

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:524

ANSWERED ON:03.05.2013

RECOVERY OF TAXES

Alagiri Shri S. ;Mahato Shri Narahari

Will the Minister of FINANCE be pleased to state:

- (a) the arrears of tax accumulated as on 31 March 2013 along with the details of the major defaulters, category-wise;
- (b) the details of efforts made and expenses incurred by the Government to recover the outstanding amount and achievements made thereon during each of the last three years and the current year;
- (c) whether the Government has set up/proposes to set up special courts/dedicated cells for expeditious disposal of pending cases of direct and indirect taxes and if so, the details thereof and the amount recovered as a result thereof so far; and
- (d) the other steps taken/proposed to be taken by the Government for settlement of such pending taxes at the earliest?

Answer

THE FINANCE MINISTER (SHRI P. CHIDAMBARAM)

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

Statement referred to in reply to parts (a) to (d) of the Lok Sabha Starred Question No. 524 for answer on 3rd May, 2013.

(a): So far as direct taxes are concerned, the arrears of tax outstanding as on 31-03-2013 has not yet been compiled. However, the position as on 31-01-2013 is as under:

(Rs. In crore)

Category of taxes	Amount of arrears
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Non Corporate Cases	2,69,166
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Corporate Cases	1,57,447
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The category-wise arrears pertaining to indirect taxes as on 31-3-2013 is given Below:

(Rs. In crore)

Category of taxes	Amount of arrears
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Central Excise	50344.60
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Customs	12103.40
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Service Tax	4723347
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Details of major defaulters are not maintained centrally.

(b): So far as direct taxes are concerned, major efforts taken to expedite recovery of arrears inter alia include attachment of bank account/debtors, attachment and sale of immovable property, review of the installments in cases where there was a default, constitution of special cell to deal with cases classified as assesses not traceable and assesses with no assets/inadequate assets for recovery, etc.

To realize/liquidate the indirect tax arrears, whenever 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; the cases pending before Board for Industrial and Financial Reconstruction, Debt Recovery Tribunal, Official Liquidator etc. are being actively followed up; dedicated teams of officers have been created in the field formations for expeditious recovery of indirect tax arrears.

Details of expenses incurred by the Government to recover outstanding amount is not separately maintained. However, the amount recovered by the Government in respect arrears pertaining to direct and indirect taxes is given below:

Rs. In crore

Nature of Taxes	Amount Recovered in 2010-11	Amount Recovered in 2011-12	Amount Recovered in 2012-13
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Direct Taxes	12011	19654	(UptoJan.13) 18757
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Indirect Taxes	6065	7583.9	13233.5
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(c): There is no proposal to set up special courts to settle the litigation in pending cases involving arrear demands. However, dedicated cell under the Chief Commissioner (Tax Arrears Recovery) with 5 regional offices have been set-up to exclusively monitor the work relating to recovery of indirect tax arrears. With regard to recovery of arrears of direct taxes, a special cell has been constituted to exclusively deal with recovery of arrears as indicated in reply to part (b) above.

(d): The recovery of arrear demand is a continuous process and all possible steps are being taken to expedite litigation in pending cases involving demands and for making recovery.