

AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) No, Sir.

(b) Does not arise.

#### Export of Textiles to U.S.A.

2620. SHRI MOHAN SINGH:  
SHRI K.P. NAIDU:  
PROF. P.J. KURIEN:  
SHRI PRITHVIRAJ D. CHAVAN:  
SHRI K.S. RAO:  
SHRI MAGANTI BABU:

Will the Minister of TEXTILES be pleased to state:

(a) whether U.S.A. has initiated moves to strip India of 'Most Favoured Nation' status by slapping trade restrictions in the export of textiles from India after India's nuclear tests;

(b) if so, the defensive measures being taken by the Government in this regard;

(c) the value of textiles is exported to America annually;

(d) the extent of textile trade likely to be affected in case the America imposes restrictive customs duty; and

(e) the details of the share of India in regard to export of textiles to America?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) to (e) The U.S. Government have not initiated any move to strip India of 'Most Favoured Nation' status by slapping trade restrictions in the export of textiles from India.

The export of textiles and clothing to the U.S.A. during 1997 amounted to Rs. 7,700/- crores (approximately).

In the total textiles and garment products imported by the U.S.A., the share of India is about 3.7%, at present.

#### Coir Board

2621. SHRI A.C. JOS : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Coir Board has agreed to provide a sum of Rs. 50 lakh to the Kerala Coir Workers Welfare Fund.

(b) if so, the details thereof;

(c) the reasons for not releasing the amount; and

(d) the steps taken by the Government for immediate release of the fund?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) No, Sir. Government have so far not decided to give any grant to the Kerala Coir Workers Welfare Fund this year.

(b) Does not arise.

(c) and (d) Coir Board had evaluated the performance of the Kerala Coir Workers' Welfare Fund. The evaluation report has pointed out many irregularities which have been brought to the notice of the Kerala Coir Workers' Welfare Fund Board by the Coir Board. The Coir Board had suggested to the Kerala Coir Workers' Welfare Fund Board to maintain proper accounts for the disbursement of pension etc. This matter has also been considered by the Government and it is felt that it would not be possible for the Government to release any grant to the Kerala Coir Workers' Welfare Fund Board unless remedial steps are taken by them for improving the operations of the Fund as advised by the Coir Board. State Governments has also been requested to initiate necessary action in the matter. The Coir Board has also been advised to take follow up steps with the Welfare Fund Board.

#### Complaints against JVG

2622. SHRI CHANDRESH PATEL :  
DR. PRABHA THAKUR :  
SHRI PRABHUNATH SINGH :  
SHRI RATILAL KALIDAS VARMA :  
SHRI FAGGAN SINGH KULESTE :  
SHRI BHAGWAN SHANKAR RAWAT :  
SHRI SUSHIL CHANDRA VARMA :

Will the Minister of FINANCE be pleased to state:

(a) the date since when the Group of Companies named "JVG" registered with the RBI alongwith its aims;

(b) the locations of the branches, opened by the JVG in the Country indicating the amount collected by these branches from the investors since their inception in each state;

(c) whether the Government have received complaints regarding non payment of refund to the investors by JVG and its branches and closing of such branches leaving the investors in high and dry;

(d) if so, the details of complaints received during 1997-98 till date, state-wise;

(e) the action taken/proposed to be taken by the Government against JVG and to ensure the payment of refund to the investors;

(f) whether the RBI has imposed any ban on the functioning of JVG and its branches;

(g) if so, the details thereof indicating date of imposing ban, aims and reasons and the period for which ban has been imposed;

(h) whether the said group of companies is still functioning in the country by violating the directions of the RBI; and

(i) if so, the action being taken against JVG for violation of RBI's directions?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCE AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) According to RBI the JVG Group of Companies are not registered with the Reserve Bank of India (RBI).

(b) According to RBI, the JVG Group is reported to have more than 4000 offices all over India. RBI do not have break-up of the deposits raised by the individual branches. As per the balance sheet as on 31st March, 1997, JVG Finance JVG Leasing and JVG Securities have deposits to the tune of Rs. 390.16 crores, Rs. 95.02 crore and Rs. 1.51 crore respectively.

(c) Government and Reserve Bank of India have been receiving complaints regarding default in repayment of deposits/payment of interest from depositors in respect of a number of Non-Banking Financial Companies (NBFCs) including JVG,

(d) State-wise details of the complaints made by the depositors is not available with the RBI.

(e) to (g) and (i) RBI had directed M/s JVG Finance Ltd. and M/s. JVG Leasing Ltd. that they should not accept further deposits in July 1997 based on adverse inspection findings. Subsequently, on receipt of complaints of default in refund of deposits all the three companies including M/s. JVG Securities Ltd. have been prohibited from acceptance of fresh deposits and renewals thereof w.e.f. October 10, 1997. They are also prohibited from alienating their assets in terms of Section 45MB(2) of the RBI Act, 1934. Company Law Board has also received complaints of non payment of deposit/interest from the investors of JVG Finance Limited and JVG Finance Company under Section 45QA of the RBI Act. On May 28, 1998, the applications for issue of certificate of registration to carry on non-banking financial institution activities of M/s. JVG Finance Ltd., M/s. JVG Leasing Ltd. and M/s. JVG Securities Ltd. were rejected while the application of M/s. JVG Holdings Ltd. was rejected earlier. The companies, therefore, cannot carry on financial activities from then onwards. Criminal complaints under section 58E(1) read with Section 58B and Section 58C of the RBI Act, 1934 were filed in the Courts of Chief Metropolitan

Magistrates in Delhi on 29/30th May, 1998 against the three companies, viz. JVG Finance Ltd., JVG Leasing Ltd. and JVG Securities Ltd. praying prosecution of the companies and the directors. The Bank has also filed applications for winding up of the companies under Section 45MC of the RBI Act, 1934 in the Hon'ble Delhi High Court before the vacation judge, on 5th June, 1998. The application was admitted and the Hon'ble Court have appointed official liquidators as provisional liquidators.

(h) Consequent on the rejection of their applications for issue of certificate of registration, the companies cannot carry on any financial activity and they cease to function as NBFCs.

12.00 hrs.

## PAPERS LAID ON THE TABLE

[English]

### Copies of detailed Demands for Grants Vol. I & II of Ministry of Home Affairs for 1998-99

THE MINISTER OF HOME AFFAIRS (SHRI L.K. ADVANI) : I beg to lay on the Table-

- (1) A copy of the Detailed Demands for Grants (Vol. I) (Hindi and English versions) of the Ministry of Home Affairs for the year 1998-99.
- (2) A copy of the Detailed Demands for Grants (Vol. II) (Hindi and English versions) of the Ministry of Home Affairs (Union Territories without Legislature) for the year 1998-99.

[Placed in Library, See No. LT 694/98]

### Annual Reports of Fragrance and Flavour Development Centre Kannauj, Centre for the Development of Glass Industry Firozabad etc. review of their working and statement showing reasons for delay in laying the reports etc.

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : I beg to lay on the Table-

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Fragrance and Flavour Development Centre, Kannauj, for the year 1996-97 alongwith Audited Accounts.
- (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the Fragrance and Flavour Development Centre, Kannauj, for the year 1996-97.