

O C P

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Investigation in Central Excise is an art. Not just an art but a canvas of Raja Ravi Varma. It shall inherit the essential ingredients like careful scrutiny, brilliant analysis, sensible application, relevant interrogation, sharp agility, cogent documentation and coherent summation. As it involves scrutiny of lot of documents and interrogation of numerous persons, who may be the stars in the society it shall be executed with utmost care and superior delicacy. Quite a lot of documents and other materials are usually seized by the Department during the course of search. All those documents are to be scrutinized thoroughly. Those records are to be compared with various statutory records. During the course of verification of the records, at the first place, the records required for the investigation and otherwise, are to be filtered and segregated. For example, if a single paper is relevant for the investigation in a file of thousand pages, the entire file need not be relied upon, only that page alone needs to be relied upon. Based on the verification done on the incriminating documents, coupled with the interrogation of the concerned persons, a reasonable "OBSERVATION" has to be arrived at. The OBSERVATION should be made based on documents and not on assumptions nor presumptions. The OBSERVATION is the basic skill of an Investigating Officer. It is the foundation of the investigating report.

2. After OBSERVATION, the investigation enters into the second stage. Here, a definite conclusion has to be arrived at. The quantum of evasion and the modus operandi of the evasion are to be unearthed at this stage with the help of the OBSERVATION made earlier. At this stage, knowledge of Central Excise is very much essential. The rate of duty and the value to be adopted for detecting the quantum of evasion and the connected notifications are to be verified from the Tariff and from the Manual/Boards' instructions respectively. The details of rules and regulations for framing the violation clause are to be brought out from the manual. The conclusion should be arrived at based on the OBSERVATION made earlier.

3. After OBSERVATION AND CONCLUSION, the investigation enters into the final stage. This is the stage of preparation of the investigation report, which is the PRESENTATION part. Based on PRESENTATION, the show cause notice is going to be

issued. The investigation report should normally contain the following aspects, apart from other regular features.

- a) Introduction,
- b) Small brief about the history of events took place during the course of investigation followed by OBSERVATION and CONCLUSION, specifically indicating the documentary evidences with serial numbers,
- c) Elaborating the MODUS OPERANDI,
- d) Quantum of duty evasion-A small brief about the preparation of work sheet, about the rate of duty adopted during various years, valuation adopted along with the documents relied for the quantification, may be furnished,
- e) Violation of Rules and other provisions of Law,
- f) Invoking the provisions of proviso to Section 11(A),
- g) Demand,
- h) Imposition of penalty.

3.1. The investigation report may be presented with the above aspects. While doing so, the documents relied upon may be listed with serial numbers in a separate annexure. Similarly, the work sheet for the duty demand may also be furnished in a separate annexure with the details of documents relied upon.

4. The basic thing to learn this art is OBSERVATION. During the course of investigation, one has to observe each and everything. After this, a reasonable CONCLUSION has to be arrived at followed by PRESENTATION of the investigation report. This is like the art of painting – OBSERVATION – Selection of colours, brushes and other materials, CONCLUSION-how to paint, what to paint, PRESENTATION-Painting.

5. It may take some period to become an expert in investigation. It depends upon OBSERVATION. If one OBSERVES (O), it is good. If one OBSERVES and CONCLUDES (O C), it is very good. If one OBSERVES, CONCLUDES and PRESENTS (O C P), then it is excellent.