

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

UNSTARRED QUESTION NO:4208
ANSWERED ON:06.12.2010
EXPORT PROMOTION SCHEME
Jaiswal Shri Gorakh Prasad ;Sinh Dr. Sanjay

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

- (a) whether the Government is running Export Promotion Capital Good Scheme to increase the exports;
- (b) if so, the details thereof;
- (c) the details of facilities provided and the conditions to be fulfilled by the exporters under the scheme;
- (d) whether many exporters are not fulfilling the said conditions but availing all the facilities;
- (e) if so, the details of such defaulters during the last three years; and
- (f) the action taken against them so far?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JYOTIRADITYA M. SCINDIA)

(a) to (c): Yes, Madam,. The Government is running Export Promotion Capital Goods (EPCG) Scheme to allow import of capital goods for pre-production, production and post-production at zero customs duty (for sectors specified in Para 5.1 of Foreign Trade Policy) and at 3% customs duty subject to an export obligation equivalent to six times/eight times of duty saved on capital goods to be fulfilled in six / eight years from the Authorization issued date. The facilities provided and the conditions to be fulfilled by the exporters under the Scheme are contained in Chapter 5 of Foreign Trade Policy/Handbook of Procedures (Vol.I), 2009-2014, text of which is available at the website of DGFT at www.dgft.gov.in.

(d) to (f): In case, authorization holder under EPCG Scheme fails to fulfill the prescribed export obligation, he is required to pay applicable customs duty with interest. In case, he fails to pay customs duty and interest for regularization of the authorization, he is proceeded against under the provisions of Foreign Trade (Development & Regulation) Act, 1992 and Foreign Trade (Development & Regulation) Amendment Act, 2010. The defaulters are put in Denied Entity List. The number of defaulters during the last three years in different zones is given below:

Sl. No. Name of Zone No. of defaulters

- 1 Central Zone 115
- 2. Eastern Zone 18
- 3. Western Zone 324
- 4. Southern Zone 194