

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

UNSTARRED QUESTION NO:1912
ANSWERED ON:06.12.2005
MISUSE OF EPCG SCHEME
Tripathy Shri Braja Kishore

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

- (a) whether the cases of misuse of Export Promotion capital Goods Scheme came to the notice of Government as reported in the Dainik Jagran dated October 11, 2005;
- (b) if so, the facts and the details of such cases reported during 2005-06 till date; and
- (c) the steps taken by the Government to check the misuse under the scheme?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

- (a) Yes Sir. Alleged misuse of Export Promotion Capital Goods scheme for import of cars has come to the notice of the Government.
- (b) During 2005-06, Directorate of Revenue Intelligence (DRI) has registered eight cases (list enclosed) in respect of evasion of customs duty on imported vehicles including cars. These cases have been registered for violation of provisions of Export Promotion Capital Goods scheme for service providers. A total of 61 vehicles with estimated value of Rs.23.58 crores have been seized by DRI on account of misuse of EPCG scheme for service providers.
- (c) In addition to the action initiated by DRI, the Directorate General of Foreign Trade (DGFT) has also issued Show Cause Notices in the eight cases under Foreign Trade (Development and Regulation) Act, 1992 against the defaulters who have violated the provisions of the Foreign Trade Policy/ Procedure related to import of vehicles.

ANNEXURE - A

Sl. No.	Name of Company	No. of Licenses Obtained	No. of Vehicles Imported	No. of Vehicles Seized	No. of Vehicles released provisionally	No. of Vehicles recovered on provisional release (Rs. In Lakhs)	Total duty
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1. M/s V.K. Tour and Travels 10 19 16 03 93.05

2. M/s Raj Mahal Bhinder 03 13 11 05 98.33

3. M/s History Logistics 15 24 17 05 86.83

4. M/s North West Marwar Resorts and Health Spa Pvt., Ltd., 04 04 04 - -

5. M/s G.B. Morrision 05 05 04 04 69.30

6. M/s Onkar International 06 05 02 1 19.83

Pvt. Ltd.

7. M/s Vacation Tour &
Travels Ltd. 10 06 05 4 122.00

8. M/s Bright Star 02 02 02 02 110.74
Hotels

Total 55 78 61 24 600.08