

**Government of India
Ministry of Finance
Department of Revenue**

**LOK SABHA
UNSTARRED QUESTION NO. 640
TO BE ANSWERED ON FRIDAY, NOVEMBER 18, 2016
KARTIKA 27, 1938 (SAKA)**

TAX COLLECTION

**640: SHRIMATI RAMA DEVI:
DR. KAMBHAMPATI HARIBABU:
SHRI RAOSAHEB DANVE PATIL:
SHRI HARISHCHANDRA CHAVAN:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to set up taxpayer centres to widen taxpayer base across the country, if so, the details thereof, State/UT and location-wise along with the role and responsibilities assigned to these centres to achieve the said objective;
- (b) whether the Government has recorded a steady increase in the tax collected during the last three years and the current year;
- (c) if so, the details of direct and indirect taxes collected and pending collection during the last three years and the current year along with the steps taken/being taken to clear the pendency;
- (d) the details of cases of evasion of direct and indirect taxes reported by informers along with the amount recovered and rewards disbursed to informers during the last three years and current year; and
- (e) whether the names of these informers are revealed by the Income Tax Department, if so, the details thereof and the corrective steps taken/being taken by the Government to protect the identity of such informers?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SANTOSH KUMAR GANGWAR)**

(a):

Central Board of Excise & Customs has set up the Directorate General of Taxpayer Services with its head office at Delhi, inter-alia, to provide taxpayer services, stakeholder consultation, grievance redressal and publicity and public relations. The terms of reference of this Directorate are given in the Annexure. Further, Taxpayer Service Centres have been set up in all the Commissionerates under the 38 Customs, Central Excise and Service Tax Zones to educate and facilitate the taxpayers across the country. The primary objective of the Centres is to provide taxpayer services to all taxpayers, including new taxpayers, and not to widen taxpayer base.

(b) & (c) Yes Madam. There is a steady increase in the tax collected during the last three years and the current year. The details of the same is as under:-

Direct Tax collection

(Rs in crores)

Financial Year	Total Net Direct Taxes Collection
2013-14	638596
2014-15	695792
2015-16	742295
2016-17 (up to October 2016)	377045

Outstanding Taxes

(Rs in crores)

Financial Year	Total Outstanding Taxes
2013-14	674916
2014-15	827680
2015-16	929972
2016-17 (up to September 2016)	903048

A large part of the outstanding taxes are difficult to recover due to various reasons. Action for recovery of outstanding demands is taken in accordance with the provisions of the Income-tax Act, 1961 on continuous basis. There is a detailed plan for recovery of tax arrears. Strategies and targets to collect the same are laid down in the beginning of every financial year as part of the Central Action Plan document. Efforts of the assessing officer to collect/recover the outstanding demand are regularly reviewed/monitored by the hierarchical superior authorities. Databases like Individual Transaction Statement and 360-degree profile generated by the Department and those maintained by third party agencies like FIU-IND, etc have been made available to the field units for identification of assets for recovery. Guidelines for Tax Recovery Officers for recovery and for dealing with stay petitions, etc have been issued. Efforts for early disposal of appeals are also undertaken. A new reward scheme for information leading to recovery of arrears has been notified.

Indirect Tax collection

(Rs. In crores)

Financial Year	Total (Customs, Central Excise & Service Tax)
2013-14	4,97,060
2014-15	5,44,772
2015-16 (P)	7,08,883
2016-17 (April-Sept) (P)	4,85,850

(P) –Provisional

The amount of arrears pending for collection as on 30.09.2016 is Rs. 1,97,569 crore. This includes an amount of Rs. 1,61,350 crore locked up in various legal fora, an amount of Rs. 6,633 crore is restrained by authorities, such as, Board of Industrial Finance and Reconstruction (BIFR) / Debt Recovery Tribunal (DRT) / Official Liquidator (OL). An amount of Rs. 11,885 crore is pending in those cases where appeal period is not over. The cases involving an amount of Rs. 543 crore are fit for write off, thereby leaving only an amount of Rs. 17,156 crore, which are currently recoverable.

Various steps have been taken to reduce tax arrears and increase recovery. These steps include filing of early hearing petitions in those cases where substantial amount of arrears has been locked up in various courts / appellate forms, bunching of cases of similar nature for expeditious disposal by the appellate authorities, expeditious action for realisation of arrears by attachment of movable / immovable assets for recovery from sums due in those cases where no stay is granted or where stay granted has lapsed, filing of departmental claims of pending matters before Board for Industrial Financial Reconstruction (BIFR), Debt Recovery Tribunals (DRT) and Official Liquidators (OL) in a timely manner and to pursue them vigorously, sharing details of defaulters with Financial Intelligence Unit (FIU), National Securities Depository Limited (NSDL) / Central Depository Services India Ltd (CDSL) and like authorities to ascertain the information about their income source/ property etc.

