

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2066

ANSWERED ON:04.08.2000

MODVAT SCHEME

CHANDRA NATH SINGH;PUTTASWAMY GOWDA;UTTAMRAO NATHUJI DHIKALE

Will the Minister of FINANCE be pleased to state:

- (a) whether a number of companies have fraudulently claimed MODVAT to the tune of crores of rupees;
- (b) if so, the details of those companies during the last three years;
- (c) the action taken against those companies;
- (d) whether the role of concerned offices have also been investigated to establish any malafide intention of these officers; and
- (e) if so, the details thereof alongwith the action initiated against such offices?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRIV. DHANANJAYA KUMAR)

(a) & (b) Yes Sir. Cases have been registered against some companies who have fraudulently claimed Modvat credit to the tune of crores of rupees during the last three years, 1997-98, 1998-99 and 1999-2000. Details of such companies are given in the chart enclosed.

(c) Show Cause Notices have been issued for recovery of credit and imposition of penalty which are at various stages of adjudication/apellate proceedings.

(d)&(e) Yes Sir. In one case two officers of the department have been found involved and after investigations disciplinary action has been initiated and charge sheets have been issued.

Details of Companies against whom cases registered for fraudulent claim of MODVAT Credit and where Show Cause Notices issued during the last three years 1997-98, 1998-99 and 1999-2000

Sl. No.	Name of the Company (M/s) (Rs. In Crores)	Amount involved
1.	SCJ Plastics Pvt Ltd.	1.55
2.	Cephram Organics	5.60
3.	Punjab Communications Ltd.	1.03
4.	Hetro Drugs Ltd.	2.50
5.	Ashok Leyland	1.44
6.	Indian Rayon and Industries	1.28
7.	J.K. White Cement	1.00
8.	DCM Daewoo Motors (I) Ltd.	3.61
9.	Matsushita T.V. & Audio (I) Ltd.	1.14
10.	Shaper Chemicals	1.26
11.	Shakti Insulated Wire	7.49
12.	Maniyar Plast Ltd.	3.35
13.	Maniyar Plast Ltd.	1.06
14.	Jaisingh Wires Pvt. Ltd.	2.19

15	Polycab Wires Pvt. Ltd.	2.97
16.	Arvee Denim & Exports Ltd.	1.32
17.	Rama Newsprints & Papers Ltd.	1.28
18.	Milton Plastics India Ltd.	1.67
19.	CEAT Ltd. Nashik	30.52
20.	Shivai Barrel Mfg. Co.	1.33
21.	Indian Seamless Steel and Alloys Ltd.	1.95

Total : 75.54