

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

UNSTARRED QUESTION NO:25
ANSWERED ON:01.08.2011
BOOSTING SCHEMES
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of schemes being run by the Government to boost export;
- (b) whether the Government proposes to review any of the current schemes;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether some of the schemes are misused;
- (e) if so, the details thereof and the steps being taken by the Government to prevent the misuse; and
- (f) the action taken against those responsible for the misuse?

Answer

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

(a) Under the Foreign Trade Policy, various schemes are being implemented to boost exports by way of duty neutralization/ remission schemes, incentive schemes and Schemes for Technological / Equipment Upgradation by Exporters. These Schemes are:

- (i) Advance Authorisation Scheme;
- (ii) Duty Free Import Authorisation (DFIA)
- (iii) Schemes for Gems & Jewellery Sector
- (iv) Duty Entitlement Pass Book (DEPB) Scheme
- (v) Duty Drawback Scheme
- (vi) Focus Product Scheme
- (vii) Focus Market Scheme
- (viii) Vishesh Krishi & Gram Udyog Yojana
- (ix) Export Promotion Capital Goods (EPCG) Scheme
- (x) Status Holder Incentive Scrip (SHIS) Scheme
- (xi) Scheme linked to Deemed exports
- (xii) 100% EOUs / STP / BTP / EHTP Scheme
- (xiii) Promotional Measures for improving the infrastructure for exports
- (xiv) Marketing Development Assistance (MDA)

(b) & (c): The Government takes periodic reviews to take stock for the situation and make mid- course corrections. Performance of export sectors are also reviewed at regular intervals so as to take remedial measures.

(d) to (f): Like in any other scheme the possibility of misuse of the export promotion measures cannot be completely ruled out. Such possibility of misuse can relate to Duty neutralisation schemes like Advance Authorisation, DEPB, Duty Drawback, etc. The possible misuses are in the form of forged documents, giving mis-declaration, diversion of materials to the domestic market, under invoicing / over invoicing of import and export, etc. In course of monitoring of export obligations as also on the basis of information received from

the Directorate of Revenue Intelligence, Customs and other agencies regarding irregularities, penal actions are taken against such firms under the Foreign Trade (Development & Regulation) Act and Rules framed therein. Action taken includes suspension / cancellation of the IEC Number of the units, imposing fiscal penalty with penal interest in addition to action taken under the Customs Act.