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**STANDING COMMITTEE ON FINANCE  
(2022-23)**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)**

*[Action taken by the Government on the Observations/Recommendations contained in Fifty Fifth Report of the Standing Committee on Finance on Demands for Grants (2023-24) of the Ministry of Finance (Department of Revenue)]*

**SIXTY-SECOND REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**July, 2023/ Ashadha, 1945 (Saka)**

# SIXTY-SECOND REPORT

STANDING COMMITTEE ON FINANCE  
(2022-2023)

(SEVENTEENTH LOK SABHA)

MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

*[Action taken by the Government on the Observations/Recommendations contained in Fifty-Fifth Report of the Standing Committee on Finance on Demands for Grants (2023-2024) of the Ministry of Finance (Department of Revenue)]*

Presented to Lok Sabha on 27. 07. 2023

Laid in Rajya Sabha on 27. 07. 2023



LOK SABHA SECRETARIAT  
NEW DELHI

July, 2023/ Ashadha, 1945 (Saka)

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\* Not appended in the cyclostyled copy

**COMPOSITION OF STANDING COMMITTEE ON FINANCE (2022-23)**

**Shri Jayant Sinha - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri S.S. Ahluwalia
3. Shri Sukhbir Singh Badal
4. Shri Subhash Chandra Baheria
5. Dr. Subhash Ramrao Bhamre
6. Smt. Sunita Duggal
7. Shri Gaurav Gogoi
8. Shri Sudheer Gupta
9. Shri Manoj Kishorbhai Kotak
10. Shri Pinaki Misra
11. Shri Hemant Shriram Patil
12. Shri Ravi Shankar Prasad
13. Shri Nama Nageshwara Rao
14. Prof. Sougata Ray
15. Shri P.V. Midhun Reddy
16. Shri Gopal Chinayya Shetty
17. Shri Parvesh Sahib Singh
18. Dr. (Prof) Kirit Premjibhai Solanki
19. Shri Manish Tewari
20. Shri Balashowry Vallabbhaneni
21. Shri Rajesh Verma

**RAJYA SABHA**

22. Dr. Radha Mohan Das Agarwal
23. Shri Raghav Chadha
24. Shri P. Chidambaram
25. Shri Damodar Rao Divakonda
26. Shri Ryaga Krishnaiah
27. Shri Sushil Kumar Modi
28. Dr. Amar Patnaik
29. Dr. C.M. Ramesh
30. Shri G.V.L. Narasimha Rao
31. Shri Pramod Tiwari\*

**SECRETARIAT**

1. Shri Siddharth Mahajan - Joint Secretary
2. Shri Ramkumar Suryanarayanan - Director
3. Shri Puneet Bhatia - Deputy Secretary
4. Shri Manish Kumar - Committee Officer

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\* Vide Rajya Sabha Bulletin Part-II no. 63014 dated 13.03.2023, Shri Pramod Tiwari was nominated to the Standing Committee on Finance (2022-23) on 13th March, 2023 vice Dr. Manmohan Singh, who resigned from the Committee w.e.f. 9th February, 2023.

## INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorized by the Committee, present this Sixty-Second Report on action taken by the Government on the Observations / Recommendations contained in the Fifty-Fifth Report of the Committee (Seventeenth Lok Sabha) on Demands for Grants (2023-24) of the Ministry of Finance (Department of Revenue).

2. The Fifty-Fifth Report was presented to Lok Sabha and laid on the table of Rajya Sabha on 23 March, 2023. The Action Taken Notes on the Observations/Recommendations were received from the Government *vide* their communication dated 6 June, 2023.

3. The Committee considered and adopted this Report at their sitting held on 20 July, 2023.

4. An analysis of the action taken by the Government on the recommendations contained in the Fifty-Fifth Report of the Committee is given in the Appendix.

5. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold in the body of the Report.

NEW DELHI  
20 July, 2023  
29 Ashadha, 1945 (Saka)

JAYANT SINHA,  
Chairperson,  
Standing Committee on Finance

## CHAPTER - I

This Report of the Standing Committee on Finance deals with the action taken by the Government on the Observations/ Recommendations contained in the 55<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) on Demands for Grants (2023-24) of the Ministry of Finance (Department of Revenue).

2. The 55<sup>th</sup> Report (17<sup>th</sup> Lok Sabha) was presented to the Lok Sabha on 23<sup>rd</sup> March, 2023 and was laid in Rajya Sabha on the same day. The Report contained 7 Observations/Recommendations.

