

- The investments of either country will be protected by the other country;
- Most Favoured Nation Treatment will be accorded by either country to the other country;
- There is provision for settlement of investment disputes;
- Provision has also been made for providing compensation in case of expropriation/nationalisation;
- There is provision for free transfer of investments and profits arising thereof between the two countries;
- This agreement will be affective for ten years; thereafter it shall continue in force until a year after either Government has given written notice of termination of the other;
- The Agreement will become effective only after the exchange of instruments of ratification.

### **Cotton Board**

5614. SHRI S.M. LALJAN BASHA: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government propose to set up a Cotton Board on the lines of Tobacco Board;

(b) if so, the details thereof; and

(c) the time by which it is likely to be set up?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VANKAT SWAMY): (a) to (d). The Government has already set up a Cotton Advisory Board (CAB) to advise the Government on matters pertaining to production, consumption and marketing of cotton. The Board was last constituted in April, 1992 for a term of two years.

### **Multinational Companies in the Field of Mutual Funds**

5615. SHRI A. VENKATESH NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether any conditions have been imposed on multinational companies entering the field of mutual funds in big way; and

(b) if not, the steps taken by the Government to control the activities of these companies against the Indian Companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Multinational Companies desirous of setting up Asset Management companies of India to manage domestic mutual funds need the approval of the Foreign Investment Promotion Board. In addition, individual mutual fund schemes are regulated by the Securities and Exchange Board of India (SEBI) in accordance with the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1993. These regulations are applicable to all domestic mutual funds irrespective of the nature of the sponsoring institution. The regulations stipulate eligibility criteria, procedures for launching the schemes, investment objectives, valuation policies and invest-

ment restrictions. These regulations empower SEBI to initiate disciplinary action against Mutual Funds violating the provisions. Thus, there are enough safeguards in the regulations for SEBI to ensure that the Mutual Funds, irrespective of the nature of their sponsors, operate in a disciplined manner.

### **New Policy on Euro-Issues**

5616. SHRI DILEEP BHAI SANGHANI: Will the Minister of FINANCE be pleased to state;

(a) the target fixed for Euro-Issues in 1994-95;

(b) whether the Government contemplate to impose some restrictions on exposure of Indian Companies in international capital market;

(c) if so, the reasons therefor;

(d) whether a new policy on Euro-Issue for Indian Companies in international capital market is under active consideration of the Government;

(e) if so, the broad details and the objectives thereof; and

(f) the time by which the new policy on Euro-Issue is likely to be announced?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) No Target has been set for Euro Issue mobilisations during 1994-95.

(b) to (f). The aggregate amounts mobilised by companies through such issues will be constantly reviewed by Government in view of its macroeconomic

implication. The eligibility of companies which can access the International Capital Market is governed by the Notification issued on 12.11.1993 reed in conjunction with the New Industrial policy of July, 1991. A consistent track record of good performance for a minimum period of three years is a major eligibility criterion. Policy on Euro Issue floatation is reviewed on an ongoing and continuous basis, consistent with macro-economic and balance of payments considerations.

### **Eco-farm Products**

5617. DR. R. MALLU: Will the Minister of COMMERCE be pleased to state;

(a) whether any survey has been conducted in export markets for marketing eco-friendly products specially farm products;

(b) if so, the details thereof;

(c) whether the Government propose to encourage Research and Development work towards production of eco-farm products on the lines of Eco-Tea; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) and (b) No, Sir.

(c) and (d). Agriculture and Processed Food Products Export Development Authority has formulated a scheme for generating relevant research and development through research institutions for the common benefit of trade and industry for encouraging the production of eco-farm products.