

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**STARRED QUESTION NO. 95**  
**TO BE ANSWERED ON 17<sup>th</sup> DECEMBER, 2018**

**FRAUDULENT PRACTICES BY EXPORTERS**

\*95. DR. UDIT RAJ:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether it has come to the notice of the Government that many foreign importers are duped or cheated by Indian exporters and the value of such exports runs into millions of dollars whereas India has a vision of increasing exports by \$100 Billion in the next few years;
- (b) if so, the steps taken/facilities provided by the Government to resolve the issues/complaints of foreign buyers; and
- (c) the manner in which the export targets are likely to be achieved in the presence of such fraudulent exporters?

**ANSWER**

वाणिज्य एवं उद्योग मंत्री ( श्री सुरेश प्रभु )

THE MINISTER OF COMMERCE AND INDUSTRY  
(SHRI SURESH PRABHU)

a) to c): A Statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA  
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REGARDING “FRAUDULENT PRACTICES BY EXPORTERS”.**

(a) & (b): Complaints of cheating and fraudulent practices are received from foreign importers against Indian exporters as well as from Indian importers against foreign exporters. There is a mechanism put in place under the Foreign Trade Policy (2015-20) to enable foreign buyers to file a complaint against erring Indian exporters regarding trade disputes or instances of cheating. Such matters are dealt with by the Regional Offices of the Directorate General of the Foreign Trade wherein a “Committee on Quality Complaints and Trade Disputes” inquires into such complaints and takes appropriate action for resolving the disputes. Wherever warranted, penal action under the Foreign Trade (Development & Regulation) Act, 1992 is taken against defaulters.

**(c):** In order to promote India’s exports, the Government has taken several measures through the Foreign Trade Policy 2015-20 launched on 1st April 2015, its Mid-term Review released on December 5, 2017 and other policy measures taken from time to time. The key measures include:

- i. FTP 2015-20 provides a framework for increasing exports of goods and services as well as generation of employment and increasing value addition in the country, in line with the ‘Make in India’, ‘Digital India’, ‘Skills India’, ‘Startup India’ and ‘Ease of doing business’ initiatives.
- ii. Facilitating Transparency through Ease of Doing Business and IT initiatives:
  - (a) Directorate General of Foreign Trade (DGFT) and Special Economic Zone (SEZ) online are integrated with Customs ICEGATE.
  - (b) Mandatory documents required for exports and imports have been reduced to 3 each.
  - (c) Import Export Code (IEC) is integrated with PAN and MoU has been signed with GSTN for complete integration.
  - (d) Electronic bank realisation certificate (e-BRC) shared with 14 States Governments for quick tax refunds.
  - (e) MoU signed with GST Network for integration of E-BRC with GSTN.

- iii. The policy provides the framework for promotion of exports through facilitation and duty remission/exemption on inputs for export production.
- iv. The policy introduced two new schemes, namely 'Merchandise Exports from India Scheme (MEIS)' for improving export of specified goods by merging five earlier schemes for better coherence and 'Services Exports from India Scheme (SEIS)' for increasing exports of notified services. Duty credit scrips issued under MEIS and SEIS and the goods imported against these scrips are fully transferable.
- v. The policy includes measures to encourage procurement of capital goods from indigenous manufacturers under the EPCG scheme by reducing specific export obligation from 90 percent to 75 percent of the normal export obligation.
- vi. The policy provides issue of Advance Authorisation to allow duty free import of inputs, which are physically incorporated in the export product, within a specified timeline.
- vii. Interest Equalization Scheme on pre and post shipment rupee export credit has been introduced from 1.4.2015 to help exporters in accessing credit at reduced rates.
- viii. 'Niryat Bandhu Scheme' has been galvanised and repositioned to achieve the objectives of 'Skill India' and trade promotion/awareness.
- ix. Trade facilitation and enhancing the ease of doing business measures have been taken with special focus on moving towards paperless working. The Government has launched a Single Window Interface for Facilitating Trade (SWIFT) clearances project with effect from 1st April, 2016. The scheme enables importers/exporters to file a common electronic 'Integrated Declaration' on the Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway i.e. ICEGATE portal. India also ratified the WTO Agreement on Trade Facilitation (TFA) in April 2016 for enhancing trade facilitation.
- x. A new scheme called "Trade Infrastructure for Export Scheme (TIES)" has been launched from 1st April 2017 to address the export infrastructure gaps in the country.
- xi. A new Logistic Division was created in Department of Commerce to focus on improving logistic efficiency and enhancing growth.

- xii. The Mid-term Review of Foreign Trade Policy 2015-20 launched on 5th December 2017 provides more incentives for export promotion.

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