

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3498
ANSWERED ON:15.12.2006
DUTY EVASION BY LG ELECTRONICS
Singh Shri Prabhunath

Will the Minister of FINANCE be pleased to state:

- (a) Whether LG Electronics has evaded payment of duty to the tune of crores of rupees as reported in The Times of India, dated October 24, 2006 ;
- (b) If so, the details thereof and
- (c) The action taken/being taken by the Union Government against LG electronics ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) Yes sir.

(b) Investigations in this case have revealed that M/s LG Electronics imported inputs and capital goods and availed credit of Additional duty of Customs and Special Additional Duty (SAD) paid at the time of import. However, at the time of clearance of these imported inputs and capital goods as such from the factory premises to the domestic market, M/s LG Electronics did not pay/reverse the SAD components of credit availed by them. M/s LG Electronics has since accepted the duty liability and has also paid an amount of Rs.5.32 crores on this count.

(c) On completion of the investigations, action as per the Central Excise Act, 1944 and the rules made thereunder shall be taken against M/s LG Electronics.