

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:247  
ANSWERED ON:25.02.2000  
. SMUGGLING OF VITAMIN A. H .  
SURESH CHANDEL

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether attention of the Government have been drawn to the news item captioned `Vitamin `A` being smuggled in garb of prawn feed` appearing in the `The Pioneer` dated November, 27, 1999;
- (b) if so, the details of the fact reported therein;
- (c) whether the Government are incurring a loss of Rs.2400 crore annually due to this smuggling; and
- (d) if so, the steps taken by the Government to check the smuggling of Vitamin `A`?

**Answer**

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) Yes , Sir.

(b) The Import Policy for Vitamin A and Vitamin AD3 is Restricted. However, under the Advance Licensing Scheme, against the export of certain specified varieties of Shrimps (Headon, Headless -Block Frozen/IQF/Chilled) duty free import of the following items are allowed as inputs, namely, either Shrimps/Prawn Feed, or, certain specified ingredients of prawn feed, such as Soya meal, Squid Liver Oil/Powder, Wheat Gluton, Soya lecithin, Pro-biotics, Immunostimulants, Vitamin Pre-mixes consisting of Vitamin C, Vitamin E, Vitamin A/AD3, Vitamin B-1, Vitamin B2/B6 and Mineral mixes. Import of Vitamin Pre-mixes and Mineral Mixes are allowed only in mixed form along with Fillers and it should essentially contain Vitamin C. Also, quantity of Vitamin A and AD3 taken together should not be more than 1.5% of Vitamin Pre-mixes on weight basis. Further, Vitamin pre-mixes of two or more vitamins indicated above, subject to the fulfilment of conditions as above can also be allowed. The Advance Licensing Scheme provides for import of Vitamins only in Pre-mixed form along with the mineral mixes and fillers. Unauthorised import of Vitamins is therefore possible in such cases only through misdeclaration of description of imported inputs. It is possible to detect such cases of actual misdeclaration/fraud only through intensive physical examination of the contents of import consignments of Prawn Feed/Animal Feed by the Customs Authorities so that items like Vitamin A/AD3 did not pass through under the garb of Prawn Feed/Animal Feed.

58 advance licences (including split up licences) pertaining to three firms of Bhubaneswar, which were apparently not in conformity with the provisions of the policy, were found to have been issued by the Cuttack licensing office for a total value of more than Rs.200 crores. In these cases, it has been decided to issue Show Cause Notices proposing cancellation of the licences as well as for imposition of fiscal penalties. In some cases, the Adjudication proceedings have been completed and penalties have been imposed. The firms have gone to Bombay and Cuttack High Courts against imposition of penalties.

(c) Although certain instances have come to the notice of the Government where attempts were made to import Vitamin A unauthorisedly by resorting to misdeclaration or misclassification, it is not correct to say that the Government has incurred a loss of Rs.2400 crores annually, as stated in the news report.

(d) In order to thwart such attempts of unauthorised import of pure Vitamins by misdeclaring the same as Prawn Feed/Animal Feed, a clarification was issued by DGFT to all Licensing Authorities/Commissioner of Customs stating that Vitamins like Vitamin A/AD3 etc. cannot be allowed to be imported as Prawn/Shrimp/Poultry Feed under Heading No.23.09 of ITC(HS) Classifications of Export and Import Items. It was further clarified by a Policy Circular dt. 25.11.99 that only Pre-mixes containing Vitamins or pro-vitamins, aminoacids, coccidiostats etc. for use exclusively in animal feed as supplements would continue to be classified under the said Heading 23.09 as per Explanatory Notes to Harmonised Commodity Description and Coding System.

Show Cause Notices have been issued in some cases where certain firms had managed to obtain licences which were not strictly in accordance with the Standard Input-Output Norms. Action has already been initiated proposing cancellation of such advance licences.