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**STANDING COMMITTEE ON FINANCE
(2021-22)**

SEVENTEENTH LOK SABHA

**MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)**

**DEMANDS FOR GRANTS
(2022-23)**

FORTY FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2022 / Phalguna, 1943 (Saka)

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(2021-22)

(SEVENTEENTH LOK SABHA)

MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

DEMANDS FOR GRANTS
(2022-23)

Presented to Lok Sabha on 22 March, 2022

Laid in Rajya Sabha on 22 March, 2022



LOK SABHA SECRETARIAT
NEW DELHI

March, 2022 / Phalguna, 1943 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON FINANCE (2021-22)

Shri Jayant Sinha - Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Sukhbir Singh Badal
4. Shri Subhash Chandra Baheria
5. Shri Shrirang Appa Barne
6. Dr. Subhash Ramrao Bhamre
7. Smt. Sunita Duggal
8. Shri Gaurav Gogoi
9. Shri Sudheer Gupta
10. Shri Manoj Kotak
11. Shri Pinaki Misra
12. Shri Ravi Shankar Prasad
13. Prof. Sougata Ray
14. Shri P.V Midhun Reddy
15. Shri Gopal Shetty
16. Dr. (Prof.) Kirit Premjibhai Solanki
17. Shri Parvesh Sahib Singh
18. Shri Manish Tewari
19. Shri Bala Showry Vallabhaneni
20. Shri Rajesh Verma
21. *Vacant*

RAJYA SABHA

22. Shri Ahmad Ashfaque Karim
23. Shri Sushil Kumar Modi
24. Shri A. Navaneethakrishnan
25. Shri Praful Patel
26. Dr. Amar Patnaik
27. Shri Mahesh Poddar
28. Dr. C.M. Ramesh
29. Shri G.V.L Narasimha Rao
30. Dr. Manmohan Singh
31. Smt. Ambika Soni

SECRETARIAT

- | | | |
|----|------------------------------|-----------------------|
| 1. | Shri Siddharth Mahajan | - Joint Secretary |
| 2. | Shri Ramkumar Suryanarayanan | - Director |
| 3. | Shri Kulmohan Singh Arora | - Additional Director |
| 4. | Shri Preetam Prabhakar | - Committee Officer |

INTRODUCTION

I, the Chairperson of the Standing Committee on Finance, having been authorised by the Committee, present this Forty first Report (Seventeenth Lok Sabha) on 'Demands for Grants (2022-23)' of the Ministry of Finance (Department of Revenue).

2. The Demands for Grants (2022-23) of the Ministry of Finance (Department of Revenue) were laid on the Table of the House on 9 February, 2022 under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took oral evidence of the representatives of the Ministry of Finance (Department of Revenue) on 23 February, 2022. The Committee wish to express their thanks to the representatives of the Department of Revenue for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2022-23).

4. The Committee considered and adopted this Report at their Sitting held on 14 March, 2022.

5. For facility of reference, the Observations / Recommendations of the Committee have been printed in bold at the end of the Report.

New Delhi;
14 March, 2022
23 Phalgun, 1943 (Saka)

SHRI JAYANT SINHA,
Chairperson
Standing Committee on Finance

REPORT

PART – I

Background Analysis

I. INTRODUCTORY

1.1 The Department of Revenue functions under the overall direction and control of the Secretary (Revenue). It exercises control in respect of matters relating to all the Direct and Indirect Taxes through two Statutory Boards, namely, the Central Board of Direct Taxes (CBDT) and the Central Board of Indirect Taxes and Customs (CBIC). Each Board is headed by a Chairman who is also ex-officio Special Secretary to the Government of India. Matters relating to the levy and collection of all the Direct Taxes are looked after by CBDT whereas those relating to levy and collection of Good and Services Taxes (GST), Customs and Central Excise duties, Service Tax and other indirect taxes fall within the purview of the CBIC. The two Boards were constituted under the Central Board of Revenue Act, 1963. Each Board has a sanctioned strength of 6 (six) Members.

1.2 The Department of Revenue administers the following Acts:-

- i. Income Tax Act, 1961
- ii. Black Money (Undisclosed Foreign Income & Assets) Imposition of Tax Act, 2015
- iii. Benami Transactions (Prohibition) Act, 1988
- iv. Chapter - VII of Finance (No.2) Act, 2004 (Relating to Levy of Securities Transactions Tax)
- v. Chapter - VII of Finance Act 2005 (Relating to Banking Cash Transaction Tax)
- vi. Chapter V of Finance Act, 1994 (relating to Service Tax)
- vii. Central Excise Act, 1944 and related matters
- viii. Customs Act, 1962 and related matters
- ix. Central Sales Tax Act, 1956
- x. Custom Tariff Act, 1975
- xi. Central Excise Tariff Act 1985
- xii. Narcotic Drugs and Psychotropic Substances Act, 1985
- xiii. Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988
- xiv. Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976
- xv. Indian Stamp Act, 1899 (to the extent falling within jurisdiction of the Union)
- xvi. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
- xvii. Prevention of Money Laundering Act, 2002
- xviii. Foreign Exchange Management Act, 1999.
- xix. Union Territory Goods & Services Tax Act, 2017
- xx. Goods & Services Tax (compensation to States) Act, 2017
- xxi. Central Goods & Services Tax Act, 2017

xxii. Integrated Goods & Services Tax Act, 2017

1.3 The Department looks after the matters relating to the above-mentioned Acts through the following attached/subordinate offices:

- i. Commissionerates/Directorates under Central Board of Indirect Taxes and Customs
- ii. Commissionerates/Directorates under Central Board of Direct Taxes
- iii. Central Economic Intelligence Bureau
- iv. Directorate of Enforcement
- v. Central Bureau of Narcotics
- vi. Chief Controller of Factories
- vii. Appellate Tribunal under SAFEMA
- viii. Income Tax Settlement Commission
- ix. Customs and Central Excise Settlement Commission
- x. Customs, Excise and Service Tax Appellate Tribunal
- xi. National Committee for Promotion of Social and Economic Welfare
- xii. Competent Authorities appointed under Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 & Narcotic Drugs and Psychotropic Substances Act, 1985
- xiii. Financial Intelligent Unit, India (FIU-IND)
- xiv. Adjudicating Authority under Prevention of Money Laundering Act
- xv. Revision Application Unit.

II. REVENUE HEADQUARTERS ADMINISTRATION

The Department of Revenue looks after matters relating to all administration work pertaining to the Department, coordination between the two Boards (CBIC and CBDT), the administration of the Indian Stamp Act 1899 (to the extent falling within the jurisdiction of the Union), the Central Sales Tax Act 1956, Goods and Services Tax (GST), the Narcotic Drugs and Psychotropic Substances Act 1985 (NDPS), the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act 1976 (SAFEMA), the Foreign Exchange Management Act 1999 (FEMA), the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA), the Prevention of Money Laundering Act, 2002 (PMLA) and matters relating to the following attached/ subordinate offices of the Department:

- a. Enforcement Directorate
- b. Central Economic Intelligence Bureau (CEIB)
- c. Competent Authorities appointed under SAFEMA and NDPS
- d. Chief Controller of Factories
- e. Central Bureau of Narcotics
- f. Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
- g. Appellate Tribunal under SAFEMA
- h. Customs and Central Excise Settlement Commission (CESC)

- i. National Committee for Promotion of Social and Economic Welfare
- j. Financial Intelligence Unit, India (FIU-IND)
- k. Adjudicating Authority under Prevention of Money Laundering Act
- l. National Institute of Public Finance and Policy (NIPFP)

The following items of works are also undertaken by the Headquarters:

Appointment of –

- ✓ Chairman and Members of CBIC and CBDT
- ✓ Chairman, Vice Presidents and Members of CESTAT
- ✓ Chairman, Vice Chairman and Members of CCESC
- ✓ Director General of CEIB
- ✓ Director of Enforcement
- ✓ Competent Authorities (SAFEMA and NDPS)
- ✓ Director (FIU-IND)
- ✓ Chairperson and Member of Adjudicating Authority set up under PMLA
- ✓ Chairman and Members of "Appellate Tribunal" established under SAFEMA, 1976.
- ✓ CVO, CBDT/ CBIC/ ED

III. BUDGETARY ALLOCATIONS AND UTILISATIONS

3.1 The detailed Demands for Grants (2022-23) of the Ministry of Finance were presented to Lok Sabha on 9 February, 2022. The details of the Revenue Section and Capital Section of the Demands for Department of Revenue, Direct Taxes and Indirect taxes for the year 2022-23 are as follows:

(Rs.in crore)				
Sl. No.	No. and Name of Demand	Revenue voted	Capital voted	Total
1.	35 - Department of Revenue	227548.22	4.30	227552.52
2.	36 - Direct Taxes	8866.30	442.00	9308.80
3.	37 - Indirect Taxes	39739.17	1400.00	41139.17

3.2 Summary of Budgetary Provisions under Demand Nos. 35, 36 and 37 for 2019-20, 2020-21, 2021-22 and 2022-23 is as under:

Demand for Grant No. – 35 - Department of Revenue (HQ)

The Grant No 35 of Department of Revenue (erstwhile Grant No.31 in FY 2019-20 & FY 2020-21 and Grant No.33 in FY2021-22) does not have any Central Sector or Centrally Sponsored Schemes.

