

	1996	1997	1998	19%	1997	1998
Aug	6.2	3.7	83.	8.9	4.7	150
Sep	6.5	3.8	8.1	8.5	4.9	163
Oct	6.6	4.4	8.2	8.5	5.5	186

(c) This year's seasonal price rise has been much too high on account of two set backs affecting production and market arrivals. The first seasonal set back caused due to intense heat wave casualties in May-June, 1998, causing moisture stress to the standing vegetable and fruit crops. The second seasonal set back occurred due to excessive post monsoon rainfall in late September-October, 1998, disrupting harvest schedule and supplies.

(d) A number of policy initiatives have been taken by the Government to check the rise in prices. State Governments were requested to take action against hoarders, black marketeers, anti-social elements. Government has reduced duty on import of edible oils from 25% to 15%. To moderate further the prices of edible oils, Govt, itself is importing 1.5 lakh tonnes of edible oil for supply through PDS. Imports of pulses are allowed under OGL and export has been banned, and import duty of 10% on pulses has been abolished. Export of onions has been banned and its import has been allowed under OGL duty free to increase domestic availability. Open market sale of wheat from FCI stocks has been authorised.

Kar Vivad Samadhan Scheme

1009. KUMARI NIRMALA DESHPANDE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have launched a Kar Vivad Samadhan Scheme for dealing with a large number of litigation cases and huge amount of tax arrears blocked in customs and Central Excise;

(b) if so, the details of the Scheme and recovery target set through settling pending cases;

(c) what is the latest achievement under the scheme;

(d) the details of measures proposed to ensure that tax litigation cases do not get piled up to alarming proportion in future and disposal procedure is simplified and time bound; and

(e) the details of other reforms under consideration to check tax evasion and for expeditious tax recovery?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN):

(a) Yes, Sir.

(b) Salient features of the Scheme are as follows:—

(i) The Scheme which is operational for the period 1.9.98 to 31.12.98 basically seeks to settle certain categories of pending tax arrears of Customs and Central Excise duties in dispute, if the concerned person pays up an amount as provided in the Scheme. The scheme is applicable to all the cases where the amount of duties (including drawback of duty, credit of duty or any amount representing duty) cesses, fine, penalty or interest, determined as due and payable, as on 31.3.98, but which is remaining unpaid on the date of declaration. The scheme is also applicable to all the cases of tax arrear where the show cause notice or a demand notice was issued on or before 31.3.98 but remaining unpaid on the date of making a declaration.

(ii) The declarant is entitled to settle the case under the scheme on payment of 50% of the duty or cess due and payable on the day of the declaration; penalty, fine, or interest, if any, due and payable shall be waived in full. However, in a case where no duty or cess is involved in declarant will have to pay 50% of such fine, penalty or interest in arrears. Further, the declarant is also entitled to grant of immunity from prosecution in the said case covered under the declaration.

(iii) The scheme is not applicable in respect of certain categories of cases' persons including the following:—

- (a) cases involving demand relating to erroneous refund;
- (b) cases where no show cause Notice or Demand Notice has been issued;
- (c) where no appeal or reference or writ petition is admitted and pending on the date of declaration;
- (d) where prosecution for any offence punishable under indirect tax enactments has been instituted on or before making a declaration;
- (e) to any person against whom a prosecution has been filed under Foreign Exchange Regulation Act, 1973, Narcotics Drugs and Psychotropic Substances Act, 1985, Indian Penal Code, (Chapter IX and XVII) Terrorist and Disruptive Activities (Prevention) Act, 1987. The Prevention of Corruption Act, 1988, etc.

The scheme being voluntary, no recovery target has been fixed.

(c) As on 15.11.98, 1682 declarations have been received involving Rs. 180.57 crores out of which Rs. 59.43 crores is recoverable. An amount of about Rs. 15 crores already paid by declarants by the said date.

(d) The tax structure is being consciously reformed and made simple and various exemption Notifications which become source of disputed interpretation and litigation are being withdrawn or reworded to bring down the litigation, Administrative instructions issued and constant monitoring being done to ensure that unnecessary show cause notices are not issued and where these are issued, speedy reasoned and just orders passed at different level. A Settlement Commission for quick and speedy resolution of Cus-

toms and Central Excise disputes in more complex cases is being set up after the approval and necessary legislation in 1998, Finance Act. An authority for Advance Tax Ruling specially for foreign investors including Joint venture companies is also under active consideration.

Proposals also under consideration to administratively strengthen appellate/Judicial machinery to ensure speedy disposal of adjudication appeals and avoid piling up of litigation.

(e) Other measures being taken to check tax evasion and expeditious tax recovery include:—

(i) Valuation of excisable goods with reference to retail sale price (MRP) under Section 4A of the Central Excise Act, 1944 introduced for certain listed evasion prone commodities, which list is being expanded after appropriate studies.

(ii) A Directorate of Valuation has been set up to collect and disseminate information on trend of prices of internationally traded goods to field formations to guard against undervaluation on Customs side;

(iii) Customs computerisation projects being implemented in all major Custom Houses, Aircargo complexes and even ICDs to facilitate automated customs clearance through EDI and quicker collection of revenues;

(iv) Strengthening and reorientation of Audit system and preventive set up in different Central Excise Commissionerates and Directorate of Anti Evasion to check evasion;

(v) Appropriate review of tariff and various notifications to plug any avenues for leakages of revenue.

(vi) Strengthening of Revenue Intelligence set up at all India level, apart from reorientation of intelligence units of customs formations to detect evasion of customs duties and ensuring quicker recoveries.