

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4915
ANSWERED ON:25.08.2000
EXPORT SCAM UNEARTHED BY CBI
JITENDRA PRASADA

Will the Minister of FINANCE be pleased to state:

- (a) whether the Central Bureau of Investigation (CBI) has unearthed a major export scam of over Rs.100 crore involving a Mumbai based business group and senior Income-tax officials;
- (b) if so, the details of modus operandi of the scam;
- (c) whether the Government propose to conduct an enquiry in the whole affair; and
- (d) if so, the details thereof?

Answer

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

(a) to (d): The CBI had registered cases against two private limited companies of Mumbai. These companies were alleged to be engaged in large-scale over invoicing of exports causing wrongful loss to the Government to the tune of hundreds of crores of rupees. Searches were carried out by the CBI on these companies and the cases are under active investigation. Allegations of abuse of official position by certain Income tax officials, by suppressing evidence in the matter and showing undue favour to the Directors of these companies, are also under enquiry.