The entire Budget provision under Grant No. 35 is for GST Compensation to States/UTs and for establishment related expenditure of Secretariat and its attached and subordinate offices. The year wise allocation and utilization for last three years w.e.f. FY 2019-20 are as follows:

(Rs. in Crores)

Financial Year	BE	RE	Expenditure up to 31 st March	% of RE Utilized	(+)Saving/ (-)Excess
2019-20	203466.73	243505.77	275429.93	113.11	(-)31924.16
2020-21	272250.83	272454.75	268877.95	98.69	(+)3576.80
2021-22	201512.64	209805.42	119408.42 (expenditure upto December, 2021)	--	--
2022-23	227552.52	--	--	--	--

Explanations:**FY 2019-20**

Total Budget provision under the Demand No 31 of Department of Revenue for the FY 2019-20 was Rs.203466.73 crores including a Capital Expenditure of Rs.8.73 crores. On the revenue side, the major component of Budget under Grant No.31- Department of Revenue was for providing GST Compensation to the State Govts/UTs due to revenue loss on introduction of GST. A budget provision of Rs.101200 crores was kept for the year 2019-20 to meet the expenditure on payment of compensation to States/UTs with legislatures. An equal amount of Rs.101200.00 crore was also kept for transfer to GST Compensation Fund. This estimate was based on trend of collection of revenue. At RE stage, the Budget Provision under Demand No.31 was revised to Rs.243505.77 crore, which included the additional budget provision amounting to Rs.20000 crore towards payment of compensation to States/UTs with legislature and also Rs.20000 crore for transfer to GST Compensation Fund.

In the FY 2019-20, excess expenditure has been incurred under Demand No.31, as Centre had transferred Rs.33412 crore (Rs.31697 crore under Head 3601 and Rs.1715 crore under Head 3602) from CFI to GST compensation fund as part of an exercise to apportion balance IGST pertaining to FY 2017-18 for purpose of release of admissible GST compensation to States for FY 2019-20. Hence, the actual expenditure in this FY is shown as Rs.275429.93 crore, which resulted an excess expenditure of Rs.31924.16 crore.

FY 2020-21

Total Budget provision under the Demand No 31 of Department of Revenue for the FY 2020-21 was Rs.272250.83 crores. Capital Expenditure forms a small part of the total budget grant and is Rs 91.21 crore. On the revenue side, the major component of Budget under Grant No.31- Department of Revenue was for providing GST Compensations to the State Govts/UTs due to revenue loss on introduction of tax reforms. A budget provision of Rs.135368.03 crores was kept for the year 2020-21 to meet the expenditure on payment of compensation to States/UTs with legislatures. An equal amount of cess Rs.135368.03 crore was also kept for transfer to GST

Compensation Fund. The expenditure against the RE of Rs.272454.75 crore was only Rs.268877.95 crore.

FY 2021-22

Total Budget provision under the Demand No 33 of Department of Revenue for the FY 2021-22 is Rs.201512.64 crores including a Capital Expenditure of Rs 13.02 crore and establishment related expenditure of Department of Revenue. On the revenue side, the major component of Budget under Grant No.33- Department of Revenue is for providing GST Compensations to the State Govts/UTs due to revenue loss on tax reforms. A budget provision of **Rs.100000 crores** has been kept for the year 2021-22 to meet the expenditure on **payment of compensation to States/UTs** with legislatures. An equal amount of compensation cess (**Rs.100000 crore**) was also kept for transfer to GST Compensation Fund. This estimate is based on trend of collection of revenue. GST Compensation payable to States/UTs is provisionally calculated on bi-monthly basis and is subject to adjustment on receipt of revenue figure as audited by CAG. An amount of Rs.60302.80 crore has already been released against the Budget Estimates of Rs.100000 crore to the States/UTs Government with legislature as GST compensation till December, 2021.

However, at RE stage, the Budget Provision has now been enhanced to 209805.42 crore against the BE 2021-22 provision of Rs.201512.64 crore, which is mainly due to provision of additional fund amounting to Rs.10795.47 crore towards transfer to GST Compensation Fund. An amount of Rs.2502.69 crore has been reduced for releases of GST compensation to States/UTs. The excess requirement under RE will be met through supplementary.

FY 2022-23

The total proposed Budget provision under the Demand No. 35 of Department of Revenue for the FY 2022-23 is Rs.227552.52 crores. Capital Expenditure forms a small part of the total budget grant and is Rs 4.30 crore. On the revenue side, major provision are proposed as below:-

The major component of Budget under Grant No.35- Department of Revenue is for providing GST Compensations to the State Govts/UTs due to revenue loss on tax reforms. A budget provision of **Rs.106000.00 crores** has been kept for the year 2022-23 to meet the expenditure on **payment of compensation to States/UTs** with legislatures. This estimate is based on trend of collection of cess/ AG certified revenue figures of FY 2017-18,2018-19, 2019-20 and 2020-21 of states. It has been proposed to transfer an amount of compensation cess (**Rs.120000.00 crores**) to **GST compensation Fund**.

In the establishment related expenditure of Revenue Headquarters & its Secretariat and various attached offices [Central Economic Intelligence Bureau; Financial Intelligence Unit of India; Goods & Service Tax Council Secretariat; Principal Chief Controller of Accounts, CBDT; Principal Chief Controller of Accounts, CBIC; Competent Authorities, Tax Policy Research Unit, Pay & Accounts Office (Revenue)] a provision of Rs.424.62 crore has been estimated for FY 2022-23 against the RE FY 2021-22 of Rs.468.05 crore. Due to infrastructural development, the BE provision for

Enforcement Directorate has gone up at Rs.357.57 crore in comparison to BE of Rs.311.49 crore & RE of Rs.308.72 crore for FY 2021-22. Further, a budget provision of Rs.233.32 crore has been kept towards payment of User Charges to GSTN for the year 2022-23 against the BE FY 2021-22 provision of Rs.264.44 crore under Demand No.35- Department of Revenue.

There are some other expenditure like grant-in-aid (salaries) to National Institute of Public Finance & Policy (NIPFP), an autonomous body under the Department of Revenue, Contributions to International Organizations in which India is an active participant and establishment related expenditure of Central Bureau of Narcotics, Special Investigation Team (SIT) and various tribunals (Appellate Tribunal for Forfeited Property; Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Adjudicating Authority under Prevention of Money Laundering Act (AA-PMLA) functioning under the department.

The other major expenditure under this Grant is on operating of Government Opium & Alkaloid Works, which are responsible for import of alkaloids for medicinal use by domestic pharma companies, processing of raw opium for exports, manufacturing of opiate alkaloids and other related functions through its two factories at Ghazipur (Uttar Pradesh) and Neemuch (Madhya Pradesh). A provision of Rs. 399.82 crore (approx.) has been kept for FY 2022-23.

Under the Capital Section, the major requirement is for capital expenditure for acquisition of ready built accommodation/flats for Enforcement Directorate (Rs.3.00 crore) and capital expenditure of Government Opium and Alkaloid Works (Rs.1.28 crore).

Demand for Grant No. – 36 – Direct Taxes

Direct Taxes has no Central Sector Schemes and Centrally Sponsored Schemes. The entire budget is for Salaries/Administrative expenses pertaining to field offices of CBDT (Central Board of Direct Taxes).

Brief Summary year – wise starting from F.Y. 2019-20 is given in the table below:

(Rs. In Crore)

Financial Year	BE	RE (including supplementary)	Total Expenditure (up to 31 st March of respective financial year)	% of RE Utilized	Difference between Budget and Expenditure
2019-20	7338.44	7520.44	7182.72	95.51	337.22 crore from RE
2020-21	8065.39	7694.00	7403.07	96.22	662.32 crore from BE (since BE greater than RE)
2021-22	8532.34	8508.89	5424.43 (upto December 2021)	63.75	-
2022-23	9308.80	-	-	-	-

Explanations:

2019-20

Budget Estimates of Rs. 7338.44 crore was enhanced to Rs. 7343.44 crore at RE stage i.e. an increase of Rs. 5.00 crore. Further, under Revenue Section, the allocation under 'Salaries' head was enhanced from Rs. 4098.11 crore to 4275.07 crore i.e. an increase of Rs. 176.96 crore. Therefore, the total allocation under the Grant after supplementary was enhanced to Rs. 7520.44 crores (181.96 crores cash supplementary under revenue section + 0.04 crores token supplementary under capital section). Actual expenditure incurred upto 31.03.2020 was Rs. 7182.72 crore (Rs. 6955.38 crore under Revenue Section and Rs. 227.34 crore under Capital Section). It shows that 95.51% of the budget as per RE was utilized. Utilisation under Revenue Section was 96.36% of RE whereas it was 75.27% under Capital Section. The amount surrendered in F.Y. 2019-20 was Rs. 244.80 crore.

2020-21

Budget Estimates of Rs. 8065.39 crore was reduced to Rs. 7694.00 crore at RE stage i.e. a decrease of Rs. 371.39 crore. Under Revenue Section, the allocation under 'Salaries' head was reduced to Rs. 4445.03 crore from Rs. 4534.97 crore i.e. a decrease of Rs. 89.94 crore over BE. Actual expenditure incurred upto 31.03.2021 was Rs. 7403.07 crore (Rs. 7229.93 crore under Revenue Section and Rs. 173.14 crore under the Capital Section). It shows that 96.22% of budget as per RE was utilized. Utilization under Revenue Section was 67.51% of RE whereas it was 22.50% for Capital Section. The amount surrendered in F.Y. 2020-21 was Rs. 580.71 crore

2021-22

Budget Estimates of Rs. 8532.34 Crore has been reduced to Rs. 8508.89 crore at RE stage i.e. a decrease of Rs. 23.45 crore. Under Revenue Section the allocation under 'Salaries' has been increased to Rs. 5056.30 crore from Rs. 4811.74 crore i.e. an increase of Rs. 244.56 crore over BE. Actual expenditure incurred upto 31.12.2021 is Rs. 5424.43 Crore (Rs. 5358.96 Crore under Revenue Section and Rs. 65.47 Crore under the Capital Section). It shows that 63.75% of budget as per RE has been utilized upto December, 2021. The utilization under Revenue Section works out to be 65.30% of RE, whereas utilization under Capital Section works out to be 21.68% of RE.

2022-23

Budget Estimates 2022-23 have been proposed at Rs. 9308.80 crore out of which Rs. 8866.80 crore is under Revenue Head and Rs. 442.00 crore is under Capital Head. In Revenue section, the expenditure towards 'Salaries' has been estimated at Rs. 5546.00 crore, which is 62.55 % of the total Grant of Rs 8866.80 crore sought under Revenue Head. An increase of 9.68% over R.E. 2021-22 (Rs.5056.30 crore) in 'Salaries' Head has been proposed to accommodate Annual increment and installments of DA, consequential effect on other allowances, anticipated filing up of posts of officers/officials on account of new appointments.

