

(9) Some of the State Governments have started Leather Industries Development Corporations for development of the industry.

**Misuse of import licences for polyester**

\*7S2. SHRI K. P. SINGH DEO:

SHRI LOKANATH MISRA:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that a large number of firms have misused the import licences for import of polyester fibre in Bombay and Delhi during the period 1959-74: and

(b) whether any inquiry has been made into the matter and if so, what is the outcome thereof and the action taken by Government against the defaulting importers?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA):

(a) There are allegations of misuse of import licences for Polyester Fibre in respect of 3 firms in Bombay.

(b) In one case, the firm has been debarred under the Imports (Control) Order from receiving import licences for a period of 5 years. The other cases are still under investigation.

**Complaints against the Chairman of United Commercial Bank, Calcutta**

\*7SS. SHRI 8. KUMARAN: DR. Z. A. AHMAD: SHRI S. G. SARDESAI: SHRI SANAT KUMAR RAHA: SHRI INDRADEEP SINHA:

Will the Minister of FINANCE be pleased to state:

(a) whether he has received some complaints about the working of the United

Commercial Bank in Calcutta and oilier places in West Bengal and also against its Chairman and Managing Director;

(b) if so, what is the exact nature of these complaints;

(c) whether any investigation has been ordered into these complaints;

(d) if so, what is the nature and scope of the investigation and which authority has been entrusted with the task; and

(e) what is the result of the investigation?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) to (e) A statement is laid on the Table of the House.

#### Statement

(a) Yes, Sir.

(b) The main allegations contained in these complaints relate to the slow progress of United Commercial Bank in West Bengal in the matter of branch expansion and in the matter of advances to priority sectors; large advances by the bank to a few monopoly houses; lack of proper representation to local people in the staff recruited by the bank in West Bengal; purchase of a flat at a disproportionately high price in Bombay for one of the bank's Assistant General Managers; creation of new posts of Assistant General Managers in violation of Government's economy instructions; irregularities in certain senior appointments made in the bank; irregularities in the matter of recruitment of staff; transfer of senior Bengali officers from West Bengal, other irregularities in the matter of purchase of furniture, stationery and expenses relating to entertainment, publicity etc., and certain other malpractices.

(c) to (e) The bank has reported that the slow progress during 1972 in opening of branches and in the matter of advances to priority sectors in West Bengal was primarily due to certain difficulties the bank faced initially in that year in the matter of recruitment of requisite personnel. These difficulties were overcome later on in the course of the year. As against only 4

branches opened in 1972, the bank opened 11 branches in West Bengal in 1973. As regards advances to priority sectors (excluding export credit) they increased from Rs. 9.35 crores at the end of 1971 to Rs. 10.70 crores at the end of December, 1972 and to Rs. 12.42 crores at the end of December, 1973. Such advances in the State of West Bengal formed nearly 22.2 per cent of the bank's advances to priority sectors in all the States of India. The bank has also clarified that advances to monopoly houses have been and are being sanctioned after appraising their requirements for genuine productive purposes and after obtaining, in the case of amounts exceeding certain limits, prior authorisation from the Reserve Bank under the Credit Authorisation Scheme. In the matter of recruitment carried out in West Bengal, the bank has reported that more than 90 per cent of the recruits are from local people. Regarding the complaint about the purchase of a flat in Bombay, the bank has clarified that the flat was taken on rent in March, 1967 and was being used as a residence for the senior officer posted in Bombay. As the building in which the flat is situated had been sold and the buyer was disposing of the flats to tenants, the bank decided to purchase the flat at a cost which is reported to be lower than the prevailing rates for similar flats in Bombay. As regards new posts of Assistant General Managers, decisions have been taken with the approval of the Board of Directors of the Bank.

Reserve Bank of India has been requested to look into the complaints and its report, after inspection of the bank under Section 35 of the Banking Regulation Act, 1949 is awaited.

#### Export of Cotton Textiles

\*734. DR. K. MATHEW KURIAN: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that there has been a fall in exports of cotton textiles recently;

(b) whether Government have made any assessment regarding the reasons for such fall; and

(c) if so, the details thereof and the steps taken by Government to ensure continuous expansion of cotton textile exports?