

medium industry Rs. 25 crores will be required?

Mr. Speaker: With a capacity to produce 80,000 tons.

Shri Satish Chandra: For a fertiliser factory with a capacity to produce 70,000 tons of fixed nitrogen the estimated capital expenditure is in the region of Rs. 25 crores. As far as the project of Messrs. Parry and Co., is concerned, the investment is only Rs. 3 crores to Rs. 4 crores.

Shri S. C. Samanta: May I know whether the amount allocated for the establishment of fertiliser factories during the Second Plan period has been spent; if not, how much money is left for it?

Shri Satish Chandra: Work on all the schemes under the Second Five Year Plan has been started and they are being implemented. They shall all go into production by the end of 1962. All the money is being utilised.

Forward Market Commission

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*835. { **Shri P. R. Patel:**
Shri Fateh Singh Ghodasar:

Will the Minister of **Commerce and Industry** be pleased to state:

(a) whether it is a fact that the representative of the Forward Market Commission attended the Bombay Oil-seeds and Oil Exchange Board's meeting as a member and took part in the deliberation regarding the negligence of duty by the Secretary of the Board; and

(b) whether it is also a fact that the representative member handed over a letter which he carried with him when the Board was about to record its conclusion and thus encroached on the democratic functioning of the Board?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) Yes, Sir. An officer of the Forward Markets Commission, who is the Government's nominee on the

Board of Directors of the Bombay Oil-seeds and Oils Exchange, attended the meeting.

(b) A direction issued by the Forward Markets Commission, within its due powers was delivered by him to the President at the Board meeting; there is therefore no question of any improper encroachment on the functioning of the Board.

Shri P. R. Patel: The Exchange is a democratic autonomous body, and the Memorandum and Articles of Association are sanctioned by the Government. Clause 76 of the Articles of Association gives powers to the Board to suspend, dismiss or punish a Secretary or any other officer of the Exchange.

11.47 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

The Government would get the power under Section 28 of the Forward Contracts Regulation Act, 1952. I want to know how under clause 28 of the Act the Government derives the power. Further more, I want to know how the Government derives the power to issue such directives. I also want to know.....

Mr. Deputy-Speaker: All put together in one question? How will it be possible to answer? Then, he is discussing law.

Shri P. R. Patel: I will put my second question later on. May I know whether it is in consonance with our Constitution for the Government to issue a directive for the internal working of a democratic autonomous body?

Mr. Deputy-Speaker: That would be an expression of opinion only, not asking for information. Does he want to put any other question?

Shri P. R. Patel: The directive has been issued under the rules. May I know whether the rules have been framed under the Act? May I know whether such a directive can be issued by a Commission?

Shri Satish Chandra: The directive was issued by the Commission in exercise of the powers conferred under the Act. This particular association is one of the 17 associations recognised in the country for carrying on forward business in oils and oilseeds. Gross irregularities took place there. A directive of the Commission was withheld by the Secretary for four days and not passed on to the trade. The Board of Directors of this Exchange appointed an enquiry committee which came to the conclusion that while the information was passed on to some privately, it was not given to others. It was a very serious matter in which profits and losses could be incurred by large number of traders and the Forward Market Commission exercised its power which was duly conferred upon it by the Act.

Shri Tyagi: Is it not a fact that the Government recently issued some instructions with regard to forward trading in which they have said that certain percentage has to be deposited before any forward transaction takes place? Was it with regard to that order that the secretary suppressed it and gave information to a few members of this association who piled wealth by buying a number of shares in the forward markets?

Shri Satish Chandra: It is not a question about shares. It is a question about certain transaction in groundnut oil. What the hon. Member says is correct, namely, that a margin was fixed. The prices of the groundnut oil were going very high, and the Forward Market Commission directed the Exchanges to fix a particular margin which was higher than before. That information was withheld by certain office-bearers of this association for a period of four days and not passed on to the trade.

Shri Nathwani: We are told that the Board has appointed a special committee to enquire into these affairs. May I know whether besides the secretary any director was found

guilty of a conduct which was unworthy of a director?