On Revenue Side, the other major expenditure are anticipated under heads like 'Wages', 'Medical Treatment', 'Domestic Travel Expenses', 'Office Expenses(General)', 'Rent, Rates & Taxes', 'Other Administrative Expenditure', 'Advertising & Publicity', 'Minor Works', 'Professional Services', 'Secret Service Expenditure', 'Swachhta Action Plan(OE)' & 'Information Technology(OE)'. A brief of expenditure under these heads is given as below:

- **Wages:** There is a possibility of higher expenditure under wages as there is revision of Minimum Wages under the Labour Law and expenditure under this head is estimated at Rs75.52 crore, which is 0.85% of total grant.
- **Medical Treatment:** Medical claims have been made by employees for treatment of self and family members due to hospitalization for treatment of COVID-19 and related ailments. It is expected that for post-COVID treatment, follow-up and Psychiatric consultation in case of COVID patients and consequently, additional funds would be required. Provision for mandatory yearly medical check-up of officers and staff under the new APAR system has also been taken into account along with the general inflationary trend which has resulted in increased cost of all items like medicines, hospitalization, doctor consultancy etc. The expenditure under this head is estimated at Rs 70.45 crore, which is 0.79% of the total grant. There has been an increase of 13.56% over R.E.2021-22 (Rs.62.04 crores).
- **Domestic Travel Expenses:-** The expenditure under this head is estimated at Rs 73.73 crore, which is 0.83% of total Grant. There has been an increase of 17.65% over R.E. 2021-22 which is proposed at Rs. 62.67 crores. The increase in expenditure is projected on account of requirement of transfer-posting and tours of officials. There is a probability of final settlement of travel bills of officers and officials on election duty for the assembly election being held at the end of this financial year or in the first quarter of the financial year 2022-23.
- **Office Expenditure:** - The expenditure under this head is estimated at Rs 1260.15 crores, which is 14.21% of the total grant. There has been an increase of 0.96% over R.E. 2021-22 which is proposed at Rs. 1248.22 crores. Major expenditure during the year is expected to be on account of committed expenditure for fixed overheads such as Facility Management Services, Security Services and payment for operational vehicles, payments to outsourced staff, and for furnishing of new offices hired/constructed during this year.
- **Rent, Rates & Taxes:** - The expenditure under this head is estimated at Rs.650.97 crore, which is 7.34% of total grant. There has been an increase of 3.33% over R.E. 2021-22 which is proposed at Rs. 630.00 crores. The increase in expenditure is projected on account of revision of various rent proposals of BCA spending for approval/clearance of IFU with their arrear, current and local taxes there upon.

- **Other Administrative Expenses:** The expenditure under this head is estimated at Rs 32.31 crore, which is 0.36% of total grant. There has been an increase of 51.98% over R.E. 2021-22 which is proposed at Rs. 21.26 crores. The increase in expenditure is projected on account of various training modules of O/o Pr. DGIT (HRD) & NADT and also because of the possible events to celebrate Azadi Ka Amrit Mahotsav.
- **Advertising & Publicity:** The expenditure under this head is estimated of Rs. 75 crore which is 0.85% of total grant. There has been increase of 50% over RE 2021-22 which is proposed at Rs. 50 crore. The increase in expenditure is projected on account of possible Government policy on tax related matters and events for Azadi ka Amrit Mahotsav.
- **Minor Works:-** The expenditure under this head is estimated at Rs. 97.06 crore which is 1.09% of total grant. There has been an increase of 17.56% over R.E. 2021-22 which is proposed at Rs. 82.56 crore. The increase in expenditure is due to inflationary trends. There are several Government owned buildings both residential and official in respect of which repairs are urgently required. Funds are also required for routine maintenance of the Lifts and office & residential building. As many approvals have been received recently it is likely that they will be revalidated in the 1st quarter of F.Y. 2022-23 and additional funds would be required.
- **Professional Services:** - The expenditure under this head is estimated at Rs.102.55 crore, which is 1.16% of total grant. There has been an increase of 3.84% over R.E. 2021-22 which is proposed at Rs.98.76 crores. The increase in expenditure is projected on account of various pending bills of legal fees of Standing Counsels for the Departments, to clear the pendency of Special Audit fees of the empanelled Auditors & routine fees for the standing counsels and guest faculties of the DTRTIs.
- **Secret Service Expenditure:-**The expenditure under this head is estimated at Rs 35.00 crore, which is 0.39% of total grant. There has been an increase of 16.67% over R.E. 2021-22 which is proposed at Rs. 30 crore. Several requisitions have been received for secret services expenditure from various BCAs handling Investigation charges. It is expected that a significant expenditure for planning and executing search activities would be incurred.
- **Swachhta Action Plan(OE):-**The expenditure under this head is estimated at Rs 37.00 crore, which is 0.42% of total grant. There has been an increase of 68.18% over R.E.2021-22 (Rs.22 crore).
- **Information Technology (OE):** The expenditure under this head is estimated at Rs 787.22 crore, which is 8.88% of total grant. There has been an increase of 5.53% over R.E.2021-22 which is proposed at Rs. 745.74 crores. In the last few years, a number of initiatives have been undertaken by the CBDT. Further the Department has initiated faceless assessment/faceless appeals system in this year and various NeAC/ReAC shave come into existence. These measures have ensured qualitative improvement in the Tax Payers Services and also

introduced objectivity leading to reduction in interface between the Taxpayer and the Department, to minimize grievances. Administrative work has also improved significantly under HRMS. However, as few glitches were noticed in the functioning of the new system during the roll -out, the expenditure so far has been on the lower side as efforts are being made to ensure that corrective measures are put in place before the payments are made to the vendors so as to protect the interest of the Department. In the subsequent period, the expenditure is likely to show a healthy growth and has been taken into account.

On the Capital side, out of the total provision of Rs. 442.00 crores, Rs.286.00 crore is for the Capital Outlay on Office buildings/Accommodation and another Rs. 154.00 crore is for Capital Outlay on Residential Accommodation.

Under Capital Head, there has been an increase of 46.36% over R.E.2021-22 (Rs.302.00 crores).

Salient Features:

(A) Revenue Section

- i. The Allocation under the head "**Salaries**" has been increasing continuously. In RE for 2019-20 the amount was Rs. 4275.07 crore and for BE 2022-23 it has been proposed at Rs.5546.00 crore. Since F.Y. 2019-20 the allocation under this head has increased by 29.73% upto F.Y. 2022-23.
- ii. The Allocation under the head "**Wages**" has been increasing continuously. In RE for 2019-20 the amount was Rs.62.60 crore and for BE 2022-23 it has been proposed at Rs. 75.52 crore. Since F.Y. 2019-20 the allocation under this head has increased by 20.64% upto F.Y. 2022-23.
- iii. The Allocation under the head "**Overtime Allowance**" has decreased. In RE 2019-20 the amount was Rs. 0.53 crore. In BE 2021-22 it was Rs. 0.25 crore, in RE 2021-22 it has been proposed at Rs. 0.10 crore and for BE 2022-23 it has been proposed at Rs.0.25 crore. Since F.Y. 2019-20 the allocation under this head has decreased by 52.83% upto F.Y.2022-23.
- iv. The Allocation under the head "**Medical Treatment**" has been increasing continuously. In RE for 2019-20 the amount was Rs. 47.94 crore and for BE 2022-23 it has been proposed at Rs.70.45 crore. Since F.Y. 2019-20 the allocation under this head has increased by 46.95% upto F.Y. 2022-23.
- v. The Allocation under the head "**Domestic Travel Expenses**" has decreased by 18.48% from Rs.90.45 crore in F.Y. 2019-20. However it has increased in BE 2022-23 by 17.65% (Rs. 73.73 crore) in comparison to R.E 2021-22 (Rs.62.67 crore only).
- vi. The Allocation under the head "**Foreign Travel Expenses**" has decreased by 32.43% from Rs. 1.48 crore in F.Y. 2019-20, it has increased in BE 2022-23 by 300% (Rs.1.00 crore) in comparison to R.E 2021-22 (Rs.0.25 crore only).
- vii. The Allocation under the head "**Office Expenses**" has been increasing

continuously. In RE for 2019-20 the amount was Rs. 1225.92 crore and for BE 2022-23 it has been proposed at Rs.1260.15 crore. Since F.Y.2019-20 the allocation under this head has increased by 2.79% upto F.Y.2022-23.

