

the world trade and a decline in investment activity. There has been a consequent slackening of domestic demand across most sectors.

*Taxation 2000-00*

#### **False Customs Duty Drawback**

1632. SHRI JANG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state:

(a) whether frauds in the customs duty drawback availment have come to light where drawback has been availed without any exports actually taking place;

(b) if so, the number of cases have come to light in the last three years giving the full details thereof together with the *modus operandi* adopted in those cases;

(c) the money involved in those frauds and the people involved in those scams/fraud; and

(d) the action taken by the Government thereon fraud-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Yes, Sir. During the last three years, 13 cases have come to light where Customs Duty drawback has been availed without any exports actually taking place. The common *modus operandi* followed in 12 of these cases involved filing of forged documents and shipping bills by the claimants, wherein the examination reports by the Customs Officers on the shipping bills were also forged. In one case, the *modus operandi* involved making fraudulent entries in the Customs EDI/Computer System including Examination Report, by using computer passwords allocated to Customs Officers, to avail drawback.

(c) and (d) The total amount of drawback involved in these 13 cases is Rs. 59.24 crores.

In one case, adjudication proceedings have been completed and demand recovery of drawback amount of Rs. 49.60 crores for bogus exports from Mumbai Air Cargo Complex claimed fraudulently during the period of July, 1995 to October, 1997, has been confirmed against the claimant. In this case, the main person involved, who admitted the fraud, was arrested in October, 1997, and was subsequently detained under the COFEPOSA Act,

1974. This case is being further investigated by the Central Bureau of Investigation. The recovery proceedings are also underway and an amount of Rs. 4.72 crores has already been recovered.

In two other cases of bogus exports from Delhi Air Cargo Complex during the period of August, 1998 to December 1998, involving fraudulent drawback claim of 5.40 crores, six persons were arrested and an amount of Rs. 1.83 crores has been recovered/frozen in the claimant's Bank account.

In addition to the above, investigations are presently in progress by the Directorate of Revenue Intelligence in one case involving drawback amount of Rs. 1.90 crores, and by Central Bureau of Investigation in 9 cases detected at Nhava Sheva Port involving drawback amount of Rs. 2.34 crores.

In order to prevent such instances of outright fraud, the Ministry has taken the following steps:

- (i) A tighter detailed procedure for scrutiny of drawback claims before sanction and disbursement of drawback has been prescribed. This procedure includes matching of all drawback claims with details of physical exports and a new procedure for post audit of drawback claims, wherever the drawback amount exceeds Rs. 1 lakh, both in the manual system and in the EDI/computerised system of disbursement of drawback.
- (ii) All field formations of customs have been alerted to step up intelligence and maintain greater vigil at all levels to prevent recurrence of such frauds.

#### **Import of Coins**

1633. SHRI C.P.M. GIRIYAPPA :  
SHRI MOHAN RAJALE :  
SHRI PANKAJ CHOUDHARY :  
DR. RAMKRISHNA KUSMARIA :  
SHRI RAMPAL SINGH :  
SHRI NRIPEN GOSWAMI :  
SHRI SUSHIL CHANDRA VARMA :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to import coins of small denominations such as Rs. 1, 2 and 5 to cope with the ongoing scarcity of small coins in the country,

(b) if so, the details thereof;

(c) the names of countries from which these coins are proposed to be imported alongwith denomination-wise value thereof;

(d) the time by which the coins are likely to be imported; and

(e) the impact of such import on circulation of currency?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) Yes, Sir

(b) It has been decided to import 1000 million pieces of such coins (Rs. 1=300 MPCs, Rs. 2=300 MPCs and Rs. 5=400 MPCs) on the basis of a global tender.

(c) The names of the countries from where the coins are to be imported will be known only when the tender is finalised.

(d) During 1999-2000.

(e) The imported coins are likely to relieve pressure on currency notes.

[Translation]

#### Investment by Japanese Companies

1634. SHRI RAJENDRA AGNIHOTRI :  
SHRI ANAND RATNA MAURYA :

Will the Minister of INDUSTRY be pleased to state:

(a) whether Japanese companies have expressed their desire to make investment in the country on some new proposals;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) to (c) Yes, Sir. A total number of 960 proposals from Japan envisaging foreign direct investment amounting to Rs. 7449.94 crore in various sectors, have been approved during the period from August, 1991 to 31.12.1998. The details of such proposals viz. Name and country of foreign collaborator, percentage of equity, items of manufacture/activity and location of the project are published on a monthly basis in SIA Newsletter which is widely circulated, including the Parliament library.

As on date, two proposals from Japan are under consideration of the Government.

[English]

#### Industrial Parks

1635. SHRI NRIPEN GOSWAMI : Will the Minister of COMMERCE be pleased to state:

(a) the details of Industrial Parks set up in the North-Eastern States and the assistance provided to each of those Industrial Parks, location-wise;

(b) the number of such parks set up during the current financial year and proposed to be set up during 1999-2000 in the region; and

(c) the amount allocated for setting up new parks in the region?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) On the basis of proposals received from the State Governments, three Export Promotion Industrial Parks (EPIPs) have been sanctioned for establishment in the North-Eastern States. Details of EPIPs and Central grant released by the Government to these parks are given in the enclosed statement.

(b) and (c) A proposal to set up EPIP in Manipur has been approved in 1998-99. No proposal for setting up EPIP in the North Eastern States is pending. There is no region-wise budgetary allocation under this scheme. An amount of Rs. 20 crores has been proposed in the Budget Estimates for 1999-2000 towards implementation of on-going and new EPIPs, including in the North Eastern States.