

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:314
ANSWERED ON:25.02.2000
ILLEGAL EXPORT BENEFIT .
GADDE RAMAMOCHAN;M.V.V.S MURTHI;SHIVAJI MANE

Will the Minister of FINANCE be pleased to state:

- (a) whether the Preventing Wing of the Air Cargo Unit , Delhi Customs have detected five cases of illegally availing export benefit under the exemption passbook scheme and duty drawback scheme by some firms;
- (b) if so, the details of the firms;
- (c) the modus-operandi adopted by the firms; and
- (d) the steps taken by the Government against these firms?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a): Yes, Sir. The Preventive Wing of the Air Cargo Unit, Delhi Customs have detected five cases of availing unduly high export benefits under Duty Exemption Passbook Scheme and Duty Drawback Scheme by five firms.

(b): The details of the firms are as under:-

M/s. Hindustan Overseas Limited, Ludhiana.
M/s. Orient Auto Industries, New Delhi.
M/s. Manjeet Overseas, New Delhi.
M/s. Khayati International , New Delhi.
M/s. Skintouch International, Aligarh.

(c): The modus-operandi adopted by above firms was to export cheap quality goods at unduly high export prices with the objective of claiming unduly high Duty Drawback or unduly high credit entitlement under Duty Exemption Passbook (DEPB) Scheme.

(d): In one case where the exporter had attempted to claim unduly high Duty Drawback benefit, the goods with declared export value of Rs.32.45 lakhs were seized and the exporter was also arrested. In another case, wherein the exporter attempted to claim unduly high credit entitlement under Duty Exemption Passbook Scheme, the goods with declared export value of Rs.6.25 lakhs were seized. In this case, adjudication has been completed and D.E.P.B. credit entitlement of Rs.81,000 claimed by the exporter has been denied. A penalty of Rs.75,000 has also been imposed on the exporter. The exporter has also been allowed to redeem the seized goods on payment of redemption fine of Rs.40,000.

In other three cases, wherein the exporters had attempted to claim unduly high D.E.P.B. credit entitlement the exporters have surrendered D.E.P.B. credit entitlement of Rs.24.94 lakhs. Investigations are in progress so that further action can be taken against the exporters under the provisions of law.