- viii. The Allocation under the head "**Rent, Rates & Taxes**" has been increasing continuously. In RE for 2019-20 the amount was Rs. 484.43 crore and for BE 2022-23 it has been proposed at Rs.650.97 crore. Since F.Y. 2019-20 the allocation under this head has increased by 34.38% upto F.Y.2022-23.
- ix. The Allocation under the head "**Publication**" has decreased; in RE for 2019-20 the amount was Rs.3.62 crore; for BE 2021-22 it was proposed at Rs. 3.71 crore and for R.E. 2021-22 it has been proposed at Rs. 3.26 crore; for BE 2022-23 it has been proposed at Rs. 3.30 crore which shows overall reduction of 8.84% from RE 2019-20.
- x. The Allocation under the head "**Other Administrative Expenses**" has decreased. For RE 2019-20 it was Rs. 49.56 crore (Rs. 33.56 crore + Rs. 16.00 crore for Departmental Canteen). In BE 2021-22 it was Rs. 30.00 crore + 15.00crore for Departmental Canteen making it Rs. 45.00 crore in RE 2021-22 (Rs. 21.26 crore + Rs. 15 crore for Departmental Canteen) making it Rs. 36.26 crore has been proposed and for BE 2022-23 Rs. 32.31 crore + Rs. 15 crore for Departmental Canteen making it Rs.47.31 crore. It has decreased nominally.
- xi. The Allocation under the head "**Advertising & Publicity**" was Rs. 68.43 crore in FY 2019-20 and for BE 2021-22 it was Rs.75 crore and for RE 2021-22, it has been proposed at Rs. 50 crore, after considering the facts that the major project of Directorate of (PR, PP) was approved by IFU for an amount of Rs.44.50 crore during the year. For BE 2022-23 the allocation has been proposed at Rs.75 crore which is an increase of 8.84% in comparison to FY 2019-20.
- xii. The Allocation under the head "**Minor Works**" was Rs. 65.41c rore in FY 2019-20 and for BE 2021-22 it was Rs. 85.56 crore and for RE 2021-22 it has been proposed at Rs.82.56 crore. For BE 2022-23 the allocation has been proposed at Rs. 97.06 crore which is an increase of 48.36% in comparison to F.Y.2019-20.
- xiii. The Allocation under the head "**Professional Services**" was Rs.94.65 crore in FY 2019-20 and for BE 2021-22 it was Rs. 104.76 crore and for RE 2021-22 it has been proposed at Rs. 98.76 crore. For BE 2022-23 the allocation has been proposed at Rs.102.55 crore which is an increase of 8.35% in comparison to F.Y. 2019-20.
- xiv. The Allocation under the head "**Contribution**" was Rs. 1.15 crore in RE 2019-20 and in BE 2022-23 it has been proposed at Rs. 0.25 crore which has decreased 78.26%. in comparison to F.Y. 2019-20. However, there is no changeintheallocationfromR.E.2021-22.
- xv. The Allocation under the head "**Secret Services Expenses**" has been increasing continuously. In RE for 2019-20 the amount was Rs. 28.34 crore and

for BE 2022-23 it has been proposed at Rs. 35.00 crore. Since F.Y. 2019-20 the allocation under this head has increased by 23.50% upto F.Y.2022-23.

- xvi. The Allocation under the head “**Other Charges**” was Rs. 3.80 crore in FY 2019-20 and for BE 2021-22 it was Rs. 4.04 crore and for RE 2021-22 it has been proposed same at Rs. 4.04 crore and the same figure has been adopted for BE 2022-23. Since F.Y. 2019-20 the allocation under this head has increased by 6.32% upto F.Y. 2022-23. However, there is no change in the allocation from R.E.2021-22.
- xvii. The Allocation under the head “**Swachhta Action Plan**” was Rs. 26.00crore in FY 2019-20 and for BE 2021-22 it was Rs. 36.00 crore and for RE 2021-22 it has been proposed at Rs. 22.00 crore. For BE 2022-23 the allocation has been proposed at Rs. 37.00 crore which is an increase of 42.31% in comparison to F.Y. 2019-20.
- xviii. The Allocation under the head “**Information Technology(OE)**” was Rs.689.02 crore in FY 2019-20 and for BE 2021-22 it was Rs. 920.64 crore and for RE2021-22 it has been proposed at Rs.750.44 crore. For BE 2022-23 the allocation has been proposed at Rs. 787.22 crore which is an increase of 14.25% in comparison to F.Y. 2019-20.

(B) Capital Section

Under Capital Section, the pace of completion of projects was slow during F.Y2020-21 and also some part of F.Y. 2021-22. Due to the COVID-19, many of the projects have been delayed. Some amount of allocated funds under Capital Segment has been surrendered in F.Y.2019-20 and F.Y. 2020-21. However, it is expected that the coming year might be a normal year therefore anticipating this, BE 2022-23 has been enhanced.

Demand for Grant No. – 37 – Indirect Taxes

The Grant No.37 - Indirect Taxes (erstwhile Grant No. 35 in FY 2021-22). The provision under this grant is for establishment related expenditure for the field offices of CBIC (Central Board of Indirect Taxes & Customs) and provision for Remission of Duties and Taxes on Exported Products (RoDTEP) and various other scrip-based schemes. The Year-wise allocation and utilisation for last 3 years w.e.f. F.Y. 2019-20 is as follows:

(Rs. In Cr.)

Financial Year	BE	RE	Total Expenditure (upto 31/3 of each FY)	% of RE Utilized	Amount Surrendered
2019-20	7900.50	7900.50	7535.26	95.38	110.78

2020-21	8258.50	7582.47	7384.21	97.39	762.11
2021-22	21359.27	74938.99	5940.98 (upto Dec., 2021)	--	--
2022-23	41139.17				

Explanations:

FY 2019-20

Budget Estimates 2019-20 and Revised Budget Estimate 2019-20 was same at Rs.7900.50 crore (under Revenue Section: Rs.7493.65 crore and under Capital Section: Rs.406.85 crore).

The total expenditure up to 31.03.2020 was Rs.7535.26 crore [Rs. 7259.81 crore under Revenue Section +Rs. 275.45 crore under Capital Section] indicating that 95.38% of the budget as per RE was utilized up to March, 2020. Utilization under Revenue Section was 96.88% of RE, whereas under Capital Section it was 67.70% of RE.

FY 2020-21

The Budget Estimates in 2020-21 were reduced from Rs.8258.50 crore [under Revenue Section: Rs.7820.50 crore & under Capital Section: Rs.438.00 crore] to Rs.7582.47 crore in RE 2020-21 [Revenue Section Rs.7304.47 crore + Capital Section Rs.278.00 crore]. The reduction was primarily under the Rewards, Domestic Travel Expenses, Other Administrative Expenses and Advertising & Publicity under Revenue Expenditure. Under Capital Heads, reduction was mainly under provision for Acquisition of Anti-smuggling equipments and for Office and Residential Buildings.

The total expenditure up to 31.03.2021 was Rs.7384.21 crore [Rs.7168.11 crore under Revenue section and Rs.216.10 crore under Capital Section] indicating that 97.39% of the budget as per RE was utilized up to March, 2021. Utilization under Revenue Section was 98.13% of RE under Revenue Section whereas under Capital Section it was 77.73% of RE under Capital Section.

FY 2021-22 (upto 31.12.2021)

During FY 2021-22, an amount of Rs.13000 crore was provisioned for the RoDTEP scheme. Due to this provision, the Budget Estimates for FY 2021-22 was increased significantly to Rs.21359.27 crore from BE 2020-21 of Rs.8258.50 crore.

The Budget Estimates in 2021-22 has been increased from Rs.21359.27 crore [under Revenue Section: Rs.20907.27 crore (Rs.13000 crore for RoDTEP scheme and Rs.7907.27 crore for establishment related expenditure) + under Capital Section: Rs.452.00 crore] to Rs.74938.99 crore in RE 2021-22 (Revenue Section Rs.73960.99 crore (Rs.66122.63 crore for RoDETP and other various scrip based schemes and Rs.7838.36 crore for establishment related expenditure) + Capital Section Rs.978.00

crore). The major increase is primarily under the head Information Technology, RRT, MH 4059 (Capital Outlay on Public Works) & MH 4216 (Capital Outlay on Housing) and RoDTEP +other scrip-based schemes. The details of provision for various scrip based schemes is attached as **Annexure I & Annexure II**.

The BE 2021-22 under Capital Section was Rs.452.00 crore, which has been increased to Rs.978.00 crore due to more requirement of funds in ongoing projects and fresh requirement for purchase of lands for Office-cum residence. Thus, the allocation under Capital Section has increased by 209.73% as compared to BE 2021-22 (Rs.452.00 crore).

The total expenditure up to 31.12.2021 is Rs.5940.98 crore [Rs.5720.74 crore under Revenue section + Rs.220.24 crore under Capital Section] indicating that 7.93% of the budget as per RE has been utilized up to December, 2021. Utilization under Revenue Section is 7.73% of RE, whereas under Capital Section, it is 22.52% of RE.

The expenditure in Revenue section is low because of significant increase of budget from Rs.13,000 crore to Rs.66,122.63 crore for RoDTEP and various scrip-based schemes in RE 2021-22. No expenditure has been booked so far for RoDTEP and various other scrip-based schemes. However, Scrips are being issued in various schemes and the expenditure is likely to be booked soon in the current Financial Year.

FY 2022-23

The Budget of Rs.41139.17 crore in B.E 2022-23 [Rs.39739.17 crore under Revenue Section and Rs.1400.00 crore under Capital Section], includes budget of Rs.31190.31 for RoDTEP and various scrip-based schemes.

The total B.E 2022-23 excluding RoDTEP+other scrip-based schemes provided is Rs.9948.86 crore. On Revenue Side, expenditure on 'Salaries' (Rs.6216.35 crore) is estimated to be 15.11% of the total grant of Rs.41139.17 crore. The increase of 10.00% over RE of previous FY2021-22 (Rs.5651.23 crore) in 'Salaries' Head is to accommodate annual increment, instalments of DA, filling up of new posts in CBIC. The major expenditure other than Salary on Revenue Side is under Five Major Heads i.e. "RoDTEP+other scrip-based schemes", 'Offices Expenses', 'Information Technology', 'Rent, Rates and Taxes' and "Domestic Travel Expenses" to the tune of Rs.33033.94 crores, which is 83.13% of total "Revenue Section" (Rs.39739.17 crore). Brief details of these heads are as under:

- (a) RoDTEP+other scrip-based schemes: Budget Estimate for FY 2022-23 is Rs.31190.31 crore which is 52.83 % less as compared to RE of these schemes (Rs. 66122.63 crore) in FY 2021-22 (as detailed in the Annexure I & Annexure II).
- (b) Office Expenses: The expenditure under 'Office Expenses' is estimated at Rs.723.50 crore, which is 1.76% of the total grant (Rs 41139.17 crore). The increase of 8.55% in expenditure over RE 2021-22 (Rs. 666.50 crore.) is nominal after considering the inflation.

(c) Information Technology: The expected expenditure under 'Information Technology' is estimated at Rs.570.00 crore, which is 1.39% of total grant (Rs 41139.17 crore). There is no change over RE 2021-22 (Rs.570.00 crore).

