

SHRI V.P. DURAISAMY: No, Sir. It has certain relevance....

MR. CHAIRMAN: You cannot extend it. This question is about closure of polluting industries in Delhi as a result of Supreme Court order.

SHRI V.P. DURAISAMY: Sir, I want to know whether the Government will give finance...

MR. CHAIRMAN: It does not come out of the main question. You put a separate question for that. Q.No. 163, Shri Brahmakumar Bhatt.

Action against Export defaulters

*163. SHRI BRAHMAKUMAR BHATT: Will the Minister of COMMERCE be pleased to state:

(a) whether Government propose to take action against the export defaulters for not fulfilling their export obligations;

(b) whether it is also a fact that the defaulters have demanded a one time extension in this regard;

(c) if so, the details thereof; and

(d) the details of loss to the exchequer?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) to (d) A statement is laid on the Table of the House.

Statement

Action against wilful export defaulters is taken regularly as per procedures prescribed in the Exim Policy. However, non-fulfilment of export obligation within the stipulated period can also be due to certain factors/circumstances beyond the control of the exporter. Such default cases are considered sympathetically in the interest of country's overall exports by granting extension of time for fulfilment of export obligation. In response to the demand from such genuine exporters the Government has issued Public Notice No. 7 (RE-98),

1997—2002, dated 24.04.1998 in terms of which a one-time extension in export obligation period has been allowed upto 30.09.98 for regularisation of pending advance licences on payment of prescribed composition fee. This facility has been made available only to those licencees who have fulfilled at least 50% of their export obligation. The question of recovery of Customs duty arises only in cases where export obligation is not fulfilled against duty free imports. In the default cases, if exporters do not fulfil their export obligation within the extended time allowed to them, recovery of customs duty alongwith interest thereon shall be enforced against such defaulters, besides imposition of a penalty under the Foreign Trade (Development & Regulation) Act, 1992 and the rules made thereunder.

SHRI BRAHMAKUMAR BHATT: Sir, may I know from the hon. Minister about the number of cases of export defaulters? Which circumstances are taken into consideration for extension of time and how much time is given?

SHRI RAMAKRISHNA HEGDE: Sir, there are two types of cases. One is, the cases of exporters who could not fulfil export obligations because of certain **developments either international or national** which made it impossible for them to fulfil the obligation. The second one is, what is called wilful default. In regard to wilful default, the Government has taken very strict action by imposing penalty on such exporters.

SHRI BRAHMAKUMAR BHATT: If they commit default, then there is the question of recovery of Customs Duties, penalties, etc. May I know in how many cases such recoveries have been made and penalties have been imposed upon them?

SHRI RAMAKRISHNA HEGDE: Sir, altogether a penalty amounting to nearly Rs. 100 crores was ordered, but the procedure to recover this amount is very cumbersome. The penalty can be

recovered only through as arrears of land revenue. So, we have to write to the State Governments. The State Governments will have to instruct the revenue officers. And therefore, so far only rupees eight to nine crores by way of penalty have been recovered.

श्री ओंकार सिंह लखावत: सभापति महोदय, हमारे यहां जितना निर्यात होता है उसका देश की अर्थ-व्यवस्था पर बड़ा प्रभावी असर होता है। वर्ष के अन्त में सरकार पता लगा करके फिर आंकड़े देती है कि हम निर्यात के इस-इस मामले में लक्ष्य की पूर्ति नहीं कर पाये और फिर डिफाल्टर्स के खिलाफ कार्रवाई का प्रश्न उठता है। मैं आपके माध्यम से सरकार से जानना चाहता हूँ कि उद्योग विभाग, पावर से संबंधित विभाग और जो प्रोडक्शन से संबंधित विभाग हैं उनकी कोई समिति क्या हर तीन महीने में समीक्षा करती है कि हम लक्ष्य की पूर्ति क्यों नहीं कर पा रहे हैं? उसके समाधान की दृष्टि से सरकार के पास क्या योजना है? सरकार उसके शत-प्रतिशत लक्ष्य की पूर्ति की दृष्टि से क्या निदान कर रही है, क्या सहयोग कर रही है? मैं उसके बारे में जानना चाहूंगा।

श्री रामकृष्ण हेगड़े: सर, पहले से ही ऐसी व्यवस्था थी लेकिन अब हमने हर महीने समीक्षा करके पता लगाया है जो परफॉरमेंस हुई है वह लक्ष्यों के मुताबिक है या नहीं है, उसको हम देखते रहते हैं। एक्सपर्ट परफॉरमेंस के लिए अलग-अलग सेक्टर के जो लोग हैं, हम उनकी मीटिंग दो महीने, तीन महीने में करते रहते हैं।

SHRI VAYALAR RAVI: Sir, as far as defaulters are concerned, they are misusing the advance licences given. It has even been reported by CAG that a loss of Rs. 5,000 crores has been caused to the exchequer at different levels. Sir, here the Minister says that extension has been given to those who have fulfilled up to 50% of the obligations. Yet, I think this also has not been fulfilled. In fact, it is purely trading, which is cheating the Government, and is misuse of licences. In this background, would the hon. Minister look into this keeping in view the reports of the CAG and the PAC and take action against the so-called exporters who have ended only in trading and not doing exports? Will the Minister take action

against those people who have misused this completely?

