

# Black money fight intensifies

OUR SPECIAL  
CORRESPONDENT

**New Delhi, July 21:** A Special Investigation Team (SIT) on black money has asked the Enforcement Directorate (ED) and the Directorate of Revenue Intelligence (DRI) to act against 800 firms that have claimed duty drawback benefit without repatriating their export proceeds.

The SIT has directed the ED to take action under Fema against 216 companies for the period till March 1, 2016 and 572 companies after March 1, 2016.

During the period under review, each such company had export proceeds pending for realisation for more than Rs 100 crore.

"SIT also directed the directorate of revenue intelligence (DRI) to check from its database how many companies have claimed duty drawback but have failed to bring export proceeds and take necessary action against them under the law," the finance

## ED to track down errant exporters

### DUTY DRAGNET

- Action against 800 firms that have claimed duty drawback without bringing in export proceeds
- Scanner on 216 firms for deals till March 1, 2016 and 572 for the period after March 1, 2016
- Each firm has export proceeds worth Rs 100 crore to be realised

ministry said in a statement.

The SIT, which was set up by the government to look into issues relating to black money, also asked the RBI to immediately develop an institutional mechanism and IT system to red flag those cases where exports have been pending in vi-

olation of Fema guidelines.

Besides, the RBI has also been asked to share complete data with the Enforcement Directorate and the DRI on a monthly basis. According to RBI regulations, all exporters have to bring foreign exchange into the country as export proceeds within one year of the date of exports.

The data on whether a particular exporter has brought export proceeds into the country is maintained by the RBI.

Not bringing export proceeds is a violation of Foreign Exchange Management Act (Fema) as it amounts to illicitly parking of funds abroad.

The ministry further said it is important for the DRI to have this data so that they can cross-check it and see if any exporter who has not brought in export proceeds has claimed duty drawback or not.

"The country thus loses on two counts — first by not getting proceeds of exports for exports made and secondly wrongful claim of duty drawback," it said.