

### Foreign Owned Companies

3960. Shri Madhu Limaye:  
Dr. Ram Manohar Lohia:  
Shri S. M. Banerjee:  
Shri George Fernandes:

Will the Minister of Finance be pleased to refer to the reply given to Unstarred Question No. 840 on the 7th April, 1967 and state:

(a) the number of the foreign owned companies which are operating as agents/engaged in trading activities with the permission of the Reserve Bank and other authorities;

(b) the criteria in granting them permission; and

(c) the foreign firms which have been proceeded against for violation of Foreign Exchange Regulations Act in the matter of trading activities?

The Deputy Prime Minister and Minister of Finance (Shri Morarji Deasai): (a) Under Section 18A of the Foreign Exchange Regulation Act, 1947 which was brought into force with effect from 1-4-1965, no company (other than a Banking company) incorporated outside India, nor an Indian company owned or controlled by non-residents and no firm consisting wholly or in part of persons resident outside India, shall accept appointment, as agent, in India, of any person, company or firm in the trading or commercial transactions thereof, or of technical or management advisors in India of any person, company or firm, except with the general or special permission of the Central Government or the Reserve Bank of India. The Section does not apply to any of the aforesaid companies or firms, already engaged directly in trading activities in India. No new concern, however, can be floated for trading purposes as the foreign investment will not be approved.

During the period from the 1st April 1965 to the 31st May 1967, permission has been granted under Section 18A of the Act, to 58 such com-

panies to accept agency appointments involving (i) 31 fresh appointments, (ii) 121 renewals of appointments existing prior to 1-4-1965 and (iii) 5 appointments containing variations of the terms existing prior to 1-4-1965.

(b) Normally agency agreements which were concluded and were in force prior to the 1st April 1965 have been allowed to be renewed up to 31-12-1968. In all cases of fresh appointments or those involving variations of the terms, the cases are decided on the merits of each case and permission is granted for limited periods of two years in most cases. The following criteria are adopted in approving such cases (i) The case should involve technical after sales service which can be rendered only by the applicant agency company, (ii) the applicant company should be in a position to promote export of Indian goods, (iii) the applicant company has been appointed as indenting agent by overseas suppliers in cases involving imports on a small scale.

(c) As stated in answer to (a) above, the law does not prohibit existing foreign concerns from engaging in trading activities. New investment in trading activities is also not approved. As such there is no case of a foreign concern which has been proceeded against under the Foreign Exchange Regulation Act for engaging in trading activities as such. However, there have been a few cases where foreign concerns have been proceeded against for other violations in the course of trading. A list of such concerns is being obtained and will be placed on the Table of the House as soon as possible.

### जड़ी-बूटियों उतारना

3961. श्री मोहन स्वयंभू : क्या स्वास्थ्य एवं परिवार नियोजन मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या चिकित्सा कार्यों के लिये जड़ी-बूटियों की उपयोगिता का पता लगाने