

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

UNSTARRED QUESTION NO:4073

ANSWERED ON:30.04.2012

INCENTIVES FOR EXPORTERS

Jaiswal Shri Gorakh Prasad ;Nagorao Shri Dudhgaonkar Ganeshrao;Singh Shri Ganesh;Singh Shri Ijyaraj ;Wankhede Shri Subhash Bapurao

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

- (a) whether the Government proposes to provide various types of incentives to exporters and export promoting units;
- (b) if so, the details thereof;
- (c) whether the Government is making the idea of providing an additional package as on special incentives to boost the exports;
- (d) if so, the details thereof;
- (e) whether there have been instance of misuse of such incentives by the exporters during the last three years; and
- (f) if so, the details thereof and the action taken thereon alongwith the mechanism of the Government to ensure that these schemes/incentives are not misused by the exporters?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (d) The Government reviews performance of export sectors at regular intervals and takes remedial measures for providing incentives whenever needed to boost exports. Incentives are provided in the form of duty credit scrip under the Foreign Trade Policy schemes such as Focus Product Scheme, Focus Market Scheme and Vishesh Krishi & Gram Udyog Yojana.

(e) & (f) Like in any other scheme, the possibility of misuse of the export promotion measures cannot be completely ruled out. 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.