

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

UNSTARRED QUESTION NO:2840

ANSWERED ON:12.12.2011

MISUSE OF EXPORT PROMOTION SCHEMES

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

- (a) details of the role played by the Export Promotion Councils in the promotion of export alongwith the performance of each such Council during the last three years;
- (b) whether any instance of misuse of certain provisions of the schemes being implemented by the Government for the promotion of exports have come to the knowledge of the Government;
- (c) if so, the details thereof alongwith the action taken by the Government against those found guilty; and
- (d) the details of the corrective action taken by the Government to prevent the misuse of export promotion scheme in future?

**Answer**

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

(a) :The basic role of Export Promotion Councils is to promote and develop Indian exports. Each council is responsible for promotion of a particular group of products, projects and services. Details of performance of the each Councils separately is not maintained. The performance of these Councils contributes significantly to the country's export. The India's exports performance in the last three years is given below:

Year    Export (in US \$  
         Millions)

2008-09    185,295

2009-10    178,751

2010-11    252,354  
(Provisional)

(b) to (d): 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 could be in the form of forged documents, giving mis-declaration, diversion of materials to the domestic market, under invoicing / over invoicing of import and export. 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.