

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1750
ANSWERED ON:12.12.2003
EXCISE DUTY EVASION BY PAN MASALA MANUFACTURERS
PUTTASWAMY GOWDA

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are aware that Pan Masala manufacturers have been evading excise duty to the tune of crores of rupees;
- (b) if so, the excise duty realised from prominent Pan Masala manufacturers during the last three years;
- (c) the details of Pan Masala manufacturers who have paid less excise duty though their production has been very high; and
- (d) the action taken against each of these Pan Masala manufacturers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK):

- (a) Evasion of excise duty by Pan Masala manufacturers has been detected.
- (b) The Central Excise duty realised (provisional figure) from Pan Masala falling under sub-heading No. 2106.00 of the Central Excise Tariff Act, for the period 2001-02, 2002-03 and April-August, 2003 is given below:

Period	Duty (Rs.in crore)
2001-02	98
2002-03	73
April-August, 2003	30

The revenue realised from individual manufacturers of Pan Masala is not monitored centrally.

- (c) The major cases of evasion of Central Excise duty detected against the manufacturers of Pan Masala are as given below:

S. No. Name of the Manufacturer Estimated Evasion of Excise-duty (Rs.in crore)

1. M/s. Dhariwal Industries, 11.43
Hyderabad
2. M/s. Dinesh Pouches, 1.13
Jodhpur
3. M/s. Sanket Foods Pvt. Ltd. 11.66
Jalana.

- (d) Appropriate action, as per Law has been taken against the said manufacturers.