

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:874  
ANSWERED ON:28.07.2000  
CASES OF EXCISE EVASION  
RAMJI MANJHI

**Will the Minister of FINANCE be pleased to state:**

- (a) the number of evasion of Central Excise cases detected by the Directorate General of Anti-Evasion of excise during 1999-2000 in comparison to the last three years;
- (b) the amount involved therein;
- (c) the modus operandi adopted by the manufacturers in the evasion;
- (d) whether delay in action in evasion cases help the people to further evade and accumulate black money; and
- (e) if so, the steps taken by the Government to find the ways and means to expedite the cases pending before the authorities, courts, tribunals and to plug loopholes that help the longing of cases?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (V. Dhananjaya Kumar)

(a) & (b): The details of the number of cases booked by the DGAE and the amount of duty involved therein during 1999-2000 as compared to the last 3 years are as follows:

YEAR NO. OF CASES AMOUNT OF DUTY INVOLVED (RS. IN CRORES)

1996-97	239	387.96	
1997-1998	410		481.63
1998-1999	301		600.14
1999-2000	424	1113.86	

(c): The modus operandi for evasion of Central Excise duty can be broadly categorised as follows: -

- (1) Clandestine Removals;
- (2) Under-valuation;
- (3) Wrong availment of Modvat credit; and
- (4) Wrong classification and/or misuse of exemption notifications.

(d) & (e): Various measures have been taken by the Government to ensure timely action against the tax evaders and recover revenue due to Exchequer. As soon as a case is detected, investigations are conducted vigorously and SCN issued expeditiously. Special adjudicators have been appointed at Chennai, Mumbai & Delhi to adjudicate the high revenue stakecases booked by DGAE. After adjudication important cases are followed up closely in the Tribunal/Courts, where contested, for early disposal. Legislative measures have been taken by providing for charging interest in respect of evasion cases from the first day of the month succeeding the month in which duty ought to have been paid, and imposition of penalty equal to the duty evaded. Further, it has been provided that if the duty evaded is paid within 30 days from the date of communication of the adjudication order along with interest, the penalty would be reduced to 25% of the duty determined provided that the penalty is also paid within 30 days of the date of the communication of the adjudication order. Also, Settlement Commission has been constituted to settle disputed cases and in the last Budget provisions made for an option to the assesseees to withdraw cases pending in Tribunal for settlement by the Settlement Commission.