(d) 'Rent, Rates & Taxes' : The expenditure under this head is estimated to be of Rs.460.13 crore which is 1.12% of total grant (Rs 41139.17 crore). There is an increase of 2.36 % over RE of FY 2021-22 (Rs.449.50 crore) in 'Rent, Rates & Taxes'.

Funds proposed in the BE 2022-23 under this object head are for the committed expenditure towards the pending liability such as Services Charges payable to the local Municipal Authorities, rents for new office spaces hired for Goods and Service tax formations and payment of periodic rent revisions as well as the regular rent of the various CBIC hired premises.

(e) Domestic Travel Expenses: The expenditure under this head is estimated to be of Rs.90.00 crore which is 0.22% of total grant (Rs 41139.17 crore). There is an increase of 12.50% over RE of FY 2021-22 (Rs. 80.00 crore) in 'Domestic Travel Expenses' because of the fact that after containment spread of COVID-19 it is expected that more tours would be undertaken.

(f) Under Capital Head, Budget Estimate for FY 2022-23 is Rs 1400.00 crore which is increased by 43.15% with comparison to RE 2021-22 (Rs.978.00 crore). In FY 2022-23, a major portion amounting to Rs.200.00 crore is for acquisition of anti-smuggling equipment/marine fleet while Rs.780.00 crore is for acquisition of Office accommodation and Rs.420.00 crore allocated for acquisition of residential accommodation.

IV. Goods and Services Tax (GST):

4.1 The introduction of Goods and Services Tax (GST) regime in the country was a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, the aim was to mitigate cascading or Department of Revenue III 121 double taxation in a major way and pave the way for a common national market. Before implementation of the GST regime in the country, the issue was deliberated in detail by the Empowered Committee of State Finance Ministers, Select Committee of Rajya Sabha and Parliamentary Standing Committee on Finance. After detailed and prolonged deliberation, the Constitution (One Hundred and First Amendment) Act, after ratification by 50% of the States, was assented to by the President on 8 th September, 2016. Thereafter, Central Goods and Services Tax (CGST) Act, Integrated Goods and Services Tax (IGST) Act, Union Territory Goods and Services Tax (UTGST) Act, and Goods and Services Tax (Compensation to States) Act were enacted in order to achieve a successful roll-out of the GST regime in the country from 1st July, 2017.

4.2 Union Territories Goods and Services Tax (UTGST):

Like State Goods and Services Tax (SGST) Act, which is enacted by the respective States/ UTs with legislature to levy and collect on all transactions within the respective State/ UT, Union Territories Goods and Services Tax (UTGST) Act, 2017 is enacted to levy and collect GST specifically in the Union Territories without legislature i.e. Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli and Daman and Diu, Chandigarh and Ladakh.

When asked how much GST collection could be attributed to stricter enforcement measures and how much could be attributed to the revival of economy, the Secretary, Department of Revenue while deposing before the Committee stated as thus:

"We have not done any statistical analysis to give you as to what would be what, but the fact of the matter is that we have all seen that with the lockdown the economy had slowed down. The GDP growth itself had come down in the last year, which is now growing well. That is definitely a reason, but also the reason is that we have on the one hand increased our enforcement work..... a large number of items of the improvements that we have done both on the policy front and other areas which have also helped in increasing the tax. In the process of registration itself, we have made Aadhaar compulsory..... what has also helped us is the use of technology, artificial intelligence that we are not able to find the needle in the haystack rather than trying to locate the needle in the haystack, and that is what is helping."

4.3 The amount of revenue loss suffered/reported by various states, separately and the extent of compensation paid.

As per Section 7 of the GST (Compensation to States) Act, 2017, the States are required to be compensated for loss of revenue due to implementation of GST from the proceeds of the GST compensation Cess being levied on certain luxury items and demerit goods under Section 8 of the said Act. As per provisions in section 10 (1) of GST (Compensation to state) Act, 2017, GST Compensation cess has been credited into a non-lapsable Fund known as GST Compensation Fund in Public Account of India. Section 10(2) of the said Act, 2017 provides that payment of GST compensation shall be made out of compensation fund.

Accordingly, provision bi-monthly GST compensation which is equal to shortfall in revenue of States/ UTs for a particular year with respect to protected revenue of that year (calculated with 14% compounded growth rate over the base year revenue of 2015-16) is being calculated and released to States/UTs w.e.f. 01.07.2017. The details

of provisional GST compensation released to States/ UTs w.e.f. 01.07.2017 is as per Annexure-III. The details of provisional GST compensation pending to States/ UTs for FY 2020-21 & FY 2021-22 (till January) are as per Annexure-IV, GST (Net) Collection for Centre as per Annexure V.

V. Details Regarding Total Tax Collections Made During Last Three Financial Years (including the current financial year) for different heads and slabs:

Direct Taxes:		2019-20 [@]	2020-21 [@]	2021-22# (As on 15.02.22)
a.	Income Tax	480279.48	470216.72	527875.44
b.	Corporate Tax ¹	556875.55	457718.97	567260.63
c.	Securities Transactions Tax (STT)	12374.23	16926.99	21230.55
d.	Dividend Distribution Tax (DDT)*	60391.30	13035.3	7076.70
e.	Wealth Tax	19.81	11.85	7.40
f.	Gift Tax	0	0	0
g.	Capital Gains Tax ^{*2}	-	-	-
Source: @Receipt Budget #Provisional Pr. CCA, CBDT *OLTAS Note1: The figure of Corporate tax includes the collection figures of Dividend Distribution tax (DDT) as per the Receipt Budget. Note2: No minor head is maintained for any challan in respect of capital gain tax, therefore no data in this regard is available.				
(Amount in Rs. Crores)				
Indirect Taxes:		2019-20	2020-21	2021-22 [April - January] [P]
a.	Customs duty	109,283	134,750	167,821
b.	Central Excise duty	239,452	389,667	333,174
c.	ST (arrears)	6,029	1,615	656
	Total (Non-GST)	354,764	526,032	501,651
d.	CGST	494,071	456,334	479,725
	IGST	9,125	7,251	7,797
	GST-Comp. Cess	95,553	85,192	85,411
	Total (GST)	598,749	548,777	572,933
	Total Net [GST+ Non-GST]	953,513	1,074,810	1,074,584

Source: Receipt Budget, PrCCA (CBIC); [P] : Provisional. Totals may vary on account of rounding off.

- The Tax figures in table above includes recovery from search & seizures also

Rs. (in crore)

Others		2019-20	2020-21	2021-22
(a)+(c)	Tax from Tax Deducted at Source (TDS) + Tax Collected at Source (TCS)	5,13,375.80	5,24,300.90	6,17,379.60
(b)	(b) Advance Tax	4,63,889.70	4,95,152.40	4,74,749.20
(c)	Tax Collected at Source (TCS)	Provided with TDS at Sl. No. (a)		
(d)	Tax from Scrutiny Assessment	36231.50	15,167.40	27311.10
(e)	Tax from other Assessments, if any	3478.00	3,288.90	3170.50
(f)	Tax from Searches and Seizures	490.30	309.00	938.30
(g)	Tax from amnesty schemes	59.80	6.80	29.3

Note:

1. Tax from amnesty schemes include Income Declaration Scheme, 2016[minor head 111], Black Money Act, 2015[minor head 108/109] and PMGKY[minor head 112]
2. All the figures above are Gross tax collection figures.

Slab-wise Income Tax collected and number of assesses under various heads

Slabs (Rs. In Lakh)	Salary	House Property	Hindu Undivided Family	Business	Profession	Presumptive Tax
0-3	Details are attached as Annexure VI					
3-5						
5-10						
10-20						
20-50						
50-100						
Above 100						

VI. Quantum of refunds made separately in direct and indirect taxes for last three financial years (including the current financial year).

Refund figures for last 3 F.Y including current F.Y:

Direct Taxes:

(Rs. in Crores)

Financial Year	Refund Amount
2019-20	183619.00
2020-21	259719.70
2021-22	167598.60

*Report generated as on 16.02.2022

Indirect Taxes:

(Rs. in Crores)

Financial Year	Refund Amount
2019-20	1,40,357
2020-21	1,28,299
2021-22 [April-January] [P]	1,42,463

Source: Receipt Budget, PrCCA (CBIC); [P]: Provisional

Note: The refund figures also include interest paid.

To a remark by one of the Hon'ble Members' *"For many years we have seen that the amount of refunds keeps going up, both in direct taxes and in indirect taxes. It distorts the entire figure of revenue at the BE stage which is shown in the Budget because the refunds are invariably happening after that. Can there be a mechanism, now that we are so technology driven, that we actually arrive at a better figure of revenue in the RE stage when we are going for the Budget? Or refunds are just being used to achieve targets as it used to happen earlier?"*

The Secretary, Department of Revenue stated as under:

"In 2019-20 the direct tax refund was about Rs.1,83,619 crore, which went to over Rs.2,60,000 crore in 2020-21, and in 2021-22 up to 16th of February they are Rs.1,67,000 crore plus. As of today, they would be about Rs.1,72,000 crore. Sir, I would very honestly acknowledge that perhaps there was a problem in refunds in the Department but I can say that in the indirect taxes the refunds so far have been Rs.1,42,463 crore, which is again going up. It was Rs.1,28,299 crore last year, in 2019-20 it was Rs.1,40,000 crore and 2018-19 it was Rs.1,22,000 crore. So, on the direct taxes I can say perhaps what was being mentioned by the hon. Members, as an attempt by the Department to achieve targets may have been true in the past, but I can say for sure that even in the last year.....there was a clear direction to the Department

that the refunds have not to be stopped. The whole idea was that the money that needs to go to the people to whom it is due should be made available. It will also help in the economy going up. There are similar instructions this year. This year, in fact, I have been reviewing myself every weekas to how the refunds are moving every week"

VII. Sector-wise Quantum of searches, seizures and surveys made during the last three financial years (including the current financial year)

Direct Taxes:

i. The Income Tax Department conducts search & seizure operations in cases of persons, including companies, which are engaged in diversified business activities, across different sectors. Statistics with regard to search and seizure actions for the last three financial years including for the current financial year (up to December, 2021) is as under:

