

1	2	3
7.	Globe Leave Tobacco Enterprises.	39.33
8.	Vijaya Shanti Enterprises.	0.14
9.	Ambika Tobacco Enterprises.	0.25
10.	Sri Vijayalakshmi Tobacco Co.	0.47
11.	Thirumala Enterprises	1.72

(c) Besides given notices and cancellation of registration wherever necessary, the Tobacco Board has not renewed the registration of the defaulting firms for 1984 and 1985 in respect of the companies at S. No. 4 to 11. Other companies have given an undertaking to clear the dues shortly.

The Tobacco Board Act, 1975 has been amended recently to provide for

prosecution for for contravention of the regulations made under the Act and to provide for enhanced penalties for contravention thereof, Further, there is no scope for companies defaulting in payment to the growers in the auction system introduced last year.

Recommendations of Pande Committee on Leather and Leather Manufacturers

948. SHRI K.S. RAO : Will the Minister of COMMERCE be pleased to state :

(a) the recommendations of Pande Committee on leather and leather manufacturers; and

(b) the action taken so far on the recommendations of the Committee ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) and (b). A statement is given below.

Statement

Recommendation	Action taken
1. A professional study of the system of collection and marketing of raw hides and skins in India may be commissioned by Government.	A study has been Commissioned through CLRI, Madras.
2. The ISI standard defining finished leather should be made realistic and the export incentives should be applicable to the finished leather so defined.	Finished leather for export has been re-defined as per IS : 8170-1979 Guidelines for identification of finished leather for export w.e.f. 1-9-1985.
3. While there is adequate availability of leather resources in India to achieve the Seventh Plan targets, it would be desirable to import finished leather from bovine hides and skins free of duty.	Duty free import of bovine finished leather under OGL has been permitted.
4. A five year announcement, to coincide with the Seventh Plan, should be made for duty free imports under OGL, of raw hides and skins, wet blue chrome tanned and crust leather including splits and sides.	Duty free import under OGL of raw hides and skins, wet blue chrome tanned and crust leather including splits and sides thereof has been permitted.
5. As the Review Committee consisted of diverse interests, including representatives of the trade and industry, it was felt that its recommendations with regard to the exports policy and export incentives should be confined to broad indications	

Recommendation
Action taken

of the direction, leaving the detailed policy prescriptions to be worked out by Government. Accordingly the following recommendations were made :

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| (a) A stage has now come when Government should rationalise the export quota mechanism for regulating the exports of semi-processed leather. | Government is yet to take a view on this. |
| (b) The stipulation of 40% export obligation on finishing units may be done away with. | The recommendation has been taken up with the Ministry of Industry. |
| (c) The incentives relating to finished leather exports require a fresh look by Government. | Finished leather for export having been re-defined with effect from 1-9-1985, incentives thereon as per the new CCS regime will be decided in due course. |
| (d) A graded system of incentives, based upon comparative value addition at different stages should be considered by Government. | Government is yet to take a view on this recommendation. |
| 6. The need for extension services in the cottage sector for technological upgradation for rural tanners and producers of value-added leather products is self-evident. The Department of Industrial Development should chalk out clearly defined schemes for this purpose. | Department of Industrial Development have been requested to take necessary action. |
| 7. The machinery and equipment detailed in the report may be placed under OGL for import. | Implemented. |
| 8. The committee strongly endorses recommendation of the Task Force (1979) that the import duty on machines should be brought down uniformly to 25% on all tanning, finishing footwear and other leather goods machines which find place in the OGL. | Duty has been reduced to 35% on almost all machines appearing in the OGL. |
| 9. Non-availability of trained manpower at all levels is a serious constraint in the development of the leather manufactures industry along modern lines. Fellowships should, therefore, be instituted in order to depute artisans, supervisors and managers for foreign training. | Artisans have already been deputed abroad for such training. |
| 10. Foreign experts should be invited to give in-plant training to production personnel at all levels. | Action is in progress. |
| 11. The existing training centres should be equipped with modern machinery and equipment, for which the Department of Industrial Development should formulate appropriate schemes. | Department of Industrial Development have been requested to take necessary action. |

Recommendation	Action taken
12. Technical training should be taken up by the Council for Leather Exports as a Code activity, which should be made eligible for MDA.	Proposals have been formulated.
13. With regard to the requirements of raw materials, components and consumables for production of finished leather, footwear and other leather goods, the following recommendations are made :	
(a) Inclusion in Appendix 17 of the Import Policy of the items listed in the Report.	Implemented.
(b) Inclusion in the OGL for import of the items listed in the Report.	Implemented.
(c) Inclusion in Annexure 1 of Appendix 21 of the Import Policy of the items listed in the Report.	Implemented.
(d) Reduction/abolition of import duties in respect of the items listed in the Report.	Implemented as far as considered feasible.
14. The Committee has identified the following infrastructural gaps coming in the way of export production of footwear :	
(a) Non-availability of the required grades and quality of finished leather at competitive prices.	
(b) Absence of good quality training in footwear engineering, design and pattern making skills.	
(c) Lack of indigenous production of well engineered lasts, components and soles for the footwear industry including upgradation of the sole leather from buffalo hides.	
(d) Lack of a network of modern laboratories and testing units for quality control.	
(e) Absence of a brand image for India-made footwear in the world market.	
(f) Lack of attractive and durable packaging.	
(g) Lack of a meaningful nexus between development and research.	

