

Refund of Excise Duty to Manufacturers

*24. SHRI⁺ MADHAVRAO
SCINDIA:
SHRI JANARDHANA
POOJARY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Excise duty refunded to manufacturers earlier this year has since been recovered;

(b) if so, the amount so recovered;

(c) whether any inquiry has been conducted into the circumstances of issue of instructions for refund of the Excise duty; and

(d) if so, the details of the findings thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (d). Refunds of Excise Duty have been allowed in pursuance of decisions of courts or as per instructions issued by the Central Board of Excise & Customs in March, 1990, keeping in view certain judicial pronouncements on the subject. However, the Government has since decided that in principle it would not be appropriate to refund excise duty to manufacturers as they would have already passed on the burden of the duty to their customers. Necessary legislation for this purpose is being formulated.

Excise Refund Issue

*33. PROF. VIJAY KUMAR
MALHOTRA:
SHRI HARSH VARDHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem captioned, "Government in a jam over Excise refund

issue" appearing in the "Hindustan Times" dated 15th September, 1990; and

(b) if so, the reaction of the Government to the issues raised therein?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Yes, Sir.

(b) Refunds of Excise Duty have been allowed in pursuance of decisions of courts or as per instructions issued by the Central Board of Excise & Customs in March, 1990, keeping in view certain judicial pronouncements on the subject. However, the Government has since decided that in principle it would not be appropriate to refund excise duty to manufacturers as they would have already passed on the burden of the duty to their customers. Necessary legislation for this purpose is being formulated.

SHRI MADHAVRAO SCINDIA: Sir, I would like to quote from the 21st September, 1990 issue of *The Hindustan Times*. "It is time for the Government to come out with a complete statement on the subject so that all doubts and speculations are set at rest."

"Any delay on our part in coming out with the facts will only make matters worse and lead to further misrepresentations and misunderstanding in public mind."

"Attention was drawn to the allegation made by Congress-I spokesman that an amount of Rs. 350 crore had been refunded."

"Telex instructions were issued by the CBEC on September 22, 1988 advising all concerned officers of the Department not to issue any refund order. This status quo continued until 21st March, 1990 when suddenly "out of the blue" instruction was issued by telex directing the concerned officers to sanction refund claims."

MR. SPEAKER: Mr. Scindia, you are an efficient Parliamentarian. You can also speak without quoting.

SHRI MADHAVRAO SCINDIA: I would