S. No.	Financial Year	No. of groups searched	Cash seized (in Rs. Crores)	Jewellery seized (in Rs. Crores)	Other Assets (in Rs. Crores)	Total seizure (in Rs. Crores)
1	2019-20*	984	850.05	364.29	75.13	1289.47
2	2020-21 *	569	676.51	185.73	18.59	880.83
3	2021-22* (up to Dec 2021)	424	503.85	205.64	19.83	729.32

**figures are provisional*

ii. Survey u/s 133A of the Income Tax Act, 1961 is an enforcement tool available with the Income Tax Department to verify the compliance of an assessee with the relevant tax provisions, create necessary deterrence and also for creation of an atmosphere of voluntary compliance. Statistics with regard to survey actions undertaken during the last three financial years including for the current financial year (up to December, 2021) is as under:

S. No.	FY	No. of surveys
1	2019-20	12720
2	2020-21	426
3	2021-22*	623

**upto December, 2021.*

Figures are provisional.

iii. It is further stated that sector-wise details of search & seizure and surveys are not maintained separately.

iv. With regard to details of actual and final tax realization, it is stated that the Income Tax Department takes several punitive and deterrent steps to monitor unaccounted money and curb tax evasion. These include scrutiny of returns, surveys, search and seizure action, imposition of penalty and launching of prosecution in appropriate cases. Under the Income Tax Act, investigation culminates into an

assessment/re-assessment, which then is a subject matter of appeal. Invariably, in many cases appeals are preferred by assessee/department or both depending upon the facts and circumstances of the case. The appeals often go up-to High Court/ Supreme Court. The results of investigation can be known only when the appeals etc. are finalized and the matter does not travel further in appellate hierarchy. In view of the above, the collection of tax from the search actions conducted cannot be quantified unless all the quasi-judicial and judicial proceedings are finalized.

Indirect Taxes:

Offence cases include cases booked on the basis of searches as well as cases booked through any other mode:

Total Number of GST Offence Cases				
Period: 2019-20 to 2021-22 (up to December 2021)				
Period	No. of Cases	Detection	Recovery	No. of Arrest
		(In Rs. Cr.)	(In Rs. Cr.)	
2019-20	10,657	40,853.27	18,464.07	231
2020-21	12,596	49,383.96	12,235.00	460
2021-22 (upto December 21)	7,728	45,442.76	13,064.88	234
Total	30,981	1,35,679.99	43,763.95	925

Total Number of Customs Offence Cases				
Period: 2019-20 to 2021-22 (up to December 2021)				
Period	No. of seizurecases	Detection	Recovery	No. of Arrest
		(In Rs. Cr.)	(In Rs. Cr.)	
2018-19	22,775	9,064.85	3,455.79	1,986
2019-20	16,054	5,820.58	2,645.21	2,333
2020-21	13,356	9,344.62	2,406.43	1,512
2021-22 (upto December 21)	11,645	25,523.34	2,154.57	1,376
Total	63,830	49,753.39	10,662	7,207

Total Number of Central Excise offence cases			
Period: 2019-20 to 2021-22 (up to October 2021)			
Period	No. of Cases	Detection	Recovery
		(In Rs. Cr.)	(In Rs. Cr.)
2019-20	608	8,684.38	220.18
2020-21	233	1,827.53	111.57
2021-22 (upto October 21)	78	1,389.54	19.08
Total	919	11,901.45	350.84

Total Number of Service Tax offence cases			
Period: 2019-20 to 2021-22 (up to October 2021)			
Period	No. of Cases	Detection	Recovery
		(In Rs. Cr.)	(In Rs. Cr.)
2019-20	4,712	14,029.58	1,267.62
2020-21	9,643	17,900.50	704.11
2021-22 (upto October 21)	5414	20,014.93	187.68
Total	19,769	51,945.02	2,159.41

VIII. Quantum of both direct and indirect tax cases (no. of cases and amount respectively) pending in various fora/court during the last 3 financial years including the age of pendency

Reply:

FY	Appeal pending at the end of FY and amount disputed in appeals							
	Direct Taxes				Indirect Taxes			
		No. of appeal	Amount (Rs. in crore)			No. of appeal	Amount (Rs. in crore)	
2018-19	Supreme court	6,354	23,560.25	Supreme court	3109	33193.42		
	High Court	38,758	1,36,465.39	High Court	15626	44211.05		
	ITAT	92,205	-	CESTAT	63616	189765.36		
	CIT(A)	3,36,088	5,55,278.05	Comm. Appeal	23406	8142.81		
2019-20	Supreme court	5,363	27,330.41	Supreme court	3092	37232.29		
	High Court	31,548	3,09,237.57	High Court	14610	53333.72		
	ITAT	88,016	-	CESTAT	62741	204136.05		
	CIT(A)	4,57,808	8,83,330.89	Comm. Appeal	24963	8774.78		

2020-21	Supreme court	4,044	25,274.76	Supreme court	2957	42537.53
	High Court	26,444	2,75,329.25	High Court	15656	66829.79
	ITAT	66,562	-	CESTAT	58057	201601.28
	CIT(A)	4,59,093	24,64,609.83	Comm. Appeal	23820	7377.85

On the question of tax disputes held up in various Courts/Fora, the Secretary, Department of Revenue while deposing before the Committee replied as under:

"While the number of cases is going up in the CIT, most of the cases that come up are filed by the assesses. Even that will go down with the faceless coming into the picture. But cases with ITAT, High Court and Supreme Court are showing some decline in the past, and we expect that with faceless – and some improvements have been made in the current Finance Bill in the faceless process itself – once you are able to implement that process, it would make a further change."

IX. The major steps taken by the Central Government to widen and deepen the tax base over the past few years are as under:

Measures to widen the tax base from the Non – TDS category

(i) **Scheme for taxation of virtual digital assets:** For the taxation of virtual digital assets, Finance Bill, 2022 has proposed to provide that the income from transfer of virtual digital asset shall be taxed at the rate of 30%. No deduction in respect of any expenditure (other than cost of acquisition), allowance or set off or losses shall be allowed in computing such income. Loss from transfer of virtual digital asset cannot be set off from any other income and cannot be carried forward to subsequent years. Further, in order to capture the transaction details, it is proposed to provide for TDS on payment made in relation to transfer of virtual digital asset at the rate of 1% of such consideration. In addition, gift of virtual digital asset is also proposed to be taxed in the hands of the recipient.

(ii) **Updated return:** Finance Bill, 2022 has proposed to insert a new sub-section (8A) in section 139 of the Income-tax Act, 1961 facilitating the taxpayer to be able to furnish/ update its return of income anytime within two years from the end of the relevant assessment year. A taxpayer can file an updated return by voluntarily admitting omissions or mistakes and paying an additional tax @25% in the year following the assessment year and @50% in the second year following the assessment year, above the normal tax plus interest, applicable for additional incomes reflected by the updation. Hence, in case a taxpayer can now voluntarily report certain transactions in his ITR which were not reported earlier.

(iii) Widening the scope of reporting expenditure by entertainment industry: Finance Bill, 2022 has proposed to expand the scope of reporting of payment above Rs. 50,000 by person involved in specified activities such as film production, event management, production of television programs, sports event management etc.

(iv) Provisions pertaining to bonus stripping and dividend stripping to be made applicable to securities and units of business trusts and Alternative Investment Funds: Finance Bill, 2022 has proposed to provide that the provisions pertaining to bonus stripping shall also be applicable to securities. It is also proposed to provide that the provisions pertaining to bonus stripping and dividend stripping shall also be applicable to units of an Infrastructure Investment Trust or a Real Estate Investment Trust or units of Alternative Investment Funds.

(v) Withdrawal of concessional rate of taxation on dividend income under section 115BBD: Finance Bill, 2022 has proposed to provide that the concessional tax rate of 15 %, under section 115BBD, on the dividend income received by an Indian company from a specified foreign company, will be withdrawn with effect from assessment year 2023- 24.

(vi) Equalisation Levy: In order to effectively tackle the issue of non-taxation of the profits generated by the non-resident digital companies, India has introduced the equalisation levy @ 6% on online advertising revenue as an interim measure in 2016. As the international consensus on the mechanism to tax the profits generated by the digital companies is still taking time, the scope of the existing equalization levy has been extended vide Finance Act, 2020 to the other revenue streams by levying equalisation levy @ 2%. Finance Act, 2021 further clarified that transaction taxable under income-tax are not liable for equalisation levy.

(vii) Annual Information Statement (AIS)- A new utility/form named Annual Information Statement (AIS) has been launched by the Income-tax department which displays all the financial and tax related information available with the tax Department with regard to the taxpayer enabling him to file report all financial transactions in his return of income.

(viii) Pre-filling of Income-tax Returns- In order to make tax compliance more convenient, pre-filled Income tax Returns (ITR) have been provided to individual taxpayers. The ITR form now contains pre-filled details of certain incomes such as salary income, bank interest, dividends, etc. This measure also ensures that the financial transactions are reported by the taxpayer in his ITR.

(ix) PAN and Aadhar Linkage- Quoting of PAN has been mandated and linking of PAN and Aadhaar has also been made compulsory.

(x) Limit on exemption of Employer's contribution to certain funds: Finance Act, 2020 provided an upper cap of seven lakh and fifty thousand rupees in a year on tax exempt aggregate employer's contribution in recognized provident fund, superannuation fund and NPS in the accounts of an employee.

(xi) Deemed resident in India- Finance Act, 2020 reduced the period of stay for an individual who is a citizen of India or person of Indian origin having total income (other

than foreign sources) exceeding Rs. 15 lakh while determining his tax residency status from 180 days to 120 days. The said Act also provided that, an individual who is a citizen of India who is not liable to tax in any other country will be deemed to be a resident in India. It has also been provided that the condition for deemed residential status applies only if the total income (other than foreign sources) exceeds Rs 15 lakh and nil tax liability in other countries or territories by reason of his domicile or residence or any other criteria of similar nature.