It is of the view that a determined initiative on the part of Government is essential to create a catalytic model which can be replicated. The Committee recommends for the consideration of Government a concrete operational model, in which a centralised autonomous agency, working

The recommendation has been accepted in principle.

Recommendation

Action taken

under the umbrella of a reputed institute of technical education such as an Indian Institute of Technology, will perform some direct functions apart from assisting in the development of a supporting infrastructural base. A project profile for such a Footwear Design and Development Institute is appended to the Report. The project will involve an investment of Rs. 9.5 crores and an employment of 2900. It will be completed in four phases.

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| <p>15. In the context of the recommendation regarding FDDI, it will be necessary to replicate this operational strategy in different States where nodal agencies be entrusted with the task of coordinating the development of the six supporting functions enumerated above, leaving the direct functions to be performed by FDDI alone.</p> | <p>Implementation of this recommendation will be possible after the establishment of FDDI.</p> |
| <p>16. Government may consider enlargement of the scope of the proposed Institute to include other leather goods, such as garments, handbags, gloves etc.</p> | <p>Accepted in principle.</p> |
| <p>17. Liberal assistance from MDA should be made available, in foreign exchange, for individual brand promotion abroad.</p> | <p>Scheme for MDA assistance for brand publicity abroad is in existence.</p> |
| <p>18. The list of raw materials required for production of intermediates for use in the export production of footwear should be included in Annexure VI to Appendix 19 of the Import Policy.</p> | <p>Implemented.</p> |
| <p>19. Intitutional Coordination</p> <p>The Committee recognises the existence of a number of agencies which have been set up by Government such as STC, BLC, State Leather Development Corporations, CLRI, CLE, CFTCs, KVIC, etc. to service varying interests. Within the Government itself, there are several Ministries which deal with different aspects of the industry. It is recommended that :</p> | |
| <p>(a) Government should examine the performance of these organisations with respect to the rationale of their creation and take remedial action to avoid duplication and ensure co-ordination. As a first step, it is recommended that the Department of Industrial Development should examine the extent to which the State Leather Development Corporation and BLC have served their objectives,</p> | <p>Department of Industrial Development have been requested to take necessary action.</p> |

Recommendation

Action taken

(b) The role of a harmonising agency could be played by the creation of a statutory All India Leather Board on the analogy of other commodity Boards by integrating one or more of the existing organisations. Such a Board could also coordinate the activities of the institutions whose continuance may be considered necessary.

Government is yet to take a view which will depend on the result of a review of the performance of the various agencies.

Export of Salt

949. SHRI K.S. RAO : Will the Minister of COMMERCE be pleased to state :

(a) the names of the countries to which India is exporting salt; and

(b) the quantity of salt exported during the last three years and the amount of foreign exchange earned thereby Government ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) India is exporting salt to Bangladesh, Nepal, Bhutan, Maldives, Malaysia, Tanzania, Singapore, Japan, Hongkong, Uganda, Kenya and Burundi.

(b) The quantity and value of salt exported during the last three years are given below :—

Year	Quantity (MT)	Value (Rs. Lakhs)
1982-83	322763	411.23
1983-84	540080	787.76
1984-85	248932	334.13

Export of Jewellery

950. SHRI MOHANBHAI PATEL : Will the Minister of COMMERCE be pleased to state :

(a) the value of jewellery exported during the years 1983-84 and 1984-85 and likely to be exported during the year 1985-86;

(b) the names of the cities which are

involved in jewellery export and the amount of jewellery exported from each such cities during the above period; and

(c) the names of the agency through which the export is being made ?

THE MINISTER OF COMMERCE (SHRI ARJUN SINGH) : (a) The value of gold jeweller exported during 1983-84 and 1984-85 and the target for export during 1985-86 are as under :—

(Rs. in lakhs)

Export during		Target for
1983-84	1984-85	1985-86
8338.19	8609.86	12,500.00

(b) and (c). Exports of gold jewellery are made mainly through associates of the Handicrafts and Handlooms Export Corporation of India Ltd. (HHEC) under the scheme for export of gold jewellery against gold supplied by the foreign buyer and directly under the Gold Jewellery Export Promotion and Replenishment Scheme through the Custom House at Bombay/Calcutta/Madras/Delhi/Jaipur. Exports of gold jewellery during 1983-84, 1984-85 and April-September, 1985 from these centres are given below :—

(Rs. in lakhs)

Name of City	1983-84	1984-85	April-Sept. '85
1	2	3	4
Bombay	7782.12	8408.28	4535.97
New Delhi	597.15	397.21	94.57