

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2219  
ANSWERED ON:05.12.2014  
BORDER TAX EVASION  
Adhikari Shri Suvendu

**Will the Minister of FINANCE be pleased to state:**

- (a) whether there are numerous instances of cross border tax evasion in the country;
- (b) if so, the details thereof during the last three years; and
- (c) the steps taken by the Government to check the menace and to prevent the incidence of evasion of excise duty and service tax?

**Answer**

FINANCE MINISTER (SHRI ARUNJAITLEY)

(a) Yes, Sir.

(b) The details of cases of cross border tax evasion detected by the customs field formations including Directorate of Revenue Intelligence during the last three years are as under:-

(Rs. in crore)

| Year                      | No. of cases detected. | Value of tax evasion. |
|---------------------------|------------------------|-----------------------|
| 2011-12                   | 1189                   | 2975.14               |
| 2012-13                   | 1487                   | 2207.55               |
| 2013-14                   | 1914                   | 4769.25               |
| 2014-15 (upto Sept, 2014) | 672                    | 1379.57               |

(c) The following measures have been adopted to check the menace and to prevent incidence of evasion of excise duty and service tax:-

- (i) All field formations of Customs including Directorate of Revenue Intelligence have been sensitized to thwart and prevent any attempt of cross border tax evasion.
- (ii) Scrutiny of periodic returns filed by the Central Excise assesseees is done regularly.
- (iii) Periodic audit of returns and financial records of Central Excise assesseees is carried out.
- (iv) Focus is given to collection of information and faster investigation of cases of evasion of central excise duties.
- (v) The field formations conduct extensive surveys for identification of potential service providers, gather information from various sources, educate the erring service providers about legal implications and keep strict vigil to unearth cases of evasion of service tax. Recent legislative measures such as arrest provisions and lurching of prosecutions, penalty provisions on Directors of the Company, also act as deterrent for the Service Tax evaders.