3. Action-taken replies in respect of all the Observations/Recommendations contained in the 55<sup>th</sup> Report were received on 6<sup>th</sup> June, 2023. These have been categorized as follows:

- (i) Observations/Recommendations which have been accepted by the Government:

Serial Nos. 1,2,3,4,5,6, and 7

Total - 7  
Chapter-II

- (ii) Observation/Recommendation which the Committee do not desire to pursue in view of the Government's reply:

- Nil -

Total - 00  
Chapter-III

- (iii) Observation/Recommendation in respect of which the reply of the Government has not been accepted by the Committee and which require reiteration:

- Nil -

Total-00  
Chapter-IV

- (iv) Observation/Recommendation in respect of which the final reply of the Government is still awaited:

- Nil -

Total - 00  
Chapter-V

4. The Committee desire that action taken statement on the Observations/Recommendations contained in Chapter-I of this Report may be furnished to the Committee within three months of its presentation.

5. Although all the Committee's recommendations have been accepted in principle for compliance, some of the observations/recommendations and the action taken thereupon may be commented upon as follows:

**(Recommendation S.No.3)**

**Goods and Service Tax**

6. The Committee, in their Report, had observed/ recommended as under:

"The Committee note with concern that with respect to Audit in GST, large number of documents are being sought from tax-payers for conducting an audit. Besides, the assesseees are also being called to the GST offices for physical appearance, which consumes lot of time of not only the assesseees but also the officials of the Department. The Committee would, therefore, recommend to the Ministry of Finance (Department of Revenue) to look into the feasibility of developing a mechanism for online audit in GST, which can make the process more efficient and less intrusive. In this regard, the Committee urge the Department of Revenue to prepare a white list of documents that would be necessarily required for conducting an audit and would thus become a guidance note for the officers as well as the assesseee."

7. The Ministry, in their action taken reply, have stated as under:

"CBIC has published GST Audit Manual (GSTAM) which inter-alia provides for list of documents required to conduct audit, timelines for audit and other standard formats in the form of Annexure to the Manual such as Annexure I (registered person's master file), Annexure III (documents required for Desk Review), and Annexure IX (verification of records/registers during audit) etc. Further, existing procedure of audit requires minimal interface between the officers and the taxpayers. The copies of documents/books of accounts and records etc. required to be submitted for conducting audit may be submitted through e-mail. Subsequently, if any clarification/explanation is sought from the taxpayer, may also be submitted through e-mail. From the systems perspective, the current audit functionality developed under ACES-GST application provides the feasibility for conducting the audit online wherein the required documents can be uploaded by tax payer as well as tax officer for further examination. However, recommendation of the Fifty- Fifth Report of the Standing Committee on Finance on Demands for Grants (2023-24) of the Ministry of Finance regarding feasibility of developing mechanism for online GST audit is noted for examination."

8. The Committee express satisfaction that the Ministry have accepted their recommendation concerning the establishment of an online audit mechanism. The Committee would expect the Ministry to earnestly pursue this issue with the objective of further streamlining the GST audit process. Furthermore, the Committee desire to be apprised of the results of this undertaking at the time of furnishing the Final Action Taken Statement.

(Recommendation S.No.5)

**Search, Seizure and Survey**

9. The Committee, in their Report, had observed/ recommended as under:

"Keeping in view possible harassment from intrusive operations such as search seizure etc, the Committee desire that these operations should be handled judiciously with adequate caution. It is expected that due-diligence is fully carried out before undertaking these enforcement operations, so as to pre-empt legitimate complaints and to ensure due realization of tax therefrom. The Committee are of the view that while stepping up enforcement action against wilful or chronic evaders, honest taxpayers should not be alienated."

10. The Ministry, in their action taken reply, have stated as under:

**"Direct Taxes:**

Search & Seizure/Survey action by the Income Tax Department (ITD) is one of the potent tools to take appropriate action, as per law, against tax evader and also to spread deterrence against tax evasion. These actions are initiated only after thorough preliminary investigations and gathering credible information regarding tax evasion and undisclosed income & assets of an assessee/group.

