

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5776

ANSWERED ON:03.05.2002

C & AG OBSERVATION ON WORKING OF BANGALORE- II COMMISSIONERATE
SHEESH RAM SINGH RAVI

Will the Minister of FINANCE be pleased to state:

(a) whether the Bangalore-II Commissionerate of Central Excise raised a demand of differential duty of Rs. 64.72 lakh for the period from September, 1997 to March, 2000 which was not raised earlier on the ground of annual capacity of production fixed as brought out in the C&AG Report 11 of 2002 in para 6.1 on page 37;

(b) if so, the reasons for not raising the demand by the commissionerate of their own and can be possibility of not levying the Central Excise Duty on every product liable of excise duty be ruled out ;

(c) whether there is any proposal to enquire into the matter and fix the responsibility and accountability of the officials for neglecting their duties; and

(d) if so, the details of action taken against the guilty officials?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) Yes Sir. It is a fact that Bangalore-II Central Excise Commissionerate raised six demands totaling Rs. 64.72 lakh for the period from September, 1997 to March, 2000. However, the demands are not connected in any way with non-levy of duty on goods manufactured & cleared as job work as mentioned in C&AG's report No. 11 of 2002 para 6.1 of page 37. These demands arose due to finalizing of Annual Capacity of Production in respect of M/s. Vijaya Steels Limited.

(b) Bangalore-II Central Excise Commissionerate had independently raised these six demands as a result of finalization of Final Annual Capacity of the Unit and not as a result of audit by C&AG.

(c)&(d) Does not arise in view of (a) & (b) above.