

finance companies on the basis of information available with the Bank. Such publicity is intended for protecting the depositor's interest and public interest.

A list of NBFCs whose applications for Certificate of Registration was rejected has been put on RBI Website for general information. Further, State Governments have also been furnished with such lists for disseminating information to the general public. RBI has also issued a press advertisement in English and other languages for publication throughout the country cautioning NBFCs and depositors about unauthorised use of RBI's name by NBFCs. A copy of the same is annexed.

(d) In exercise of the powers vested in the RBI under the provision of RBI Act, 1934, RBI has issued directions to NBFCs covering acceptance of deposits from public and other aspects of their functions so as to ensure growth of NBFCs on healthy lines. A prohibitory order is issued by RBI to an NBFC on persistent occurrence of defaults in repayment of matured deposits/payment of interest on deposits or where a company is found to be insolvent, jeopardising the interests of depositors. In terms of the prohibitory orders, the NBFC concerned is restrained from accepting deposits as also from alienating its assets. Criminal complaints are also filed against officials of the NBFCs, if the situation so warrants. RBI has taken action against some such erring companies. Since January 1997 till 2nd of November, 1998, prohibitory orders have been issued in respect of 41 NBFCs, winding up petitions filed against five NBFCs and prosecution initiated against 8 erring companies. Several applications for grant of Certificate of Registration under Section 45(1A) of the RBI Act, 1934 received from NBFCs have been rejected on grounds such as default in repayment of deposits, unsatisfactory financial position, ineffective management etc. rendering the companies ineligible for carrying on the business of NBFCs.

Statement

Attention NBFC Depositors

Unauthorised use of RBI's Name By NBFCs

It has come to the notice of the Reserve Bank of India (RBI) that certain Non-Banking Finance Companies (NBFCs) and other persons are unauthorisedly using the RBI's name in their advertisements/neon signboards and/or such other material while soliciting public deposits. Such display of the RBI's name by the NBFCs whether registered or unregistered, and unincorporated bodies in any manner whatsoever, is not only unauthorised and improper but it may also attract penal action, as provided in the Reserve Bank of India Act under and/or the Indian Penal Code.

The members of public are hereby informed that:

NBFCs are not allowed to use the name of the Reserve Bank in any manner.

Registration of an NBFC with RBI merely authorises the company to carry on its financial business.

An NBFC incorporated after January 9, 1997 cannot commence financial business without a certificate of registration from RBI and cannot accept public deposits without specific approval of RBI.

NBFCs having not owned fund below Rs. 25 lakh are not allowed to accept public deposits including renewal of maturing deposits.

Unincorporated bodies engaged in financial business are prohibited from issuing any advertisement for soliciting deposits as also from accepting deposits from other than the specified relatives and corporate bodies notified under the Reserve Bank of India Act.

The responsibility for repayment of the principal and payment of interest is that of the NBFC. Such deposits are not guaranteed or insured by the Government or the Reserve Bank or any other public agency.

For a complete list of NBFCs :

- (i) that are registered with RBI and have RBI's approval to accept public deposits; and
- (ii) whose application for registration has been rejected and are therefore not allowed to function as an NBFC, including acceptance of public deposits.

Please visit RBI's website of www.rbi.org.in.

Issued in Public Interest by
RESERVE BANK OF INDIA

Import of Items in Non-Prime Tin Plates

*375. SHRI RAVINDRA KUMAR PANDEY : Will the Minister of COMMERCE be pleased to state :

(a) whether the use of seconds, waste/waste misprinted and defective tinplates are banned in most countries of the World including America, United Kingdom, Canada, Sweden, etc. due to health hazards;

(b) if so, the details thereof;

(c) whether the Non-Prime tinplate does not offer the integrity of coating and when the base metal comes in contact with the food items packed in it, it may turn toxic/carcinogenic;

(d) if so, whether almost 80% of the total imports into the country are comprised of such secondary and defective Non-Prime;

(e) if so, the facts therefor; and

(f) the remedial steps being taken in this regard?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) In most developed countries, the use of

non-prime tinplate (seconds, waste/waste, defectives and misprints) is either not permitted by Law or is not considered ethical for use in packaging foodstuffs in public interest. Materials like seconds, waste/waste misprinted and defective tinplates are not listed as food packaging material under the international food standards and national standards of many countries viz. Food and Drug administration (FDA), Code of Federal Regulations (CFR), WHO/FAO, Codex Alimentarius and EEC regulations.

