

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:406

ANSWERED ON:04.05.2012

INDIRECT TAX EVASION

Abdulrahman Shri ;Gowda Shri D.B. Chandre

Will the Minister of FINANCE be pleased to state:

- (a) whether cases of evasion of central excise and service tax by some steel, pharmaceutical companies and educational/ coaching and training institutions have come to the notice of the Union Government during the last three financial years;
- (b) if so, the company-wise details thereof alongwith the category-wise amount of duty evaded;
- (c) the total excise duty and service tax to be collected from those parties; and
- (d) the steps taken by the Government in this regard?

Answer

MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 406 for 04.05.2012

(a) Yes, Sir.

(b)&(c) Details of cases of evasion of Central Excise duty noticed in respect of steel and pharmaceutical companies during the last three financial years are as follows:

(Rs. In Crore)

Year	No. of Cases	Duty Involved	Amount Recovered
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2009-10	890	948.35	61.33
2010-11	910	980.42	78.04
2011-12	687	468.23	94.13

Company-wise details of cases involving duty evasion of Rs. 5 crore and above, including the amounts recovered and the amounts yet to be collected in the last three financial years are furnished in Annexure – A.

Details of cases of evasion of Service Tax noticed in respect of educational/coaching and training institutions as well as steel and pharmaceutical companies during the last three financial years are as under:

(Rs. In Crore)

Year	No. of Cases	Tax Involved	Amount Recovered
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2009-10	196	331.66	8.84
2010-11	176	286.32	8.31
2011-12	202	409.16	19.12

Company-wise details of cases involving Service Tax evasion of Rs. 10 lakh and above, including the amounts recovered and the amounts yet to be collected in the last three financial years are furnished in Annexure – B.

(d) Field formations as well as Directorate General of Central Excise Intelligence (DGCEI) regularly detect and check evasion of taxes and effect recovery of arrears. The assesseees are issued show cause notices to demand taxes along with interest and penalty, including mandatory penalty. In serious cases, offenders are also prosecuted. The Department also carries out periodic audit of assesseees to detect non-levy/short-levy of taxes. After confirmation of demands and completion of appellate proceedings, recovery proceedings are initiated in terms of legal provisions.