

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

**LOK SABHA
UNSTARRED QUESTION No. 2149**

TO BE ANSWERED ON FRIDAY, THE 28TH JULY, 2017

SHRAVANA 6, 1939(SAKA)

TDS LOSSES

2149. Shri A. ARUNMOZHITHEVAN

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has incurred a revenue loss of almost Rs. 3000 crore either due to Tax Deducted at Sources (TDS) not being collected or being collected and not being deposited by the assessee during the financial years 2013 to 2015 and if so, the details thereof;
- (b) whether the Government is aware that in many cases during the said period the assessing officers failed to impose interest on defaulting tax deductors for failure to deduct TDS or deducting less TDS under the relevant sections of the Income Tax Act and if so the details thereof; and
- (c) the corrective steps taken by the Government in this regard?

ANSWER

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

- (a) Madam, the CAG in it's Report no. 4 of 2017 relating to "Implementation of TDS/TCS Schemes" has indicated a tax effect of Rs.2,952.27 crores in 1481 cases, out of mistakes pointed out relating to audit conducted by them relating to Income-tax returns filed and processed/ completed during the Fin. Years 2012-13 to 2014-15. These mistakes were relating to various TDS/TCS provisions in the Income Tax Act, 1961. The department has taken remedial action in all such cases where the objection has been accepted & hence the interest of revenue has been protected.

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- (b) Yes. Madam, there are 97 cases mentioned by the CAG where Assessing Officers have charged less/no interest, involving revenue effect of Rs.902.15 crores. Remedial action has been taken in all such cases to protect the interest of revenue.

- (c) Madam, in all cases where the objection of CAG is accepted, corrective steps have been taken by imposing interest, penalty, and realisation of TDS.

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Question	Reply
(a) whether the Government has incurred a revenue loss of almost Rs. 3000 crore either due to Tax Deducted at Sources (TDS) not being collected or being collected and not being deposited by the assessee during the financial years 2013 to 2015 and if so, the details thereof;	(a) Madam, the CAG in it's Report no. 4 of 2017 relating to "Implementation of TDS/TCS Schemes" has indicated a tax effect of Rs.2,952.27 crores in 1481 cases, out of mistakes pointed out relating to audit conducted by them relating to Income-tax returns filed and processed/ completed during the Fin. Years 2012-13 to 2014-15. These mistakes were relating to various TDS/TCS provisions in the Income Tax Act, 1961. The department has taken remedial action in all such cases where the objection has been accepted & hence the interest of revenue has been protected.
(b) whether the Government is aware that in many cases during the said period the assessing officers failed to impose interest on defaulting tax deductors for failure to deduct TDS or deducting less TDS under the relevant sections of the Income Tax Act and if so the details thereof; and	(b) Yes. Madam, there are 97 cases mentioned by the CAG where Assessing Officers have charged less/no interest, involving revenue effect of Rs.902.15 crores. Remedial action has been taken in all such cases to protect the interest of revenue.
(c) the corrective steps taken by the Government in this regard?	(c) Madam, in all cases where the objection of CAG is accepted, corrective steps have been taken by imposing interest, penalty, and realisation of TDS.