

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4465
ANSWERED ON:19.05.2006
MISUSE OF EXPORT INCENTIVE SCHEME BY RUIA GROUP
Yadav Shri Ram Kripal

Will the Minister of FINANCE be pleased to state:

- (a) whether Ruia Group has claimed false export benefits worth of Rs. 125 crores from the Government;
- (b) whether Directorate of Revenue Intelligence (DRI) have issued them showcause notice against these fake claims;
- (c) whether the benefits were claimed in lieu of purported exports from 2001 to 2004, but no exports took place during the period; and
- (d) the action have been taken in this matter so far?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a),(b)& (c): The Directorate of Revenue Intelligence has booked cases against Ruia Group of Companies, namely, M/s. Ruia Cotex Ltd., M/s. Hazel Traders Pvt. Ltd., M/s. Kuil Trading Pvt. Ltd. and others for illegal availment of export incentives by way of misuse of EPCG, EOU, SEZ Schemes. Show Cause Notice have been issued to them demanding Central Excise duty amounting to Rs.98.34 crores and Customs duty amounting to Rs.8.94 crores.

(d) Appropriate action under the Customs Act, 1962 has been initiated to recover duties and penalize the offenders.