

We have reduced the number of duties and the number of rates. We will again reduce the number of rates. But Excise Duty Act provisions have not been taken up. We have only taken up Income-Tax Act and Company Law. Let that be finished, then I would attend to the Excise Duties Act.

[Translation]

SHRI DATTA MEGHE : Mr. Speaker, Sir, please ask the hon'ble Minister to reply the question put up by Shri Banwari Lal Purohit.

[English]

Agro based Industries

*136. SHRI DATTA MEGHE : Will the Minister of INDUSTRY be pleased to state :

(a) the details of proposals received by Government regarding setting up of agro-based industries with foreign investment in each State of the country during the last three years;

(b) the details of the proposals approved and the number of proposals implemented so far; and

(c) the reasons for delay in implementation of the approved proposals?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) A total of 461 number of proposals envisaging foreign direct investment of Rs. 6536.50 crores in the Agro-based Industries comprising of Sugar, Paper & Pulp, Food Processing Industries, Vegetable Oils & Vanaspati and Horticulture/Agriculture/Floriculture and Fermentation Industries have been approved during the last 3 years. The State-wise details of these proposals approved during the last 3 years viz. 1994, 1995 and 1996 (upto 30-9-96) are given in the Annexure.

(b) and (c). Implementation details of foreign investment projects are not centrally maintained. Monitoring of the project is primarily done by the State Government since commissioning of most projects depends upon various State level clearances including land, power etc. and gestation period which varies from project to project.

ANNEXURE

Statewise Report for Foreign Direct Investment Cases Approved for Agro based Industries during the Period 1994, 1995 and 1996 (Upto Sept.)

(Rs. in Crores)

State	1994		1995		1996	
	No.	Inves.	No.	Inves.	No.	Inves.
1	2	3	4	5	6	7
Others (Location not Indicated)	8	366.20	15	558.94	18	3023.69
Maharashtra	29	279.54	28	61.04	13	30.14
Delhi	5	99.53	7	52.32	1	1.40
Madhya Pradesh	6	80.74	4	15.79	5	465.83
Andhra Pradesh	16	30.22	35	135.26	12	462.81
Karnataka	14	23.11	23	31.01	12	13.22
Uttar Pradesh	10	28.38	11	57.08	12	139.89
Haryana	15	17.82	23	39.50	8	35.42
Chandigarh	2	9.02	-	-	-	-
Gujarat	6	8.03	9	95.3	7	159.40
Punjab	4	7.42	2	4.26	3	2.72
Tamil Nadu	14	9.81	25	24.28	14	34.57
West Bengal	3	3.02	6	8.67	4	59.22
Rajasthan	4	1.96	7	18.58	2	5.47
Himachal Pradesh	3	9.40	1	1.20	-	-
Dadra & Nagar Haveli	1	1.07	-	-	-	-

1	2	3	4	5	6	7
Tripura	1	0.68	-	-	-	-
Orissa	2	0.35	1	0.50	-	-
Kerala	1	0.30	1	0.55	4	7.41
Assam	-	-	1	0.57	-	-
Bihar	-	-	1	1.15	-	-
Pondicherry	-	-	-	-	1	4.65
Jammu & Kashmir	-	-	-	-	1	8.01
	144	976.58	200	1106.07	117	4453.85

[Translation]

SHRI DATTA MEGHE : Mr. Speaker, Sir, several projects come under it in Maharashtra but Finance Committees are not financing. Credit goes to the sugar, paper and spinning mills of Maharashtra for mobilising the investment made.

WRITTEN ANSWERS TO QUESTIONS

[English]

Misuse of Value Based Advance Licence

*122. SHRI S.D.N.R. WADIYAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the massive misuse of Value Based Advance Licence (VBAL) and the Quantity Based Advance Licence (QBAL) Schemes;

(b) if so, the net loss incurred by the Government till date due to the misuse of the schemes; and

(c) the remedial measures adopted by the Government to plug the loopholes?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Yes Sir. Cases of misuse of Value Based Advance Licences (VBAL) and Quantity Based Advance Licences (QBAL) have been noticed. These cases relate, inter-alia, to wrongful avilment of Modvat under VBALs, import of goods not covered by the relevant Customs Notifications, mis-declaration of value of export and import goods, export of inferior or junk materials and diversion of imported goods for domestic market in contravention of the conditions of the schemes. As many cases are still at various stages of investigation/adjudication, the net loss cannot be quantified.

(c) Various measures have been taken by the Government to plug the loopholes and to prevent misuse of these Schemes. These measures, inter-alia, include requiring the exporters to discharge their export obligation both in terms of value and quantity of export

product under the VBAL modification of the sensitive list by placing some items in the said list which attract 0 to 10 per cent duty, and those which constitute upto 2 per cent by weight or quantity in the export product, imposition of additional customs duty on inputs imported under the VBAL and QBAL Schemes, explicitly providing for computation of CIF value of inputs with reference to their international prices. The procedure for verification of the avilment of Modvat in respect of inputs used for manufacture of export product has also been streamlined.

Internal Control System in Banks

*123. SHRI JAI PRAKASH (Hardoi) : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem captioned "RBI urges banks to beef up internal control systems" appearing in the 'Hindustan Times' dated August 10, 1996;

(b) if so, the facts thereof; and

(c) the progress of steps initiated in that regard so far?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). Yes, Sir. Deputy Governor, RBI mentioned at the Annual General Meeting of the Indian Banks Association that there was a need for strengthening the internal control systems of banks.

(c) RBI have taken various steps which include inter alia, introduction of the system of concurrent audit, hundred percent audit of investment and foreign exchange operations, constitution of Audit Committees of the Boards of Directors of the Banks, reduction in the number of unreconciled entries specifically in fraud prone accounts, staff accountability, etc.

[Translation]

Concessions/Relaxations for Handloom Sector

*126. SHRI JAI PRAKASH AGARWAL : Will the Minister of TEXTILES be pleased to state :

(a) whether the Union Government have received