

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3532
ANSWERED ON:15.12.2006
EXPOSING GANG OF EXPORTERS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has detected a gang of exporters who used to defraud of revenue by over-valuing their export invoices;
- (b) if so, the details thereof;
- (c) the action taken against the persons found guilty;
- (d) whether the Directorate of Revenue Intelligence, Central Excise Department and the Customs Department have found that a large number of exporters have used the domestic banking system to bring in foreign exchange illegally by creating fake identities; and
- (e) if so, the details thereof and the steps being taken to check such malpractices?

Answer

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

(a)&(b) Several cases of over valuation of export goods have been booked during the year 2005-06 and 2006-07(up to Oct 06).The details are as below:-

Year	No.of cases	Value(Rs.in crores)
2005-06	9	54.19
2006-07	12	43.91

(up to Oct 06)

(c), (d)&(e) Cases have been booked where exporters have used the domestic banking channels as well as Hawala routes to bring in foreign remittances.The details of such cases booked during the year 2005-06 and 2006-07 (upto October,06) are given below:-

Year	No.of cases	Action taken
2005-2006	5	11 Persons arrested.4 persons detained under COFEPOSA.

2006-2007 2 1 Person arrested.

(upto Oct,06)

Customs field formations including DRI are alert and vigilant to thwart such attempts.