

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5833
ANSWERED ON:03.05.2002
C & AG OBSERVATION ON VALUATION OF GOODS
RAMJI MANJHI

Will the Minister of FINANCE be pleased to state:

- (a) whether the Ministry's reply to the observations of the C&AG on the valuation of goods sold through depots has been held untenable by the C&AG as will be seen from its report 11 of 2002, para 9.6, page 55 ;
- (b) if so, the total number of cases of valuation of goods sold through depots where financial loss of crores of rupees has been caused to the State;
- (c) whether the matter has been looked into by experts and steps taken to ensure no loss of revenue to the State and bringing to book officials in the commissionerate of Central Excise all over the country responsible for causing financial loss to the State by interpreting the rules to the benefit of the manufacturers; and
- (d) if so, the details in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) to (d). Sir, the Comptroller & Auditor General of India(C&AG) pointed out in Para 9.6 of its Report 11 of 2002 that there was undervaluation of goods sold by an assessee through various depots. Ministry of Finance did not admit the audit objection. However, Ministry's Comments at the Draft Audit Para (DAP) stage have not been accepted by the C&AG. Now that the DAP has been converted into an Audit Para, Ministry's Action Taken Note (ATN) will be sent to the C&AG.