

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2669
ANSWERED ON:04.12.2009
COLLECTION OF IT
Sampath Shri Anirudhan

Will the Minister of FINANCE be pleased to state:

- (a) the break-up of target vis-À-vis collection of indirect taxes during each of the last three quarters of this fiscal;
- (b) the reasons for increase/decrease in such collection from the previous year; and
- (c) the measures taken by the Government of India to achieve the targets in future?

Answer

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

- (a) The collection of indirect taxes during first quarter April-June, 2009 was Rs.46, 213 crore as against a target of Rs.63,900 crore. The collection has gone up to Rs.58,118 crores in the second quarter against a target of Rs.74,324 crore. Third quarter of this fiscal is yet to be over.
- (b) The main reasons for decline in indirect tax collection are reduction in rate of customs duty on crude petroleum and petroleum products on 4th June 2008, reduction rate of excise duty by 4% on non-petroleum products across the board on 7th December 2008, further reduction of excise duty rate on non-petroleum products from 10% to 8%, and service tax rate from 12% to 10% on 24th February, 2009. The reduction in excise duty rates has also affected custom duty collection on account of reduced revenue from additional customs duty, commonly known as CVD on imports.
- (c) Regular monitoring of revenue collection and analysis of the causal factors for decrease in revenue is being done at national, zonal and commissionerate level. The audit and anti- evasion measures have also been enhanced.