

**Statement II**

India and its neighbouring countries namely Nepal, Bhutan, Bangladesh, Sri Lanka, Maldives and Pakistan have organised themselves into South Asian Association for Regional Cooperation (SAARC) with the intention, *inter-alia*, to strengthen trade relations among themselves. An agreement for Preferential Trading Arrangement (SAPTA) among the SAARC Member States was signed in 1993. It became operational with effect from 7.12.95 with the intention to progressively reduce the tariff incidence for intra-regional trade. It is proposed to set up a total Free Trade Area in the region preferably by 2000 A.D. but not later than 2005 A.D. Reduction/removal of tariff and non-tariff barriers, exchange of information relating to bulk imports by government agencies, improvement in transport and transit infrastructure, exhibition of existing trade potential of the Member countries with a view to encourage the import requirements of Member countries from within the region, simplification of visa facilities for more frequent inter-action between the Government and business/trade promotion agencies, seminars and workshops at business level and efforts made by the SAARC Chamber of Commerce and Industries to promote economic inter-action within the region etc. are some of the measures taken by India and its neighbouring countries to strengthen trade relations.

2. The steps taken to increase trade with China include reopening of traditional trade between inhabitants along the border of two sides, promotion of technical collaboration between the two countries, setting-up of Joint Task Force for monitoring progress of implementation of coal projects with Chinese cooperation, participation in trade fairs and inter-action between the business communities of India-China organised by India and China Joint Business Council.

3. The steps taken to increase trade with Myanmar include operationalisation of border trade between India and Myanmar, organisation of trade exhibitions and exchange of business delegations and official delegations.

[Translation]

**Violation of Companies (Deposit and Sanction) Rules, 1975**

124. SHRI N. J. RATHWA : Will the Minister of FINANCE be pleased to state :

(a) whether clause 58A of the Companies (Deposit and Sanction) Rules, 1975 provides modes and principles for a

company who are engaged in mobilising fixed deposit from the general public;

(b) if so, the details thereof;

(c) whether the fixed depositors can make any complaint to the 'Company Law Board' against the defaulting companies;

(d) if so, whether the Government are aware that some companies are violating the above Rules by mobilising heavy amount as fixed deposit from the public during the last three years;

(e) if so, the details of such complaints received by the 'Company Law Board' particularly from those companies which come under the purview of Registrar of Companies (Delhi and Haryana) during the above period, year-wise; and

(f) the action taken by the 'Company Law Board' in this regard, Company-wise ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Section 58A of the Companies Act, 1956 provides for the regulations of the invitation and acceptance of deposits. The Companies (Acceptance of Deposits) Rules, 1975 were notified in exercise of the powers conferred by Section 58-A read with Section 642 of the said Act.

These rules *inter alia* provide for period of deposit, ceiling on rate of interest and rate of brokerage, permissible limits for acceptance of deposits and other restrictions on acceptance of deposits. A company is required to deposit 15% of the deposits maturing during the year in specified securities. Every company shall issue an advertisement/deliver a statement in lieu of advertisement in the prescribed manner.

(c) Depositors may apply to the Company Law Board under the provisions of Section 58-A (9), where a company has failed to repay any deposit or part thereof in accordance with the terms and conditions of such deposit.

(d) Some instances where companies have failed to comply with the provisions of the law and the Rules relating to deposits have come to the knowledge of the Government.

(e) and (f) The Company Law Board received 1,000 applications u/s 58-A (9) during 1995-96. A statement of complaint received by Company Law Board (Northern Bench) relating to Companies which come under the purview of Registrar of Companies (Delhi and Haryana) during the last 3 years and action taken by Company Law Board is attached.

**Statement**

S. No.	Name of the company	No. of Depositors who applied	Remarks
1	2	3	4
<i>1994 including applications received in subsequent years</i>			
1.	Escorts Transmission Ltd.	2	Notice to the Company issued - Hearing to be fixed.