In order to make the search & seizure/survey actions an effective tool for detection of concealment of income without harassment of the taxpayers, proper procedures have been prescribed in the Act and Income Tax Rules, 1962 ("the Rules"). A number of instructions and guidelines have also been issued from time to time by Central Board of Direct Taxes (CBDT) for compliance by the search/survey teams during such actions for this purpose. These also cover the manner of proficiently handling any complaints of harassment.

The power to issue warrant of authorization for carrying out a search under the Act is entrusted to a senior rank officer of ITD, not below the rank of Principal Commissioner or Principal Director of Income Tax. Further, the issuing authority has to record its "reason to believe" in writing, based upon information in his possession, before issuing the warrant of authorisation. Similarly, the authorization for survey action is issued only after the satisfaction of an officer of the rank of Principal Chief Commissioner of Income Tax or the Director General or the Chief Commissioner of Income



Tax, based on information regarding tax evasion and/or non-compliance by a taxpayer.

The search/survey team is usually headed by an officer of the level of Deputy Director of Income Tax/ Assistant Director of Income Tax / Income Tax Officer. The size of search/survey team may be expanded considering the requirements of the premises. Further, such actions are under constant supervision of an officer of higher seniority of the level of Additional Director of Income Tax / Joint Director of Income Tax. A Control Room is set up during every search and seizure/survey action to have an effective monitoring of the premises under search/survey action and to make coordination with the authorized officers.

Instructions/ guidelines have been issued by CBDT from time to time not to take admission of undisclosed income under coercion/pressure during search/survey. 'The Taxpayers Charter' indicating the Rights and Duties of the Taxpayers, issued by CBDT is usually handed over to person being searched/surveyed, at its commencement.

Since a search action can also cover residential premises where there is likelihood of presence of women and children, the concerned search team includes at least one lady member. The children are permitted to go to school, after the examination of their bags. The entire search operation from the beginning till the end is carried out in presence of two independent witnesses. The key findings of entire proceedings are recorded in the Panchnama which is also signed by the witnesses, a copy of which is also given to the person being searched.

Similarly, in a survey action, a record of survey proceedings is required to be prepared at the time of conclusion of survey, along with an inventory of books of account/documents being impounded.

In spite of the above, in case of any wrongdoings or harassment during the course of search/survey action, the concerned tax payer can always make a complaint at any level. He may even request to keep the complaint confidential. Whenever, such complaint of any wrongdoing, harassment, violation of the procedures laid down, seeking of illegal gratification, etc. are received or brought to the knowledge of higher authorities, appropriate action is taken against officers and officials concerned, if the allegations are proved.

#### **Indirect Taxes:**

The Government fully agrees with the concern and desire of the Committee that in view of perceived harassment from such intrusive operations, these operations should be handled with adequate caution. In respect of Indirect Taxes (GST), Government (CBIC) had earlier issued elaborate Guidelines about the procedure to be followed while carrying out search proceedings under Section 67 of the CGST Act, 2017. These instructions, inter-alia, provide that in case of search of a residence, a lady officer shall necessarily be part of the search team; while conducting search, the officers must be sensitive towards the assessee/party and the officers should leave the premises immediately after completion of Panchnama proceedings. Further, social and religious sentiments of the person(s) under search and of all the person(s) present, shall be respected at all times with Special care/ attention to elderly, women and children present in the premises under search. Instructions also provide that

a woman occupying any premises, to be searched, has the right to withdraw before the search party enters, if according to the customs, she does not appear in public.

Furthermore, keeping in mind the ease of doing business and in order to maintain the uniformity of practice and to sensitize field officers about judicious use of power to issue summons and make arrests, CBIC has issued guidelines under CGST Act, 2017 for 'Arrests and Bail' and 'Summons'. The salient features include that since arrest impinges on the personal liberty of an individual, the power to arrest must be exercised carefully. The arrest should not be made in routine and mechanical manner. Apart from fulfilling legal requirements, approval to arrest should be based on credible material and on reasonable grounds recorded in writing and should be granted only where the intent to evade tax etc. is evident and element of mens rea / guilty mind is palpable. Arrest should not be resorted to in cases of technical nature like difference in interpretation of law. Illustrations have been given to provide guidance if the alleged offender is co-operating in the investigation or not, viz. compliance to summons, furnishing of documents called for, not giving evasive replies, voluntary payment of tax etc.

