

Jaipur business held for Rs 5.5 crore tax evasion

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Representative Image

JAIPUR: The zonal unit of Director General of GST Intelligence (DGGI) on Tuesday arrested a manufacturer of gutkha and pan masala for alleged tax evasion of Rs 5.54 crore and violation of Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008, under the Central Excise Act, 1944.

Accused Puroshottam Das Ganwani was allegedly manufacturing counterfeit gutkha and pan masala of branded companies. Initially, during August and September 2016, Ganwani had accepted that his factory situated at Shyam Nagar was producing 300 pouches of pan masala per machine, stated an official release by the DGGI.

After the local police registered a case against him, the DGGI initiated a separate investigation into the matter to unearth the quantum of tax evasion and violations, if any.

Court sends accused to 14-day judicial custody

"We have found that he was running three factories in Shyam Nagar, Balawala and Saipura without paying the central excise tax. He was also using the names of famous brands and making counterfeit pan masala/gutkha," said a senior official of DGGI on the condition of anonymity.

Further investigation by DGGI found that the accused was violating the rules of Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008, under the Central Excise Act, 1944, and had evaded paying tax of around Rs 55,370,000.

"It was a violation of sections 9(1)(a)(b)(bb)(c) and 9(1)(i). Thus the accused was arrested and presented before the court dealing with economic offences at Jaipur. The accused was sent to a judicial custody for 14 days," the official added.

The zonal unit had initiated its raids on Monday evening which continued till Tuesday morning, following which the accused was arrested. "The accused had neither registered himself with the central excise department, nor was he paying the central excise tax for the production of gutkha at his three factories," the official said.

Despite the Supreme Court's ban on production of gutkha having a mix of tobacco and betel nuts, the accused was allegedly manufacturing pan masala by mixing the two. Presently, various companies are selling tobacco and pan masala separately.

Source: <https://timesofindia.indiatimes.com/city/jaipur/jaipur-business-held-for-rs-5-5-crore-tax-evasion/articleshow/64565569.cms>