

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7005
ANSWERED ON:18.05.2012
RECOVERY OF OUTSTANDING TAXES
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Will the Minister of FINANCE be pleased to state:

- (a) the category-wise arrears of tax outstanding and amount recovered during each of the last three years and the current year till date;
- (b) the details of cases and amount thereof wherein the arrears of taxes have been lost due to litigation and those written off during the same period; and
- (c) the steps taken or proposed to be taken by the Government to avoid revenue loss in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a): The category-wise arrears of indirect taxes and direct taxes outstanding and amount recovered during each of the last three years are as under:

(Rs. In crore)

Category	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	Amount	Amount	Amount
Outstand ing ed	Tax	Re	Outstand ing ed	Tax	Re	Outstand ing ed	Tax	Amount	Amount
Central	26629.43	1360.67	1360.67	731739.41	1851.52	1851.52	237050.32	2049.50	
Excise									
Customs	8067.28	934.39	9679.51	1409.77	9677.85	2043.85			
Service Tax	9515.52	2090.52	15470.70	2803.71	2012.85	3490.55			
Income Tax	138137	2191	157995	4723	196765	4405			
Corpora- tion Tax	75509	9748	90933	7288	136315	15158			

Details for the current year are not available.

(b) & (c): Arrears of duty/tax are not lost due to litigation. Government resorts to litigation to safeguard its revenue interest. However, when the assessee files appeals against orders in favour of revenue, the revenue due to the Government remains locked up till the appellate remedies are exhausted and the cases are finally settled. When the Government prefers appeals against orders in favour of the assessee, revenue cannot be said to be lost or locked up because the Government has lost the case in previous appellate/adjudication stage. Following the principle of judicial discipline, such reduction reflects the correct position and therefore, it cannot be said that there is any loss of revenue due to litigation.

So far as arrears of direct taxes written-off are concerned, such data is not centrally maintained. So far as indirect taxes are concerned, the amount of irrecoverable Central Excise duty and Customs duty written off during last three years and the current year are as under:

Year	Amount (Rs. In crore)
2009-10	0.47
2010-11	1.24
2011-12	0.01
2012-13	Nil
(Up to April, 2012)	