

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:291
ANSWERED ON:30.08.2013
EXCISE DUTY EVASION ON DRUGS .
Bali Ram Dr.

Will the Minister of FINANCE be pleased to state:

- (a) whether instances/cases of evasion of excise duty and service tax by pharmaceutical companies in the country have come to the notice of the Government during each of the last three years and the current year;
- (b) if so, the details thereof, company-wise;
- (c) the amount of such duties recovered/ collected during the said period till date, company-wise; and
- (d) the measures taken or proposed to be taken by the Government to recover the entire dues from these companies?

Answer

MINISTER OF FINANCE (SHRI P.CHIDAMBARAM)

(a)to (d): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 291 for 30.08.2013

(a): Yes, Sir.

(b) & (c): Details of cases of evasion of Central Excise duty and Service Tax by pharmaceutical companies, company-wise are not maintained centrally. However, the information about such companies against whom evasion of Central Excise duty and Service Tax of more than Rs.5 crore has been noticed, including the amount recovered, in the last three financial years and the current year are given in Annexure.

(d): Field formations as well as Directorate General of Central Excise Intelligence (DGCEI) regularly detect and check evasion of taxes and effect recovery of arrears. The assesseees are issued show cause notices for demand of duties/ taxes along with interest and penalty, including mandatory penalty. In serious cases, offenders are also prosecuted. The Department also carries out periodic audit of assesseees to detect non-levy/ short-levy of taxes. After confirmation of demands and completion of appellate proceedings, recovery proceedings are initiated in terms of legal provisions.