

(a) whether RBI and the Government are considering to introduce concurrent audit for the public sector banks;

(b) if so, the details of the proposed system;

(c) whether the proposed system would prevent irregularities in the banks; and

(d) the time by which it is likely to be introduced.?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY (DR. ABRAR AHMED): (a) Reserve Bank of India (RBI) have reported that as per the recommendations of Ghosh Committee on Frauds and Malpractice's in Banks, introduction of concurrent audit at the larger branches of public sector banks is under their consideration.

(b) The concurrent auditors at the branches will be required to supplement the efforts of the bank in carrying out simultaneous internal check of transactions and compliance with procedures laid down by the bank. The details of the system are being worked out by RBI.

(c) As the job of concurrent auditors is primarily to oversee the day today operations/transactions especially housekeeping, reconciliation of entries, income leakages etc. it is expected that the proposed system would greatly help in early detection of irregularities and their prevention.

(d) The guidelines in this regard are likely to be issued shortly by RBI.

[*Translation*]

Sale of Arms in International Market

2510. SHRI SANTOSH KUMAR GANGWAR: Will the Minister of DEFENCE be pleased to state:

(a) whether the proposal in regard to the sale of Indian arms and other Defence/ army equipment's in the international market is under the consideration of the Government;

(b) if so, the action being taken in this regard; and

(c) the position of the country in this regard in international market?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI MALLIKARJUN) (a) and (b). Defence Public Sector Undertakings and Ordnance Factories are already exporting their products. The steps taken to boost defence exports include policy and procedural liberalisations, utilisation of infrastructure with our Missions abroad, interaction with foreign delegations and undertaking publicity measures. The production agencies have also developed their marketing strategies keeping their target areas for export in view.

(c) A beginning has just been made in this field and no comparison can be drawn with other countries which have been exporting for a long time and have captured substantial share of the defence market. Given the production capabilities in India the potential for export is substantial; but the problems of making entry and of contracting demands have to be contended with.

[*English*]

Production of Tobacco

2511. SHRI SOBHANADRESWARA RAO VADDE: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to bring tobacco under the purview of Tobacco Board regulation the production and fixing minimum support price to the