

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3228
ANSWERED ON:22.03.2002
EXPORT PROMOTION SCHEMES
ANANDRAO ADSUL

Will the Minister of FINANCE be pleased to state:

- (a) Whether there is growing incidents of frauds under various export promotion schemes;
- (b) if so, the details thereof;
- (c) whether the Government have also set up a special cell to check the frauds;
- (d) if so, the details thereof;
- (e) whether faced with decline in the growth rate of revenue collection in the current fiscal year, the Finance Ministry has decided to hold a meeting with the Commerce Ministry for the review of various export promotion schemes;
- (f) if so, whether any final decision in this regard has been taken; and
- (g) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

a) & b) Incidences of fraud in export under different export promotion schemes have come to the notice of the Government. Details of such cases during 1999-2000 and 2000-2001 are given below:

Year	No. of export Firms involved	Amount involved (Rs. in lakhs)
1999-2000	167	19704.12
2000-2001	268	15287.52

(c) & (d) : Preventive machinery is already in place to check frauds and take action against the offenders. Safeguards have also been built into each Export Promotion Scheme to check frauds. Custom Houses have already Special Investigation and Intelligence Branches to check and detect frauds including frauds under various export promotion schemes and take appropriate action upon detection. Director General of Revenue Intelligence conducts investigation on basis of the intelligence and thereafter proceedings are launched against the offenders under Customs Act. Whenever a new modus-operandi comes to light, DRI issues modus-operandi circulars to alert Customs field formations so as to prevent its recurrence. No special cell has been set up for this purpose.

(e), (f) & (g): Every year, before announcement of the Export Import Policy (Exim Policy), meetings are held between Ministry of Finance and Ministry of Commerce to review Export Promotion Schemes and chalk out strategies for the next year. The concerns of Department of Revenue are brought to the notice of Ministry of Commerce, during these meetings. This year too, in order to finalise the Exim Policy for 2002-2007 period, discussions/meetings are being held between Ministry of Commerce & Ministry of Finance. The basic objective of various Export Promotion Schemes is to boost export of Indian goods and the focus of 2002-2007 Exim Policy to be announced on 31.3.2002 would be in that direction.