

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 4856
TO BE ANSWERED ON FRIDAY, DECEMBER 16, 2016/ AGRAHAYANA 25, 1938
(SAKA)
IRREGULARITIES IN TAXES

†4856. SHRI ALOK SANJAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether the cases of irregularities in excise duty and service tax committed by drug manufacturing companies reported in the country;
- (b) if so, the details thereof during each of the last three years and the current year, company-wise; and
- (c) the amount of said duties/taxes recovered from each such company during the said period as on date?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) and (b): Yes, some cases of irregularities have been detected against drug manufacturing companies. However, data relating to irregularities in Central Excise and Service Tax is not maintained centrally, commodity wise or in terms of manufacturing product companies. The total number of detection and recovery made in respect of Central Excise and Service Tax evasion cases during 2013-14 to 2016-17 (upto October, 2016) is given in the **ANNEXURE**.

(c) Details of cases detected by Directorate General of Central Excise and Intelligence under Central Board of Excise & Customs, during the last three years and current year as well as duty recovered from the drug manufacturing companies is given in **ANNEXURE**.

ANNEXURE**Annexure referred to in reply to of Lok Sabha USQ No. 4856 dated 16.12.2016**

The total number of detection and recovery made in respect of Central Excise and Service Tax evasion cases during 2013-14 to 2016-17 (upto October, 2016)

(Rs. in crore)

YEAR	Detection				Recovery			
	Central Excise		Service Tax		Central Excise		Service Tax	
	No. of Cases	Amt.	No. of Cases	Amt.	No. of Cases	Amt.	No. of Cases	Amt.
2013-14	2606	4736.59	9215	14842.32	2085	812.87	10075	5102.94
2014-15	2123	4334.80	6719	10544.33	1614	546.16	7703	4448.48
2015-16	2366	5296.84	7534	18970.86	1642	803.78	9086	4658.28
2016-17 (Upto October)	1173	2990.00	4456	9030.67	782	377.00	4432	2334.00

The details of cases of Central Excise duty evasion against drug manufacturing companies detected by the Directorate General of Central Excise and Intelligence during the last three years and current year as well as duty recovered therefrom is given below:-

(Rs. In Crore)

Year	Name and address of company	Issue involved	Central Excise duty involved	Realisation
2013-14	M/s Shree Krishna Keshav, having Central Excise Registered address as Nr. New Cotton Mill, B/h. Indranagar, Amraiwadi, Ahmedabad	Wrong availment of benefit of Notification No. 06/2002 dated 01.03.2012, Notification No. 04/2006-CE dated 01.03.200, Notification No. 01/2011-CE dated 01.03.2011 and Notification No. 16/2012-CE dated 17.03.2012.	0.99	Nil
	M/s Haseeb Pharmaceuticals Pvt. Ltd., Plot No. F 9/15, MIDC, Hingna, Nagpur-440016		0.32	0.32 +0.14 (Interest)+ 0.015 (Penalty)
	Anjaneya Lifecare Ltd. K-	Wrong utilization of Cenvat	0.24	0.24

	4/1, Additional MIDC, Mahad, Distt. Raigad,	input credit availed on inputs which cannot be used		
	M/s Parabolic Drugs Ltd. SCO-99-100, Top Floor, Sector-17B, Chandigarh	Evasion of Central Excise Duty	4.62	4.07 (Till date)
2014-15	Flemingo Pharmaceuticals Ltd. (100% EOU), E-28, MIDC Taloja, Distt. Raigad	Availment of inadmissible Cenvat Credit	0.02	Nil
	Flemingo Pharmaceuticals Ltd. R-662, TTC Ind Area, Rabale MIDC, Navi Mumbai	Availment of inadmissible Cenvat Credit	0.04	Nil
2015-16	M/s Parabolic Drugs Ltd. SCO-99-100, Top Floor, Sector-17B, Chandigarh	Evasion of Central Excise Duty	1.46	
2016-17 (TILL 31 Nov.)	M/s Parabolic Drugs Ltd. SCO-99-100, Top Floor, Sector-17B, Chandigarh	Evasion of Central Excise Duty	0.47	

No cases of Service Tax evasion by Drug Manufacturing Companies were detected by Directorate General of Central Excise and Intelligence. Data relating to cases of Central Excise duty and Service Tax evasion by such companies, in respect of field formations is not maintained centrally.