

1	2	3	4
Delhi	235	4823	31301
Goa	49	1068	7630
Pondicherry	52	317	5318
Daman & Diu	70	1356	5421
Total	9893	220064	1998130

#### Misuse of Export Promotion Scheme

1656. SHRI NAMDEO DIWATHE : Will the Minister of COMMERCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned "DGFT to clamp down on misuse of export promotion scheme – Advance licensing – EPCG schemes to be monitored" appearing in the "Economic Times" dated July 10, 1997;

(b) if so, the reaction of the Government to the observations made therein and the facts of the matter;

(c) whether the Government have received complaints of large-scale misuse of provisions of the scheme;

(d) if so, the details of major cases of misuses detected during the last three years; and

(e) the action taken by the Government there-on ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) Yes, Sir.

(b) The news report briefly outlines the action plan of the Directorate General of Foreign Trade:-

(i) for a strict monitoring of export obligation in respect of cases under the Advance Licensing (QABAL and VABAL) and Export Promotion Capital Goods (EPCG) Schemes. In terms of these schemes, duty free import of inputs/capital goods etc. have been allowed against prescribed export obligation which were to be fulfilled within specified periods of time; and

(ii) for strengthening the enforcement wing of the Directorate General of Foreign Trade so that appropriate penal action is taken against exporters who have defaulted in fulfilment of export obligation.

(c) The Government has come across a fairly large number of cases under the Advance Licensing Scheme where the exporters have not fulfilled their export obligation within the permitted period of time allowed by the DGFT for this purpose. However, under the EPCG scheme, the number of cases of not-fulfilment of export obligation is very small.

(d) Major cases of misuse detected during the last three years relate to:

(i) Non-fulfilment of export obligation and unauthorised disposal of imported goods;

(ii) Cases detected in the plastic sector and on import of Brass Scrap, where misdeclaration and suppression of facts in the applications for licences were found;

(iii) Misdeclaration regarding availment of MOD-VAT at the time of seeking transferability;

(iv) Over-invoicing of exports, specially of polyester fabrics.

(e) Appropriate action have been taken as under :

(i) In cases of bonafide default in fulfilment of export obligation, defaulters were given opportunity to regularise the default by payment of Customs duty, interest and surrender of Special Import Licences;

(ii) In cases of unauthorised disposal of imported material, penal action was initiated to cancel the licences or to impose fiscal penalties.

(iii) To scale down the value of licences in case of misdeclaration of c.i.f. prices of inputs in the application;

(iv) Guidelines have been issued to deal with bonafide cases where MODVAT had been wrongfully availed and subsequently reversed;

(v) "Sensitive List" was expanded by bringing Brass Scrap and selected plastic inputs within its ambit;

(vi) where the facts of the cases so warranted, cases were handed over to specialised agencies, such as, the Enforcement Directorate and C.B.I. etc. for further investigations.

[Translation]

#### Financial Crimes

1657. SHRI JAYSINH CHAUHAN :

SHRI B.L. SHANKER :

SHRI T. GOPAL KRISHNA :

SHRIMATI BHAVNA BEN DEVRAJ BHAI CHIKHALIA :

SHRIMATI PURNIMA VERMA :

SHRI P. SHANMUGAM :

SHRI KRISHAN LAL SHARMA :

Will the Minister of FINANCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news item captioned "Panel will devise strategy to combat financial crimes" appeared in the "Times of India" dated July 7, 1997;

(b) if so, the details thereof;

(c) to what extent this panel is likely to curb the menace of black money in the country;

(d) the amount of black money as per IMF assessment and as per assessment of Government prevalent in the country as on July 31, 1997;

(e) the percentage of its constitute the whole gross domestic product (GDP) of the country as on July 31, 1997; and

(f) the steps taken by Government to minimise it ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (c) Economic Intelligence Council has been constituted with a view to strengthen coordination and evolving an integrated strategy to combat economic crimes. The Newspaper report in the Times of India of July, 4, 1997 gives some information on the working of this Economic Intelligence Council. A better coordination among the various enforcement agencies will enhance the success of measures designed to curb the menace of black money in the country.

(d) to (f) There is no official estimate of the amount of black money at present in circulation in the country. The National Institute of Public Finance and Policy had estimated black money between Rs. 31,584 crores to Rs. 36,784 crores in the year 1983-84. Thereafter no authentic study has been made on this subject. The Govt. have been taking necessary legislative, fiscal and administrative measures as deemed appropriate from time to time to curb growth of black money. The rates of taxation have been progressively rationalised. Besides, the Income Tax Act, 1961 contains a number of provisions aimed at curbing the generation of black money. These include, inter-alia, provisions regarding compulsory maintenance and audit of account in appropriate cases under Section 44AA and 44AB, restriction on cash transactions under section 40A(3), 269SS and 269T, pre-emptive purchase of property under chapter XXC and provisions regarding penalties and prosecutions for punishing tax defaulters were made. The Act also contains provisions regarding summons, surveys and searches etc. to detect tax evasion.

[English]

#### **Infrastructure Facilities for Judiciary**

1658. SHRI ANANDRAO VITHOBA ADSUL : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether an aggregate amount of Rs. 1439.51 crores is due from the Union Government to the Government of Maharashtra since April, 1993 to March, 1997 under the Centrally sponsored scheme for providing grant to the States for developing infrastructural facilities of capital nature for the judiciary;

(b) if so, the reasons for accumulation of such a huge amount of dues; and

(c) the steps taken by the Government to clear these dues ?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) No, Sir. The expenditure in respect of High Courts and subordinate Courts, which also includes the provision of infrastructural facilities, is to be met by the concerned State Government. The Centrally Sponsored Scheme for the development of infrastructural facilities for the judiciary was introduced from 1993-94 with the aim of augmenting the resources of the State Governments. The scheme is confined to construction of Court Buildings and residences for the Judges. The amount received from the Planning Commission is allocated to the different States/UTs on the basis of the criteria laid down for this purpose by the Planning Commission. On the basis of these criteria, an amount of Rs. 1279.30 lakhs had been released to Maharashtra from 1993-94 to 1996-97. For the current Financial year 1997-98, an amount of Rs. 315.71 lakhs has tentatively been allocated to Maharashtra, out of which the first instalment of Rs. 158.00 lakhs has already been released. One of the main criteria of the scheme is that the State Government must come forward with a matching share to the amount released by the Central Government. However, the State Governments are free to spend additional amounts depending upon their resources.

(b) and (c) Do not arise.

#### **Foreign Visits of Judges**

1659. SHRI SATYA PAL JAIN : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the names of the Hon'ble judges who visited foreign countries and the countries they visited during each of the last three years;

(b) the amount incurred on such visits by the Union/ State Governments or any other State agency; and

(c) whether such visits were official or otherwise and the period, they remained abroad?

THE MINISTER OF STATE OF THE MINISTRY OF LAW AND JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c) The information is being collected and will be laid on the Table of the House.

#### **Selection Committee for PMRY**

1660. SHRI FAGGAN SINGH KULESTE : Will the Minister of FINANCE be pleased to state :

(a) whether there is participation of banks in the Selection Committee constituted under the Prime Minister's Rozgar Yojna (PMRY) launched by the Government;

(b) if so, the time likely to be taken by the banks in disposing of the loan cases under PMRY;

(c) whether the banks returned the cases relating to loans sanctioned by the loan Committee; and

(d) if so, the reasons therefor ?