(d): **Direct Tax**

Initial outcome of all searches conducted by the Income Tax Department during last 3 years and the current year up to 31.10.2016 is as under:-

Financial Year	Number of groups searched	Total assets seized (In Rs. Crore)	Undisclosed income admitted u/s 132 (4) of the Income-tax Act, 1961 [in Rs. Crore]
2013-14	569	807.84	10791.63
2014-15	545	761.70	10288.05
2015-16	445	712.68	11066.24
2016-17(up to October, 2016)	252	554.47	7213.11 (Provisional)

Out of the above mentioned searches, less than 5% were based upon the information received from informants. During the last three financial years (F.Y. 2013-14 to 2015-16), rewards amounting to Rs. 2.95 crore has been disbursed to informers from the Investigation Directorate of Income Tax Department.

Indirect Tax

The details of cases of evasion of indirect taxes reported by informers to Directorate General of Central Excise & Intelligence (DGCEI- upto September, 2016) & DGRI (upto October, 2016) during the last three years and the current year is given in the following table :-

Year	Number of cases based on information given by informers	Amount recovered from such cases (Rs. in crore)
2013-14	446	9198.66
2014-15	267	13732.80
2015-16	350	9892.90
2016-17	301	3318.92

The amount of rewards disbursed to informers during the year 2013-14, 2014-15, and 2015-16 is Rs. 36.05 crore, Rs. 43.93 crore and Rs. 54.97 crore respectively. The amount of reward disbursed in cases relating to DGCEI and DGRI for the current year is Rs. 46.65 crore. The disbursal in a year may relate to cases made during earlier periods also.

(e) Government has already issues guidelines to protect the identity of informers and their identity is kept secret.

Annexure as referred to in reply to part (a) of Unstarred Question No. 640 to be answered in Lok Sabha on 18.11.2016

The terms of reference of the Directorate General of Tax Payer Services, Central Board of Excise & Customs, are as follows:

Taxpayer Services, Stakeholder Consultation & Grievance Redressal:

- I. Laying down service standards and monitoring, evaluating & reviewing the same from time to time to assess their effectiveness and efficiency,
- II. Monitoring and reviewing Citizen's Charter and 'Sevottam' Programme at regular intervals and suggest improvements. where required.
- III. Conducting customer satisfaction surveys, independent third party audit and impact analysis so as to monitor the quality and efficiency of tax administration,
- IV. Assisting the CBEC in enhancing customer understanding and maximizing voluntary compliance.
- V. Monitoring the functioning of PTFCs, RACs and Open House Meetings so as to share good practices across Zones;
- VI. Monitoring of e-Helplines set up by Customs, Central Excise and Service Tax Zones;

Monitoring the implementation of directions and awards given by ombudsman to make this initiative more effective

- VII. Monitoring the "Tax Payer Service Centres" in the Commissionerates and Custom Houses and analyzing the activities through periodic activity reports sent by the Commissionerates and Custom Houses and take appropriate steps for improvement in quality and timely delivery of services and
- VIII. Acting as a "Single Window Help Desk" for interface between taxpayers and field formations through a dedicated web based service portal In consultation with DGS&DM.

a. Publicity & Public Relations:

- IX. Providing taxpayer information, taxpayer education and taxpayer assistance and designing and executing outreach programmes in coordination with NACEN, DG GST;
- X. Ownership, Content Management & updating information on CBEC website through content owners;
- XI. Finalising an appropriate channel strategy to ensure that the service delivery is effective and is accessible to all.
- XII. Educating the tax payers as regards their rights and obligations in the matter of tax compliance
- XIII. Compiling and issuing hand-outs, Guidance Notes, brochures, leaflets , FAQs etc. on various subjects viz. baggage allowance, refund, drawback, rebate, Project imports, SSI exemptions, CENVAT scheme, appellate remedies including alternate channels like AAR and Settlement Commission for the benefit of taxpayers.
- XIV. Organising interactive sessions with trade and industry and based on the feedback received suggest changes in tax laws and procedures to the CBEC
- XV. Issuing internal communication aimed at attitudinal refinement of officials from that of regulators to facilitators and service providers.
- XVI. Monitoring and executing the stakeholder consultation process for changes in policy and procedures; and
- XVII Creating, putting in place and executing an appropriate media policy including social media.