

# DRI busts rebate scam, recovers Rs 52 crore in Ahmedabad

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AHMEDABAD: The Ahmedabad zonal unit of the Directorate of Revenue Intelligence (DRI) busted a racket of misusing the Merchandise Export from India Scheme (MEIS) for claiming rebates on goods worth Rs 5,500 crore. So far, the officials have found discrepancies of Rs 52 crore.

The racket was busted after the DRI got specific intelligence that various exporters have been doing misclassification of their export product 'insecticide'. By doing so, they wrongfully claimed MEIS benefit at higher rate than they were actually entitled to.

"MEIS is an export incentive scheme of the central government under which exporters get 1% to 7% of the FOB (Free on Board) value of their export product as incentive depending upon their product and customs tariff heading under which the product is classifiable," said an official.

After getting the information, DRI conducted searches on the premises of various exporters of insecticides based in Gujarat, Maharashtra and Tamil Nadu. The persons concerned of these insecticide companies admitted in their statements that they were misclassifying their product — insecticide — and by doing so they were wrongfully claiming MEIS benefit at 3% of FOB value of their export product against their actual entitlement of 2% of FOB value. "These exporters have voluntarily paid Rs 52 crore so far for getting benefits wrongfully under MEIS," said the official.