

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

UNSTARRED QUESTION NO:6099

ANSWERED ON:14.05.2012

SCHEMES FOR EXPORT PROMOTION

Das Shri Ram Sundar;Karwariya Shri Kapil Muni;Sivaprasad Shri Naramalli

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

- (a) whether the Government has introduced new schemes to promote export performance during the last three years;
- (b) if so, the details thereof;
- (c) whether there is any monitoring mechanism in place to evaluate the performance of these schemes;
- (d) the details of expenditure incurred during the said period on the export promotion schemes and objectives achieved so far;
- (e) whether any instances of misuse of certain provisions of the schemes being implemented by the Government for the promotion of exports have been reported during the said period; and
- (f) if so, the details thereof and the action taken by the Government against those found guilty alongwith the corrective action taken by the Government in this regard?

Answer

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

- (a) & (b) The following new incentive schemes were introduced for promoting exports during the last three years:
Status Holders Incentive Scheme was announced in August, 2009 with an objective to promote investment in upgradation of technology of certain sectors. Duty Credit Scrips for Status Holders @ 1% of FOB value of exports is granted under this scheme.
Special Bonus Benefit Scheme was introduced in October, 2011 to provide special assistance to specified sectors in Engineering, Chemicals and Pharmaceutical for 6 months. The scheme covered 49 products for benefit @ 1% of FOB value of exports and has sunset on 31.3.2012.
Special Focus Market Scheme was introduced with a view to increase the competitiveness of exports with a geographical targeting. The scheme provides additional 1 % duty credit when exports are made to 41 countries. This duty credit is over and above the 3% duty credit granted under Focus Market Scheme.
- (c) & (d) A Monitoring Committee consisting of representatives of Directorate General of Foreign Trade and the Department of Revenue monitors the financial outgo under the schemes. An amount of Rs. 1350 crores has been provided as additional allocation for each of last three years 2009-10, 2010-11 and 2011-12 for expansion and deepening of items under Chapter 3 schemes of the Foreign Trade Policy 2009-14.
- (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.