SHRI RAMAKRISHNA HEGDE: Sir, I am afraid, I cannot agree with the hon. Member when he describes exporters as 'so-called exporters'. That could have happened in a few cases where wilful default might have been committed. But this scheme was designed with a view to encourage exports and this scheme has been operating for the last several years and successfully so. I can assure the House that in no cases where a wilful default has been committed, will any concession be shown. We have taken a decision as, perhaps, the hon. Members, is aware that a one-time extension is given to all exporters and the old practice of considering on case-to-case basis has been discontinued because maybe, it creates, a scope for corruption and delay. So, an automatic renewal system was introduced, and that is by paying a certain composition fee an exporter who is unable to fulfil obligations within a specified time, gets automatic extension and that extension will never exceed more than two-and-a-half years.

SHRI NARENDRA MOHAN: Mr. Chairman, Sir, I want to know from the Minister whether certain multi-nationals who are granted licences to produce in India on certain conditions are exporting commodities like rice and other commodities which have nothing to do with the licences which they were granted to manufacture. Is it not a default or non-compliance of the export commitment? If that is so, Mr. Minister, what do you propose to stop such multi-nationals who are trying to hoodwink Indian laws and who are trying to, in a way, do something which is not proper and are exporting such materials which they are not at all producing?

SHRI RAMAKRISHNA HEGDE: Such cases do not come under this scheme. There are different schemes altogether. This scheme pertains only to such exporters who specify what they are

going to export and in return, if they are going to manufacture certain goods, if they require raw materials from abroad, this concession is shown to them so that they could export at competitive rates.

SHRI NARENDRA MOHAN: Sir, my question is clear. I wanted to know whether the Government propose to take action against export defaulters for not fulfilling their export obligations. Is there not an export obligation on the multinational company to export those materials which they manufacture?

SHRI RAMAKRISHNA HEGDE: If there are such things, they will be looked into.

Threat Perceptions by WTO Agreement

*164. **SHRI PRANAB MUKHERJEE:** Will the Minister of COMMERCE be pleased to state:

(a) whether the Prime Minister has appointed a high level Committee to review the "threat perceptions" that have been created by WTO agreement;

(b) if so, what is the composition and the terms of reference of the Committee;

(c) whether the Committee has submitted any report to Government; and

(d) if so, what are the details in this regard?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) to (d) The Prime Minister constituted a Group of Ministers (GOM) to consider the strategy to be adopted by India at the Ministerial Meeting of the WTO in Geneva, which was held between 18.5.98 and 20.5.1998. Thus the terms of reference of the GOM were defined as above, and did not include formal submission of a report to Govt.

The Group of Ministers was constituted with the following composition:

- (1) **Shri Ramakrishna Hegde**
Minister of Commerce
- (2) **Shri Sikandar Bakht**
Minister of Industry
- (3) **Dr. Murli Manohar Joshi,**
Minister of Human Resource
Development and Minister of
Science and Technology
- (4) **Shri Yashwant Sinha**
Minister of Finance
- (5) **Shri Sompal,**
Minister of State in the Ministry of
Agriculture

Shri Jaswant Singh, Deputy Chairman, Planning Commission was invited to participate in the meetings of the Group.

Based on the strategy evolved by the GOM, India succeeded in adequately reflecting its concerns and approach relating to the multilateral trading system in the Ministerial Declaration as also in the Declaration on Electronic Commerce.

The Conference has endorsed India's view that existing Agreements arising out of the Uruguay Round should be effectively implemented so as to ensure that the benefits of the multilateral trading system flow to all countries, especially developing countries like India. The Ministerial Declaration clearly and unambiguously states that "full and faithful implementation of the WTO Agreement and Ministerial Decisions is imperative for the credibility of the multilateral trading system and indispensable for maintaining the momentum for expanding global trade, fostering job creation and raising standards of living in all parts of the world."

SHRI PRANAB MUKHERJEE: Sir, the hon. Minister, in his statement, has indicated that the Group of Ministers appointed by the hon. Prime Minister considered the strategy to be adopted at the Ministerial Conference to be held in Geneva and which has since, been held