(xii) Black Money Act- In order to curb the flow of black money stashed abroad, the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (the Black Money Act) has been enacted.

(xiii) Benami Law- The Benami Transactions (Prohibition) Act, 1988 was comprehensively amended by the Benami Transactions (Prohibition) Amendment Act, 2016 to enable confiscation of Benami Property and prosecution of benamidar and the beneficial owner.

Measures to widen the tax base by expanding the scope of Tax deduction at source (TDS) and Tax Collection at Source (TCS)

(i) Higher TDS/TCS in case of non-filers: Finance Bill, 2022 has proposed to make the provisions relating to deduction/collection at higher rates for non-filers more stringent by reducing the time period for which no return has been filed from 2 years to 1 year.

(ii) TDS on immovable property at higher of sale consideration or stamp duty value: Finance Bill, 2022 has proposed to provide that in case of transfer of immovable property (other than agricultural land) by a resident, tax is to be deducted on the sale consideration or stamp duty value whichever is higher.

(iii) TDS on benefit or perquisite: Finance Bill, 2022 has proposed to provide for tax deduction by a person responsible for providing any benefit or perquisite to a resident carrying on business or profession at the rate of 10 % of such benefit or perquisite, if the value or aggregate of such benefit or perquisite exceeds Rs. 20,000 during the financial year.

(iv) In addition to the above Tax deduction at source (TDS) and Tax Collection at Source (TCS) scope has been widened by including new transactions like foreign remittance, purchase of luxury car, e-commerce participants, purchase/sale of goods, acquisition of immovable property, etc.

X. Steps taken to plug leakages/evasion of tax and quantum of tax detected therefrom in FY 2020-21, FY 2021-22 and current fiscal.

Goods and Services Tax measures to plug leakages/evasion of tax

i. Central GST field formations have made consistent efforts, to detect cases involving substantial tax evasion, through the use of intelligence and extensive data analytics.

ii. Nationwide special drive is being carried out against unscrupulous entities for availing and passing on Input Tax Credit (ITC) fraudulently on the strength of fake/bogus invoices. CBIC has detected major cases of fraudulent ITC involving arrest of kingpins/masterminds. The details of detection/recovery from 09.11.2020 to 06.02.2022 are mentioned below:

Special Drive against GST Invoice Fraudsters				
Period	No. of cases booked	Number of persons arrested	Fake ITC/GST Amount Detected (In Cr.)	Amount Recovered (In Cr.)
9 th November, 2020 to 6 th February, 2022	6110	606	44189.10	2129.09

iii. In order to ensure comprehensive deterrent measure against fake dealers/invoice, the information of cases booked by CBIC is also shared with SGST authorities through the GSTC and with FIU also for tracking suspicious transaction records, and CBDT for initiating action related to bogus expenditures, etc.

iv. Further, with the help of data analysis, bogus/fake dealers are identified by the Directorate of DGARM.

v. The data sharing of toll movement as a consequence of Fastag being made mandatory for payment of toll, with GSTN, now allows correlation of EWB with that of Fastag data, which would help identify fraudulent misuse of EWB and help detect dealers of fake invoices and curb evasion as well.

Policy and Legal measures:

- To curb cases of wrongful claims of input tax credit, sub-rule (4) of rule 36 has been inserted to Central Goods and Services Tax Rules, 2017 vide notification No. 49/2019 – Central Tax dated 09.10.2019. Vide notification No. 75/2019 – Central Tax dated 26.12.2019, rule 86A has been inserted to CGST Rules, 2017 which empowers tax officer, not below the rank of Assistant Commissioner, to block input tax credit available in the electronic credit ledger of a taxpayer if he has reasons to believe that such credit is ineligible or has been availed fraudulently.
- Aadhaar authentication for new applicants has been made mandatory from 21.08.2020. If Aadhaar authentication is not done or if the authentication fails, then registration will be granted after physical verification of business premises within 30 days of submission of application for registration. (Rule 8 (4A) of the CGST Rules).
- A new Rule 10A of CGST Rules, 2017 inserted vide Central Tax Notification 31/2019-Central Tax dated 28.06.2019, which provides that newly registered taxpayers shall furnish information with respect to details of bank account, or any other information, as may be required on the common portal in order to comply with any other provision, their bank account details

at GST Portal within 45 days from the date of registration or the due date for filing of first GSTR-3B, whichever is earlier. This rule was further amended vide Notification No. 35/2021-Central Tax dated 24.09.2021 to provide that the bank account should be in the name of the registered person and obtained on his Permanent Account Number. Further, proviso to Rule 10 A clarifies that in case of a proprietorship concern, the Permanent Account Number of the proprietor shall also be linked with the Aadhaar number of the proprietor. Violation of Rule 10A is one of the grounds on which registration is liable to be cancelled under Rule 21. Rule 10B was also inserted vide Notification No. 35/2021-Central Tax dated 24.09.2021, which provides for authentication of the Aadhaar number of the proprietor, partner, Karta, Managing Director or Whole time Director etc. depending upon the constitution of the registered person, for specified purposes.

- Additional grounds for cancellation of registration has been introduced, w.e.f. 22.12.2021, such as where provisions of Section 16 or Rule 86B are contravened or where there is mismatch between FORM GSTR 1 and FORM GSTR- 3B. (Rule 21);
- Rule 138 E has been inserted to the Central Goods and Services Tax Rules, 2017 which restricts generation of e-way bill by those taxpayers who have not furnished returns for a consecutive period of two months. Furthermore, in order to avoid misuse of an e-way bill for multiple times for transportation of goods, the e-way bill validity has now been restricted w.e.f. 01.01.2021 to one day for distances up to 200 Kms (from 100 kms per day earlier). [Rule 138 (10)].
- To prevent fake dealers and shell companies to pass on fake credit, without filing their GSTR- 3B returns and paying taxes, a provision has been made to block furnishing of outward supply statement in FORM GSTR-1 by a taxpayer, if 2 or more GSTR- 3B returns are not filed by the said taxpayer. [Rule 59 read with Notification No. 94/2020 – Central Tax dated 22.12.2020]
- Provision for centralized (system based) suspension of registration has been introduced, w.e.f. 22.12.2020, where there is mismatch between FORM GSTR-1 and FORM GSTR-3B or between inward supplies and FORM GSTR-3B or based on other analysis conducted on recommendations of the GST Council. (Rule 21 A)
- Provisions restricting the usage of input tax credit (ITC) have also been introduced as anti-abuse provisions targeting mainly the fake dealers and shell companies. Restrictions have been imposed on availment of input tax credit by recipient of supplies in cases where details of outward supplies are not furnished by the suppliers in their outward supply statement. Initially, the limit to avail such credit by a taxpayer was restricted to 1.2 times of the credit available as per details furnished by the suppliers in their outward supply statements. However, the same has now been reduced to 1.05 times of such credit w.e.f 1st January, 2021. Availment of Input tax credit for those invoices (whose details have not been furnished by the suppliers) has been restricted to 5 percent of the eligible credit in respect of invoices the details of which have been furnished by the supplier's w.e.f. 01.01.2021. [Rule 36 (4)].

- With effect from 1st January 2021, E-invoices have been made mandatory for all B2B transactions with turnover above Rs 100 crore. This would significantly help tax authorities in combating the menace of tax evasion by issuance of fake invoices. Further, this would also ensure seamless flow of credit & invoice matching as envisaged in the GST regime.
- Amendment in Section 132 - Offence of fraudulent availment of ITC without invoice or bill is now cognizable and non-bailable offence under Section 69 and the person who retains the benefit of certain transactions and at whose instance such transactions are conducted is also liable for punishment.
- Amendment in Section 122 - Beneficiary who retains benefit or at whose instance a supply has been made without the issuance of an invoice, or invoice has been issued without supply, or excess ITC has been availed/distributed is liable for penalty similar to that of actual supplier/recipient.
- Sub-section (2) of the section 16 of the CGST Act has been amended to provide that input tax credit on invoice or debit note may be availed only when the details of such invoice or debit note have been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note.
- Section 83 of the CGST Act has been amended to provide that provisional attachment shall remain valid for the entire period starting from the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV till the expiry of a period of one year from the date of order made thereunder. It also provides that provisional attachment of property can be done in respect of any person specified under sub-section (1A) of section 122.
- Notification No. 35/2021–Central Tax dated 24/09/2021 has been issued which specify that w.e.f. 01.01.2022, a registered taxpayer shall not allowed to file his GSTR-1 in case his GSTR-3B was not filed for preceding month.
- Sub-section (2) of the section 16 of the CGST Act has been amended w.e.f. 01.01.2022 to provide that input tax credit on invoice or debit note may be availed only when the details of such invoice or debit note have been furnished by the supplier in the statement of outward supplies and such details have been communicated to the recipient of such invoice or debit note.
- **Rule 36(4) of the CGST rules 2017** has also been amended w.e.f. 01.01.2022 to limit the input tax credit availment to the extent the input tax credit furnished by the supplier in GSTR-1/ IFF and appearing in taxpayer's GSTR-2B.
- Mandatory cash payment of 1% output tax liability, if value of supplies in a month exceeds Rs 50 lakhs, in specified cases.
- Rule 59(6) of CGST Rules 2017 has been amended with effect from 01.01.2022 for restricting filing of **GSTR-1**, if taxpayer fails to furnish the **GSTR-3B** return for preceding tax period w.e.f. 01.01.2022.
- An explanation to sub-section (12) of section 75 of the CGST Act has been inserted to clarify that "self-assessed tax" shall include the tax payable in respect of outward supplies, the details of which have been furnished under

section 37, but not included in the return furnished under section 39 (brought in to force w.e.f. 01.01.2022).

