

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

**LOK SABHA
UNSTARRED QUESTION NO. 290
TO BE ANSWERED ON FRIDAY, FEBRUARY 3, 2017
MAGHA 14, 1938 (SAKA)**

OUTSTANDING TAXES AGAINST COMPANIES

290: SHRI GOPAL SHETTY

Will the Minister of FINANCE be pleased to state:

- (a) the details of central taxes outstanding against domestic and multinational companies as on date, company-wise;
- (b) whether the Government has taken note of the number of companies involved in evasion of excise duty;
- (c) if so, the details of such companies and the action taken against the said companies;
- (d) the steps taken by the Government for expeditious recovery of outstanding taxes; and
- (e) the time by which the said outstanding taxes are likely to be recovered?

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

(a) The Company wise details of Central taxes outstanding against domestic and multinational companies is not maintained centrally. The details of total outstanding arrears, as on 31.12.2016 are as under:-

Tax component	Amount involved (Rs. in crore)
Corporate Tax	471489
Central Excise Duty	81346
Customs Duty	26124
Service Tax	110179
Total	689138

(b & c). The number of cases of evasion in Central Excise detected during the last three years and current year (upto October, 2016) is as under:-

Year	No. of cases	Amount involved (Rs. in crore)
2013-14	2604	4736.59
2014-15	2123	4334.80
2015-16	2366	5296.84
2016-17(upto Oct)	1173	2990.00

When any evasion/fraud is detected, after due investigation, such company is issued a Show Cause Notice demanding the duty evaded. After following the principles of natural justice, the Show Cause Notice is adjudicated and as provided in the Central Excise Act, 1944, the amount due is recovered.

(d). Direct Taxes: Strategies and targets to collect the arrears of taxes 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 superior authorities. Databases like Individual Transaction Statement and 360-degree profile generated by the Department and those maintained by other agencies like FIU-IND have been made available to the field units for identification of assets for recovery. Guidelines for Tax Recovery Officers for recovery and guidelines to filed authorities for dealing with stay petitions 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. The names of confirmed defaulters are also placed in public domain.

Indirect Taxes: Recovery of Indirect taxes is done in terms of Section 11 of the Central Excise Act, 1944 and Section 142 of the Customs Act, 1962, to the extent it applies to Central Excise Duty and Service Tax. In all cases of evasion/fraud, action, as provided under the law is taken for detection and recovery of Government dues. Besides, to realize/liquidate the indirect tax arrears, the following Action Plan has been implemented by the Central Board of Excise and Customs.

(i) Wherever substantial amounts of arrears have been locked up in cases pending before Courts/appellate fora, early hearing petitions are filed and efforts are made to vacate stay orders. Cases of similar nature are being bunched for expeditious disposal by the appellate authorities.

(ii) The cases pending before Board for Industrial and Financial Reconstruction, Debt Recovery Tribunal, Official Liquidator etc. are being actively followed up.

(iii) Wherever revenue arrears are free from all legal encumbrances, action is taken for speedy implementation of favourable orders passed by Courts. Where no stay has been granted or the stay granted has lapsed, prompt action is taken for realisation of arrears by attachment of movable/immovable assets of the defaulters or recovery from sums due to such assesseees.

(iv) Dedicated teams of officers have been created in the field formations for expeditious recovery of indirect tax arrears.

(e). All efforts for expeditious recovery of outstanding direct and indirect taxes are being made. However, no time-frame for complete recovery of all arrears can be specified. Fresh direct tax demands are created and recoveries of arrears made in an on-going basis. Moreover, the Revenue Department has limited control on the time-frame of recovery where the tax demand is litigated before an appellate authority.
