

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2903
ANSWERED ON:02.08.2002
C & AG OBSERVATION ON UNDUE FINANCIAL BENEFIT TO PROCESSORS
ARUN KUMAR

Will the Minister of FINANCE be pleased to state:

- (a) whether the C&AG in its Report No. 11 of 2002 (Indirect Taxes - Central Excise and Service Tax) has brought out the glaring fact of showing undue financial benefits to the processors of crores of rupees;
- (b) if so, the details of the processors to whom undue favour have been shown; (
- (c) whether a Commission at Faridabad has been charged by the CBI for showing favour and causing loss to the Government; and
- (d) if so, the action proposed to be taken against the other people for showing favours to processors and causing financial loss to the Government?

Answer

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

(a) to (d). Sir, the Comptroller and Auditor General of India (C&AG) in its Report No. 11 of 2002 has observed that there were certain lapses in the scheme for levy of duty on the basis of capacity of production on processed fabrics produced by independent textile processors. However the Ministry has not admitted the audit objection.

There is no instance of any Commissioner of Central Excise at Faridabad being charged by the CBI for showing favour to any processor and causing loss to the Government.