Instructions on Summons provide, inter alia that power to issue summons needs to be exercised judiciously with the prior approval of DC/AC and should not be used for calling statutory documents available online. Officers are being advised to explore instances when instead of resorting to summons, a letter for requisition of information may suffice. Senior management officials such as CMD/ MD/ CEO/ CFO/ similar officers of any company or a PSU should not generally be issued summons unless there are clear indications of their involvement in the decision making process leading to loss of revenue.

The Custom field formations and the Directorate of Revenue Intelligence (DRI) under the Central Board of Indirect Taxes & Customs (CBIC) take adequate caution while conducting Searches & Seizures. Due Diligence is carried out and only upon reasonable belief that violation of Customs Act, 1962 and the Allied Acts has been taken, are such operations carried out.

CBIC also from time to time sensitizes field formations to ensure that honest tax payers are not harassed. A System of document Identification number (DIN) has been introduced to bring in authenticity while communicating with taxpayers by the Department Officials.

CBIC has also instructed to install CCTV Cameras in the interrogation rooms. Accordingly, CCTVs have been installed in DRI headquarters and its Zonal units. The procurement of CCTVs for Custom Field Formations under CBIC is being undertaken by Directorate of Logistics (DoL) wherein tender for procurement has already been floated through GeM Portal and technical evaluation of the Bids is being undertaken.

These instructions are also placed in the website of CBIC for the knowledge of general public."

11. The Committee note with satisfaction that the Government has fully agreed with the concern of the Committee that in view of perceived

harassment from intrusive operations, these should be handled with adequate caution. The Committee appreciate the Ministry for instructing CBIC to install CCTV Cameras in the interrogation rooms as this step will further help in making the system transparent and fair. Also, the Ministry has enumerated other measures taken as well as existing provisions that can prevent harassment of honest taxpayers. The Committee, however, are of the view that these provisions/measures should also be stringently complied with by the agencies/officers concerned.

(Recommendation S.No.6)

**Simplification of process of filing of Income Tax Returns**

12. The Committee, in their Report, had observed/ recommended as under:

"The Committee observe that with the passage of time the process of filing income tax return has no doubt undergone changes but it still remains rather complex for an ordinary taxpayer. Any person with income from various sources, viz. salary income, rental income, business income etc. cannot file his return by his own and has to seek advice of either a Chartered Accountant or a person having adequate knowledge and expertise in filing income tax return. The Committee would thus urge the Department to make the process simpler and more taxpayer friendly."

13. The Ministry, in their action taken reply, have stated as under:

"It is the endeavor of the ITD to constantly improve ease of doing business and make tax administration citizen friendly. As a step in this direction, in order to make tax compliance more convenient, pre-filled Income tax Returns (ITR) have been provided to individual taxpayers. The ITR form now contains pre-filled details of certain incomes such as salary income. The scope of information for pre-filing is being further expanded by including information such as house property income, bank interest, dividends etc.

Further, it is proposed to introduce a common ITR form in tandem with international best practices, by merging all existing forms except ITR 7. The proposed ITR form aims to bring ease of filing returns to individuals and non-business-type taxpayers considerably. As a result of this new form, the time and energy of the taxpayer will be saved and he will be relieved of the additional burden of going through all the parts of the ITR as is the requirement under the existing ITRs. This will increase ease of compliance. The common ITR form was placed on public domain on 1<sup>st</sup> November, 2022 seeking comments and suggestions from stakeholders and the public at large."

14. In reply to the recommendation of the Committee to make filing of returns simpler and tax payer friendly, the Ministry has stated that it is proposed to introduce a common ITR form in tandem with international best practices, by merging all existing forms except ITR-7. It is expected that the proposed ITR form brings ease of filing returns to individuals and non-business-type taxpayers considerably. The Committee, therefore, would expect the Ministry to expedite the process and introduce the new format at the earliest.

**(Recommendation S.No.7)**

**Tax Litigation**

15. The Committee, in their Report, had observed/ recommended as under:

“The Committee note that the Department of Revenue is trapped in litigation and appeals at various tribunals and courts.

The Committee would therefore like the Department to ensure that appeals are filed judiciously after close scrutiny and not in a routine manner. Further, all the pending cases in different fora should be critically reviewed at the highest level, say by an empowered Committee of officers so that litigation is minimised. The Committee also desire that all tax arrears, wherever collectible, should be realized expeditiously on a mission-mode.

The Committee are also concerned about various contentious issues arising out of GST and, therefore, reiterate their earlier recommendation to the Ministry of Finance (Department of Revenue) to set up GST Tribunal for settlement of disputes pertaining to GST.”