1	2	3	4
2.	Magnavision Electronics Ltd.	1	Notice to the company issued – Hearing to be fixed.
3.	Bharat Overseas Constructions Ltd.	176	The Company was wound up provisionally. It has now been revived.
4.	Incap Housing Development Corpn. Ltd.	9	Notice sent to the Company – Hearing to be fixed.
5.	Curewell (India) Ltd.	1	-do-
6.	Pure Drinks (ND) Ltd.	9941	Orders in respect of depositors were issued on 9.11.90, 20.02.91, 21.3.91, 26.6.91, 2.5.91, 25.7.91 & 20.10.91.  The Company has now come before CLB for extension of time for complying with the order. This has been fixed for hearing on 18.2.97.
7.	Indana Spices & Food Industries Ltd.	265	Final orders issued. Winding up orders have been passed by the Hon'ble High Court of Delhi. The matter heard on different dates. Last hearing held on 3.2.97. Orders reserved for three weeks.
8.	Thapar Agro Mills Ltd.	968	The matter heard on different dates. Last hearing held on 3.2.97 - Orders reserved for three weeks.
9.	Uniplas India Ltd.	27	Hearing held on 17.1.97 - Adjourned to 17.3.97.
<i>Total No. of Companies – 9</i>			
<i>1995 Including applications received in subsequent years</i>			
10.	Nuware India Ltd.	2	Notice to the Company issued - Hearing to be fixed.
11.	G.M. Associates Pvt. Ltd.	1	-do-
12.	Alpha Toyo Ltd.	1	-do-
13.	Muradabad Syntex Ltd.	1	Notice sent to the Company - Received back with remarks "LEFT WITHOUT ADDRESS"
14.	Orient Abrasives Ltd.	2	Notice issued to the company - Hearing to be fixed.
15.	M.S. Shoes East Ltd.	4	The company has made payment to two depositors. Negotiating for remaining two.
<i>Total No. of Companies – 6</i>			
<i>1996</i>			
16.	Hilton Rubbers Ltd.	1	Payment made, case disposed of.
17.	Em Jay Video Pvt. Ltd.	1	Notice to the Company issued - Returned with the remarks 'Left'
18.	Perutek Services Ltd.	1	Notice issued to the company – Hearing to be fixed.
19.	Weston Electroniks Ltd.	2	Notice issued to the company – Hearing to be fixed.
20.	Nuchem Ltd.	102	Fixed for hearing on 7.3.1997

1	2	3	4
21.	Montari Industries Ltd.	24	Hearing held on 14.2.1997 and the Company has undertaken to file an affidavit setting out the schedule of refund of the deposits by 17.2.1997. Final orders will be passed thereafter
22.	SRG Infotech (India) Ltd.	3	Notice issued to the Company - Hearing to be fixed.
23.	Cement Corpn. of India Ltd.	1	Fixed for hearing on 13.3.97.
24.	Green Hills Plantations Ltd.	1	Case disposed of.
25.	Keonics Magnavision Computers Ltd.	1	Notice issued to the company. Hearing to be fixed.
26.	International Housing Dev. Corpn. Ltd.	1	-do-
27.	Western Paques (I) Ltd.	1	-do-
28.	Willard India Ltd.	1	Notice issued to the company. The company in its reply date 10.2.1997 has stated that the payment will be made within next three months.

*Total No. of Companies - 13*

#### Export of Sports Goods

125. SHRI BHAGWAN SHANKAR RAWAT : Will the Minister of COMMERCE be pleased to state :

(a) the details of sports goods exported and the foreign exchange earned therefrom during the current year, country-wise; and

(b) the steps taken by the Government to boost the export of sports goods ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The major items of sports goods exported during the current year include inflatable balls and bladders, protective equipment for cricket, cricket bats, boxing equipment, indoor games equipment, cricket and hockey balls and hockey sticks. Country-wise exports and the foreign exchange earned during the period April to December, 1996-97 are as follow :

(In US \$ Million)

Country	Exports during (April-Dec. 96-97)
1. UK	10.60
2. Australia	5.98
3. Italy	4.61
4. USA	3.58
5. Germany	2.66
6. South Africa	2.22
7. France	1.35

8. Newzealand	1.24
9. Saudi Arabia	0.73
10. Japan	0.54
11. Others	4.78
<b>Total</b>	<b>38.29</b>

Source : Sports Goods Export Promotion Council.

(b) The steps taken by the Government to boost the export of sports goods include :

- (i) Most of the Sports Goods items are reserved for production in the Small Scale Sector and therefore are eligible for higher incentives under Exim Policy.
- (ii) Important raw materials like Nylon Gut, Ashwood, Beach Wood, Willow Cleft, Feathers etc. used in the sports goods industry are allowed to be imported under the concessional customs duty of 10% *ad-valorem*.
- (iii) to promote Indian Sports Goods abroad, Govt. sponsors trade delegations from time to time.
- (iv) The Government gives grant to the Sports Goods EPC for partially meeting the expenditure on developmental activities including participation in fairs/exhibitions abroad.

[English]

#### Coir Board

126. SHRI RAMESH CHENNITHALA : Will the Minister of INDUSTRY be pleased to state :