

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5856
ANSWERED ON:02.05.2003
CASES AGAINST EMPLOYEES OF CENTRAL EXCISE
KANTI SINGH;RAGHUVANSH PRASAD SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Directorate of Revenue Intelligence has booked a number of officials of Central Excise, Delhi involved in export racket in February, 2003;
- (b) if so, the facts in detail;
- (c) whether the Government have assessed the loss of revenue to Government in this regard; and
- (d) if so, the details thereof and the action taken against the guilty officials and for recovery of the revenue?

Answer

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

(a) & (b): Yes, Sir. Six persons including one Superintendent and one Inspector of Central Excise involved in an export racket, detected in February, 2003, have been arrested on 05.03.2003. The following five firms had exported sub-standard readymade garments through ACTL, Ballabgarh : -

- (i) M/s Dig-Dig Creations;
- (ii) M/s Anu Exports;
- (iii) M/s Amico International;
- (iv) M/s Zebra Inc; and
- (v) M/s Prayas Enterprises.

The export cargo was claimed to have been factory stuffed at Faridabad in a rented premises owned by M/s Jwala Steel Corporation, a manufacturer of steel pipes. The Central Excise officers took premium quality garment samples from the local market as the representative samples and not only connived with the exporters in stuffing/examination of sub-standard garments but also helped in taking the factory premises on rent. No manufacturing of export consignment had taken place at the rented premises. No permission for factory stuffing was granted to M/s Prayas Enterprises and M/s Zebra Inc. Investigations revealed that the addresses of all the said firms were fictitious.

(c) & (d): Yes, Sir. The assessed loss of revenue is to the tune of Rs. 1.04 crores out of which the Department has already recovered/frozen bank accounts of Rs. 50 lakhs approximately. Complaints against all the six persons have been filed in the Hon'ble Court of ACMM, Patiala House, New Delhi.