16. The Ministry, in their action taken reply, have stated as under:

**“Direct Taxes:**

In order to reduce litigation at all levels the prescribed monetary limits with exceptions have been revised from time to time. Appeals falling below the relevant monetary thresholds are withdrawn from the appropriate fora immediately after each revision of monetary limits. The extant monetary limits for filing appeals at various judicial fora are as below:

Forum	Tax Effect more than Rupees
ITAT	50 Lakhs
High Court	1 Crore
Supreme Court	2 Crore

2. In respect of the monetary limits mentioned above, it is submitted that Circular No. 3/2018 on this subject stipulates that, *“It is clarified that an appeal should not be filed merely because the tax effect in a case exceeds*

*the monetary limits prescribed above. Filing of appeal in such cases is to be decided on merits of the case."*

3. To ensure that 'appeals are filed judiciously after close scrutiny and not in routine manner' there exists an elaborate mechanism by which senior officers exercise a qualitative oversight over process of filing appeal at next higher appellate level when a decision at a particular appellate level is not acceptable to the Department on merits. This is achieved by means of scrutiny reports which are prepared by the Assessing Officers and appeals are filed in a case only if the scrutiny report of that case is approved by the officer of seniority of Pr. CIT or above. For example, appeals against assessment orders passed by Assessing Officers are filed with the CIT (Appeals/ Appeal Unit) [CITs (A/AU)] by the assesseees. If the decision of the CITs (A/AU) is not acceptable and Department prefers an appeal in ITAT the Scrutiny Reports need to be mandatorily approved by the jurisdictional Pr. CIT. In case an appeal is being contemplated in High Court then same after being approved by the jurisdictional Pr. CIT needs further approval of a collegium of CCITs before the appeal is filed in High Court. The collegium takes a considered view only after considering the relevant judicial precedents. Finally, if appeal is contemplated at Supreme Court, then after approval of jurisdictional Pr. CIT and CCIT the proposal is vetted in the Directorate of Legal and Research, which functions under Member (A&J), CBDT. It may be noted that appeals to High Courts and Supreme Courts are filed only on 'Substantial Questions of Law' and not on 'Questions of fact'. Law officers of the Govt. of India are consulted in appropriate cases before filing Special Leave Petitions (SLPs). SLP proposals are analyzed in the Department of Legal Affairs in the Ministry of Law and Justice and the Law Officer there provides opinion for filing appeals. Various relevant aspects have been reiterated by Instruction No. 2/2022 dated 15.12.2022 issued by CBDT.

4. Finance Act, 2022 inserted a new section 158AB in the Act to avoid repetitive appeals by the Department. The section provides that, if a question of law in the case of an assessee is identical to a question of law which is pending in appeal before the jurisdictional High Court or the Supreme Court in any case, the filing of further appeal, in the case of this assessee by the department, shall be deferred till such question of law is decided by the jurisdictional High Court or the Supreme Court. To operationalize this section a system of collegiums, to be constituted by the concerned Pr. CCITs, (apex grade officers of the Income Tax Department) has been put in place vide Order F.No. 370133/13/2022-TPL dated 28.09.2022. This measure would provide a mechanism of continuous critical review at the highest level to minimize litigation as decisions of Courts would be dynamically considered for deferring/ filing appeals in ITAT/ jurisdictional High Courts/ Supreme Court.

5. The CBDT issued the Annual Central Action Plan for FY 2022-23(CAP), wherein time bound targets for achievement of Key Result Areas for recovery of arrear demand have been fixed. A multipronged strategy has been formulated to tackle this issue of arrear demand, with focus on addressing the issue in the following ways:

- (i) reduction of arrear demand by way of statutory actions, cleaning up of demand, etc.,
- (ii) efforts for recovery and cash collection out of arrear demand and demand difficult to recover'
- (iii) writing off of irrecoverable demand
- (iv) early disposal of appeals
- (v) monitoring of high arrear demand cases by CBDT

The progress on above action plan is monitored by CBDT by holding regular meetings/video conferences and through reports.

**(i) Reduction of arrear demand:** The target for reduction in arrear demand has been fixed and to achieve this target, critical tasks like reconciliation of arrear demand on CPC portal, issuance of appeal effect orders, rectification orders have been identified for completion in a time bound manner.