(c) When the base metal comes into contact with the food items packed in it, it may turn toxic/carcinogenic. However, toxicity depends upon the condition of the tinplate, the nature of the food item and the temperature and duration of the food item stored.

(d) and (e) The percentage of seconds to total import of tinplates during 1995-96, 1996-97 and 1997-98 was 79.43%, 81.55% and 84.17% respectively.

(f) Based on representations regarding cheap imports of tinplates putting the nation's health in grave danger, Office of Director General of Foreign Trade in the Ministry of Commerce issued a Public Notice fixing the floor price for import of tinplates seconds/defectives/waste/waste at US \$ 545 per M.T. The provisions of Prevention of Food Adulteration Act (PFA) provide for the specifications on use of packaging materials including tinplate for edible products. The Bureau of Indian Standards have also framed standards for tinplate packaging of Vanaspati, Ghee and Edible oils. These standards inter-alia, provide for use of prime grade or first grade tinplate as the materials for packaging. The packaging materials made from seconds, waste and defective tinplates are not permitted under FPO (Fruit Products Order).

Public Sector Commission for PSEs

*376. SHRI AJAY CHAKRABORTY :

SHRI NARESH PUGLIA :

Will the Minister of INDUSTRY be pleased to state :

(a) whether the Standing Conference on Public Enterprises (SCOPE) has called for the setting up of a Public Sector Commission to analyse and evaluate the intrinsic strength of Public Sector Enterprises (PSEs);

(b) if so, whether the Government propose to formulate any long term policy/strategy for strengthening the Public Sector Enterprises in the country;

(c) if so, the details thereof and the reaction of the Government on the views expressed by SCOPE; and

(d) the other steps the Government propose to take to strengthen and make viable PSEs in the country?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) (a) Yes, Sir.

(b) and (c) The long term policy and strategy for strengthening the PSEs in the country are enshrined in the Industrial Policy Statement of July 1991 which are further supported by the National Agenda for Governance of the Government. The views expressed by the SCOPE have been noted.

(d) In pursuance of the announced policies, the Government are undertaking restructuring and revival measures to strengthen PSUs besides implementing revival packages sanctioned by BIFR for the sick enterprises registered with it.

[Translation]

Indo-Sri-Lanka Bilateral Trade Agreement

*377. SHRI A. GANESHAMURTHI :

SHRI R. S. GAVAI :

Will the Minister of COMMERCE be pleased to state:

(a) the items included in Indo-Sri Lanka bilateral Trade Agreement signed in December, 1998;

(b) whether the duty free tea is permitted for import into India under the agreement;

(c) if so, the details thereof;

(d) whether tea imported from Sri Lanka would find its way for exports under rupee debt trade mechanism;

(e) if so, the details thereof;

(f) whether any steps have been taken to remove the anxieties expressed by the Indian Tea and rubber Industry; and

(g) if so, the details thereof?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) to (g) Under the provisions of the Free Trade Agreement between India and Sri Lanka, both the countries are required to exchange the list of items on which tariff preferences shall be available as well as items on which no tariff preference shall be available. India has agreed to remove the tariffs on all items except items in the negative list in a span of 3 years whereas Sri Lanka will do so in a span of 8 years. The two sides have not finalized the lists yet, which are to be exchanged as per the Agreement. While preparing the lists from our side due importance has been given to the recommendations of administrative Ministries, State Governments and various Associations representing trade and industry. As regards Tea, duty free import is not contemplated at present under the FTA. There is little likelihood that tea imported from Sri Lanka would find its way for exports under rupee debt trade mechanism, as there is minimum value addition norm prescribed under the present Exim Policy for export of imported goods against payment in Indian rupees. Simi-