

assistance to India for 1987-88 is expected to be announced shortly. The amount of loan assistance to be extended by Japan to India for 1987-88 will be known only after the pledge of assistance is announced by the Government of Japan. Formal agreements would be signed only after that.

The loan assistance for the year 1987-88 will be repayable over a period of 30 years including a grace period of 10 years and carry an interest rate of 2.75 per cent per annum.

For the Srisaillam Left Bank Hydro Electric Project in Andhra Pradesh a loan assistance of Yen 25 Billion equivalent to Rs. 222.22 crores approximately has been requested for procurement, installation and commissioning of 9 Units (reversible) of 110 MW each on the Srisaillam Dam on the river Krishna. The loan assistance of Yen 25 Billion is proposed to be utilised over a period of 7 years from 1987-88 to 1993-94.

The additional power supply from this project will result in increased industrial and agricultural production, creation of employment opportunities, additional domestic lighting etc. in the State.

DRI Raids on Cigarette Companies

1686. SHRI V. SOBHANADREESWARA RAO: Will the Minister of FINANCE be

pleased to state:

(a) whether the Directorate of Revenue Intelligence has conducted raids on cigarette manufacturing companies, their dealers and distributors and found that some of the cigarette manufacturing companies are evading taxes to the tune of several hundreds of crores of rupees;

(b) if so, the details thereof for the last three years; and

(c) the action taken against the erring companies during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). The Directorate of Revenue Intelligence and the Directorate of Anti-evasion (Central Excise) have conducted searches on premises of cigarette manufacturing companies, their dealers and distributors and have detected evasion of central excise duty. The details of such cases for the years 1985, 1986 and 1987 (upto July, 1987) are given in Statement given below.

(c) Show cause notices have been issued in all the above cases *inter alia* invoking penal provisions and progress of adjudication in all cases is being monitored at the level of Central Board of Excise and Customs.

STATEMENT

Sl. No.	Name of the company	Date of search	Date of show cause notice	Amount of central excise duty (Rs. in lakh)	Modus operandi adopted and the present position of the case
1	2	3	4	5	6
1.	M/s. G.T.C. Industries Ltd., and others.	20.1.86	25.3.86 4.4.86 23.4.86 22.9.86	743.84 1382.89 574.87 402.23	The party had been selling cigarettes at higher rates in the market than printed prices.
				3103.83	The show cause notices have been centralised with Director (Legislation and Adjudication), New Delhi and are pending adjudication with him. The party has since filed writ petition in Delhi High Court against show cause notice dated 23.4.1986.
2.	M/s. N.T.C. Ltd. and others.	12.8.86	30.9.86 1.10.86	2813.78 9755.56	Clandestine removal and under valuation of cigarettes.
				12569.34	Show cause notices have been centralised with Director (Audit), New Delhi for adjudication. The party has filed writ petition in the Delhi High Court and the court has stayed the proceedings till 4.8.1987.

1	2	3	4	5	6
					Besides departmental action, criminal proceedings have also been launched against the company and its Directors on 16.10.1986.
3.	M/s. I.T.C. and others	17.2.87	27.3.87	80377.97	Under valuation and declaration of lower value on packets of cigarettes to avail lower rate of duty as per notification for assessment at adjusted sale price. The case is pending adjudication.
4.	M/s. I.T.C. Ltd., Mungher	17.2.87	3.7.87	3981.00	—Do—
5.	M/s. Asia Tobacco Co., Hosur & M/s. I.T.C. Ltd.	17.2.87	19.5.87	1045.16	—Do—
6.	M/s. I.T.C. Ltd., Mungher		2.7.87	406.35	Under valuation of smoking mixture.
				<u>101483.65</u>	The show cause notice is pending adjudication.