As submitted in earlier Action taken Report, the Finance Act, 2022 has amended Section 156A of the Act for cases of Insolvency and Bankruptcy Code, 2016(IBC), or cases which are subject matter of revision of demand pursuant to order of NCLAT/Supreme Court, w.e.f. 01.04.2022. Identification of cases where demand is locked up under the 'Difficult to Recover' category due to pending NCLT proceedings etc. has been made a key result area of performance of the Assessing Officers. Directions have been issued for time bound necessary revisions and modification of demand notices to be carried out in accordance with the provisions of section 156A of the Act. This is expected to reduce the 'Difficult to recover' demand in future.

**(ii) Ensuring recovery of taxes through cash collection:** Specific targets in this key result area have been laid down.

**(a) Efforts to recover tax in 'demand difficult to recover' cases:** CBDT has fixed targets for ensuring due efforts from field formation towards realization of demand categorized as 'Difficult to recover' for each of the components of the demand difficult to recover. These components are demand stayed by Courts/ ITAT, demand stayed by Income Tax Authorities, demand covered by instalments, demand the recovery of which is not being pursued on account of assessee's stay petition pending consideration by the Income Tax Authorities, demand difficult to recover on account of no/inadequate assets, assessee's not traceable and demand difficult to recover for any other reason.

**(b)** Special monitoring of stay granted matters have been included in the Central Action Plan in cases where recovery of demand has been stayed by Courts/ITAT or by Income Tax Authorities. The Central Action Plan has specified that all the stay granted matters may be identified, action plan may be formulated by Pr. CITs for vacation of stay and early disposal of appeals and remand reports including in stay granted matters should be sent timely.

**(iii) Writing-off of irrecoverable demand:** The Pr. CCITs have been advised to monitor the write off proceedings after issue of Irrecoverable Certificates (ICs) by the Tax Recovery Officers (TROs) in a time bound manner. Directions have been issued to the Pr. CCITs/CCITs concerned to conduct meetings for regular review of unrealizable demand and

decisions on write off proposals. The action in this regard is to be monitored through the Pr. DGIT (Admin. & TPS) by CBDT.

**(iv) Early disposal of appeals:** CBDT has issued directions to Pr. CCITs/National Faceless Appellate Centre (NFAC) that appeals in high demand cases should be taken up for disposal by the CIT (Appeals) on priority basis. Targets have been fixed for time bound disposal of such appeals, where recovery is impacted in high demand cases due to pendency of appeals.

**(v) Monitoring of high arrear demand cases by CBDT:** CBDT has set up a monitoring mechanism for dossier demand cases to monitor the progress of recovery.

#### **Indirect Taxes:**

The Standing Committee's observations/recommendations, in respect of Point No.7- tax Litigations; have been forwarded to field formations for necessary action and strict compliance.

Further, all Special Leave Petition (SLP) proposals submitted by CBIC field formations are critically reviewed and examined by the Board and only if the said SLP proposal satisfies the contours for filing SLP under Article 136 of Constitution of India, the SLP is proposed to be filed. In fact, in the F.Y. 2022-2023, the Board decided not to file SLP in many cases, which were forwarded by the field formations. Further, CBIC conducted SAFAL 'Sensitisation cum Awareness programme for fast tracking and managing litigation in CBIC' seminars on litigation Management highlighting the role of Revenue as a responsible litigant and requisites required to achieve the same."

Further all Civil Appeals (CA) proposals submitted by CBIC field formations are critically reviewed and examined by the Board and only if the said CA proposal satisfies the contours for filing CA under Section 130E of the Customs Act, 1962 and Section 35L of the Central Excise Act, 1944. In the F.Y. 2022-2023, the Board decided not to file CA in many cases, which were forwarded by the field formations.

Further, CBIC vide Circular dated 22.08.2019 enhanced the monetary limit substantially which resulted in reduction of litigation in various legal forum.

It is also informed that the Department of Revenue is in the process of framing Rules for GST Tribunal under provisions of the Central Goods and Service Tax Act."

**17. The Ministry have stated that they have forwarded the observations/recommendations of the Standing Committee in respect of tax litigation to field formations for necessary action and strict compliance. This is a positive step, as it is evident that the Ministry is taking the issue of tax litigation seriously. The Committee had also recommended that a GST Tribunal be set up to settle disputes pertaining to GST. The Department of Revenue is in the process of framing Rules for the GST Tribunal under provisions of the Central Goods and Services Tax Act. This is also a welcome step, as it will**

help to ensure that GST disputes are resolved in a timely and efficient manner. The Committee would like to be apprised of the further developments in this regard at the stage of furnishing the Final Action Taken Statement.