The Minister of Commerce and Industry (Shri Lal Bahadur Shastri):

This matter is still being looked into, and I might inform the House, especially Shri P. R. Patel who has put this question, that the Forward Market Commission has functioned in a very restrained manner and as advised by Shri Patel. I have myself looked into the matter and I feel that what the Forward Market Commission has done so far is perfectly justified under the law, and they might also be justified if they take further action in connection with any other director or any other office-bearer of the Commission.

Shri Heda: May I know whether it is a fact that the inspecting officer of the Commission who attended a meeting delivered the letter after he had participated in the discussions and after the Board had come to a tentative decision and, if so, why was not that directive sent to the exchange earlier?

Shri Satish Chandra: It is true that the Inspection Officer of the Forward Market Commission attended the meeting. But even before the meeting, there was a lot of talk that the secretary who had not made public the Government's announcement, as he should have done, was to be exonerated at the meeting. There were in fact two sections in the Board of Directors; one wanted to punish the secretary and the other wanted to defend him. The officer who went there tried to persuade the directors that there was gross impropriety and the secretary should be punished. As there were talks that he may be exonerated, he was deliberately asked by the Forward Market Commission to hand over the directive at the meeting if the meeting took a preverse attitude.

Shri Tyagi: Is it a fact that some of the directors themselves are responsible to have effected a bulk of forward purchases and transactions in

which they have earned lakhs of rupees with the result that when the information was given to all the rest of the people, their stocks fell in value and they have suffered heavy losses on that account?

Shri Lal Bahadur Shastri: The hon. Member may be right, but I would request him and other Members to keep their judgment in suspense for the time being because this matter is already being enquired into and looked into.

Mr. Deputy-Speaker: Next question.

Shri P. R. Patel rose—

Mr. Deputy-Speaker: Shri Patel is also included, I think, in the list of Members to whom an appeal has been made to keep their judgment in suspense!

Shri P. R. Patel: Sir, as the question.....

Mr. Deputy-Speaker: Hon. Member is entering into an argument. Next question.

Motor Cycle Factory in Mysore

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*837. { **Shri Shivananjappa:**
Shri P. C. Borooah:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that a Motor Cycle Factory is going to be set up in Mysore;

(b) if so, when; and

(c) the details thereof?

The Minister of Industry (Shri Manubhai Shah): (a) to (c). One scheme for the establishment of a factory in Mysore city for the manufacture of Motor Cycles in collaboration with a Czechoslovakian firm has been approved in principle. The details of the project are still under consideration.

Shri Shivananjappa: May I know the estimated capacity of the plant and the estimated total investment?

415 (Ai) LS—2

Shri Manubhai Shah: The estimated capacity will be up to about 15,000 in the final phase. It is about 6,000 to begin with. The total investment will be about Rs. 2 crores to Rs. 3 crores.

Shri Shivananjappa: May I know whether a portion, if not the entire thing, will be manufactured here, instead of only assembling them?

Shri Manubhai Shah: The policy in the last three years has been not to allow any assemblage of any industrial undertaking. It should start from the basic stage and in this particular case we have stipulated that the motor cycles must be wholly indigenous within three years.

Shri Muhammed Elias: May I know whether it is a fact that the applications made by some factories with regard to some schemes for manufacturing auto-cycles and motor cycles in West Bengal have been rejected and, if so, why they were rejected?

Shri Manubhai Shah: One or two firms recently submitted...

Mr. Deputy-Speaker: This pertains to Mysore, and not to West Bengal.

Shri Muhammed Elias: It is about motor-cycles. The Minister is ready to answer.

Mr. Deputy-Speaker: In Mysore. I am sorry. Next question.

Re. Q. No. 842

Shri Hem Barua: Sir, Question No. 842 may be taken up as a special case. We are in the last five minutes of the Question Hour. We have been following this procedure of late.

Mr. Deputy-Speaker: Is mere writing enough? Is not the consent of the Speaker also required for that? That is not given, and therefore, I had called the next question.

Export of Plastic Goods

*838. **Shri D. C. Sharma:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that India is in a position to export plastic goods;