*Annexure*

Minutes of the Twenty-first sitting of the Standing Committee on Finance (2022-23) The Committee sat on Thursday, the 20<sup>th</sup> July, 2023 from 1500hrs. to 1700 hrs. in Committee Room '2', Parliament House Annexe Extension Block A, New Delhi.

**PRESENT**

**Shri Jayant Sinha – Chairperson**

**LOK SABHA**

2. Shri S.S Ahluwalia
3. Shri Subhash Chandra Baheria
4. Dr. Subhash Ramrao Bhamre
5. Smt. Sunita Duggal
6. Shri Gaurav Gogoi
7. Shri Sudheer Gupta
8. Shri Manoj Kishorbhai Kotak
9. Shri Hemant Shriram Patil
10. Shri Nama Nageswara Rao
11. Shri Gopal Chinayya Shetty
12. Shri Parvesh Sahib Singh
13. Dr. (Prof.) Kirit Premjibhai Solanki
14. Shri Manish Tewari
15. Shri Balashowry Vallabhaneni

**RAJYA SABHA**

16. Dr. Radha Mohan Das Agarwal
17. Shri Ryaga Krishnaiah
18. Shri Sushil Kumar Modi
19. Dr. Amar Patnaik
20. Shri G.V.L. Narasimha Rao
21. Shri Pramod Tiwari

**SECRETARIAT**

- |    |                              |   |                  |
|----|------------------------------|---|------------------|
| 1. | Shri Siddharth Mahajan       | - | Joint Secretary  |
| 2. | Shri Ramkumar Suryanarayanan | - | Director         |
| 3. | Shri Puneet Bhatia           | - | Deputy Secretary |

PART I

2. XX XX XX XX XX XX  
XX XX XX XX XX XX

(The witnesses then withdrew)

PART II

3. XX XX XX XX XX XX  
XX XX XX XX XX XX

(The witnesses then withdrew)

4. Thereafter, the Committee took up the following draft reports for consideration and adoption:

- (i) Draft Report on the subject 'Cyber security and rising incidence of cyber/white collar crimes' of the Ministry of Finance (Department of Financial Services), Ministry of Electronics and Information Technology and Ministry of Home Affairs.
- (ii) Draft Action Taken Report on the recommendations contained in the Fifty-Third Report on the subject 'Anti-Competitive Practices by Big-Tech Companies' of the Ministry of Corporate Affairs.
- (iii) Draft Action Taken Report on the recommendations contained in the Fifty-Fourth Report on Demands for Grants (2023-24) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services, Investment & Public Asset Management and Public Enterprises).
- (iv) Draft Action Taken Report on the recommendations contained in the Fifty-Fifth Report on Demands for Grants (2023-24) of the Ministry of Finance (Department of Revenue).

- (v) Draft Action Taken Report on the recommendations contained in the Fifty-Sixth Report on Demands for Grants (2023-24) of the Ministry of Corporate Affairs.
- (vi) Draft Action Taken Report on the recommendations contained in the Fifty-Seventh Report on Demands for Grants (2023-24) of the Ministry of Planning.
- (vii) Draft Action Taken Report on the recommendations contained in the Fifty-Eighth Report on Demands for Grants (2023-24) of the Ministry of Statistics and Programme Implementation.

After some deliberations, the Committee adopted the above draft Reports and authorised the Chairperson to finalise them and present the Reports to the Parliament. The Chairperson also appreciated the Committee Secretariat for putting their sincere efforts in drafting comprehensive reports within a short span of time. The Committee also decided to undertake a Study Tour during the third or fourth week of August, 2023.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.



APPENDIX 4

(Vide Introduction of Report)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE  
OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THE 55<sup>th</sup> REPORT (17<sup>th</sup>  
LOK SABHA) OF THE STANDING COMMITTEE ON FINANCE

	Total	% of total
(i) Total number of Recommendations	7	
(ii) Recommendations/Observations which have been accepted by the Government (vide Recommendation at Sl. Nos. 1,2,3,4 & 5)	7	100%
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	Nil	0.00
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	Nil	0.00
(v) Recommendations/Observations in respect of which final reply of the Government are still awaited	Nil	0.00