- Section 83 of the CGST Act has been amended to provide that provisional attachment shall remain valid for the entire period starting from the initiation of any proceeding under Chapter XII, Chapter XIV or Chapter XV till the expiry of a period of one year from the date of order made thereunder (brought in to force w.e.f. 01.01.2022).
- Section 107 of the CGST Act has been amended to provide that no appeal shall be filed against an order made under sub-section (3) of section 129, unless a sum equal to twenty-five per cent. of penalty has been paid by the appellant (brought in to force w.e.f. 01.01.2022).
- Section 129 of the CGST Act has been amended to delink the proceedings relating to detention, seizure and release of goods and conveyances in transit, from the proceedings under section 130 relating to confiscation of goods or conveyances and levy of penalty (brought in to force w.e.f. 01.01.2022).
- Section 130 of the CGST Act has been amended to delink the proceedings relating to confiscation of goods or conveyances and levy of penalty from the proceedings under section 129 relating to detention, seizure and release of goods and conveyances in transit (brought in to force w.e.f. 01.01.2022).
- Offence of fraudulent availment of ITC without invoice or bill is now cognizable and non-bailable offence w.e.f. 01.01.2021.
- Beneficiary, who retains benefit or at whose instance a supply has been made without the issuance of an invoice, or invoice has been issued without supply, or excess ITC has been availed/distributed, has been made liable for penalty similar to that of actual supplier/recipient.
- For calculating the amount of the refund definition of turnover has been changed to **cap value of exports at 1.5 times of domestic supply** for the purpose of claiming refund of an Input Tax credit.
- **Restrictions on utilization of input tax credit (ITC)** available in the electronic credit ledger, has been introduced w.e.f. 26.12.2019, in cases where **credit has been fraudulently availed or is ineligible**.
- **Blocking of E-way bill**, when a taxpayer fails to file GSTR-3B/GSTR-1 for two or more consecutive months on the GST portal, the same will be communicated to the e-way bill system and block the GSTIN. The GSTIN of such blocked taxpayers cannot be used for generating e-way bills either as consignor or consignee.
- **Returns Enhancement and Advancement Project (REAP)** has been undertaken by GSTN, in which, auto-population of ITC and liabilities in GSTR-3B return from GSTR-2B and GSTR-1 has been started w.e.f. December 2020. By this linking of GSTR-1 and GSTR-3B the objective of **invoice matching, ITC validation, system verified flow of ITC and liability matching** have been achieved.
- **E-invoice** has been made mandatory for taxpayers with turnover of more than Rs 500 crore with effect from 01.10.2020 for B2B transactions and for export invoices. The threshold for mandatory issuance of e-invoice has been reduced to Rs. 50 crore from 01.04.2021. **Data from e-invoice is being**

auto populated in Form GSTR-1 of the taxpayer, which in turn is being used to auto-populate GSTR-3B returns.

- **Aadhaar-based registration** in GST for new applications has been introduced with effect from 21.08.2020 and to strengthen the verification process during registration time duration provided to the proper officer to approve the grant of registration is increased to seven working days from three working days. In case if a person fails to undergo authentication of Aadhaar number or does not opt for authentication of Aadhaar number, and proceed to file the application without the Aadhaar authentication, the time limit for grant of registration has been increased from earlier time period of 21 days to 30 days and in such cases, registration is granted after physical verification of the place of business in the presence of the said person.
- Additional grounds for cancellation of registration have been introduced, w.e.f. 22.12.2021.

❖ **Enforcement Measures (Goods and Services Tax):**

- **E-way bill has been integrated and tracking with RFID** has been introduced. This would provide **access to real time data of vehicle movements** in order to keep a tab on GST evasion. Department has been using data analytics and information technology system-based tools to identify deviant behavior and inconsistencies between various reports of the taxpayers. Artificial intelligence tools such as **NETRA** (Networking Exploration Tools for Revenue Argumentation), **BIFA** (Business Intelligent and Fraud Analytics) & **ADVAIT** (Advanced Analytics in Indirect Taxation) based on network analysis have been implemented to identify risky taxpayers.
- To **reduce the risk of fraudulent refund claims on fake ITC**, using data analytics and AI-based tools to do risk profiling in respect of exporters, list of "Risky exporters including details of their supply chain is being generated for their verification by field formations and in all such cases sanction of IGST refunds are subject to NOC from the field formation in this regard.
- With the use of data analytics and AI based tools **Red Flag reports** are being generated by GSTN as well as Directorate General of Analysis and Risk Management (DGARM) in respect of defaulting taxpayers and risky taxpayers with deviant behavior in form of discrepancies between returns and other database, like GSTR-1 and GSTR-3B, GSTR3B and GSTR 2B, GSTR 3B and e-way bills etc, which are being shared with the tax officers for verification on regular basis. Action on these Red Flag reports by field formation has resulted in considerable detection and recovery, and has led to improving overall compliance by the taxpayers. In addition to action based on these Red Flag Reports, efforts are made to put in a place a risk-based standardized system of return scrutiny.

Customs measures to plug leakages/evasion of tax

1. Law and procedure

- a. The Section 1(2) was amended to make the Act applicable to the whole of India and, save as otherwise provided in this Act, it applies also to any offence or contravention thereunder committed outside India by any person (2018);
- b. a new definition for 'Beneficial Owner' has been introduced under subsection (3A) section 2 of Customs Act, 1962 as "any person on whose behalf the goods are being imported or exported or who exercises effective control over the goods being imported or exported." (2017);
- c. "Indian Customs Waters" means the waters extending into the sea up to the limit of Exclusive Economic Zone under section 7 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976, (80 of 1976) and includes any bay, gulf, harbour, creek or tidal river (2018);
- d. Section 11(3) was inserted to notify prohibitions and restrictions under Customs Act mandatorily (but this section is yet to be notified) (2018)
- e. Circular 07/2020-Customs on valuation of Second-hand machinery;
- f. Circular No. 33/2017-Customs on liveability of IGST on High Sea Sales of Imported goods and point of collection thereof;
- g. Customs (Finalisation of Provisional Assessment Regulations), 2018;
- h. Section 28 (7A) was inserted for issuance of supplementary notices and Section 124 was amended (2018);
- i. Section 28 AAA was amended to cover any other law in in respect of scrip related violation. (2020);
- j. Rules of Origin related procedural changes (CAROTOR);
- k. Circular 49/2018-Customs to streamline timely disposal of Unclaimed/Uncleared goods (2018);
- l. Transshipment of Cargo Regulations, 2020;
- m. The scope of Chapter XI extended to Courier also (2018);
- n. New Section 99A was inserted for Premises based Audit (2018);
- o. Customs Audit Regulations, 2018;
- p. Customs Audit Manual, 2018;
- q. Section 99B was inserted for Aadhaar Authentication of importer/exporter if necessary;
- r. Section 103 was amended for use of Full body scanners to X-ray inspection of passengers;
- s. The scope of Arrest powers was extended beyond India by amending Section 104; draw back and scrip related offences were also included (2018);
- t. Section 109A was inserted for enabling Controlled Delivery (2018)
- u. Section 110 was amended to remove period restriction when goods are provisionally released (2018);
- v. Section 110 was amended to enable provisional attachment during investigation (2019);
- w. Section 111 was mended to include Rules of Origin related violations (2020);

- x. Section 114 AB was inserted to cover Scrip related violations for penalty (2019);
- y. Section 135 was amended to include scrip related offences (2019).

2. System related Measures:

- a. eSANCHIT: Participating Government Agencies were asked to upload the Licenses, Permits, Certificates and Other authorisations (LPCO) in eSANCHIT to bring authenticity and to avoid interface with the trade.
- b. CAROTOR related verification;
- c. IGST refunds through PFMS;
- d. Mandatory declaration of GSTIN;
- e. Faceless Assessment both to facilitate and to have anonymity and avoid interface.
- f. National Customs targeting Centre (NCTC): Through its targeted approach results in trade facilitation and outcome-based risk management: only 10% (approx.) consignments interdicted for examination. This results in the daily detection of a wide range of mis-declared/concealed/smuggled goods and revenue evasion on a pan India basis.

3. Other Measures

- a. Non-intrusive inspection systems: Container scanners of different types have been installed in all major ports and private ports. Additional procurement of scanners are also being procured. By the end of 2022 there would be a total of 34 container scanners in different ports of the country;
 - i. Other anti-smuggling equipment deployed –
 - ii. 42 Carat Meters
 - iii. 158 X-ray Baggage Inspection Systems
 - iv. 164 Videoscopes
 - v. 15 X-ray Mail Inspection Systems
 - vi. 82 X-ray Baggage Inspection Systems
- b. At 15 locations 109 (24 Category-I, 22 Category-II, 30 Category -IIA and 33 Category-IIB) Customs patrol boats are deployed. Out of which 56 are operational (9,13,20,14 respectively) and used for regular patrolling.
- c. Upgradation of CRCL: the Central Revenue Control Laboratories were upgraded with state-of-the-art modern equipment. Out of 8 laboratories, 10 have been accredited by NABL;
- d. Procurement of Full Body Scanners underway
- e. Air-cargo operators were directed to procure and install Air Cargo Inspection Systems in 7 major Air-Cargo Complexes;
- f. The Customs K9 squad is specially trained to detect these items from any type of contraband concealed in the cargo or baggage. The K9 squad consists of 17 dogs deployed at 09 locations - airports of Amritsar, New Delhi, Ahmedabad, Kolkata, Mumbai, Pune, Thiruchirappally,

Thiruvananthapuram and Kochi. In the last 12 months 27 cases of smuggling involving 134.616 kg of narcotics (such as heroin, cocaine, hashish, khat and ganja) were detected by K9 squad at various places. Training of another 17 is underway. In coming years 209 more dogs will be procured and trained.

XI. The quantum of tax arrears (collectible or non-collectible), their recoveries and pendency for the last three financial years (including the current financial year).

Direct Taxes:

Comprehensive data regarding the quantum of tax arrears:

(Rs. in Crores)

	Total tax arrears of Demand at the beginning of the year	Amount of demand collected during the year	Total demand for collection at the year end*	Demand Difficult to Recover (DDR) *	Net Collectible Demand (NCD) *
FY 2019-20	1321699	60520	1618954	1580220	38734
FY 2020-21	1622044	33522	1511618	1485289	26473
FY 2021-22 (As on 30.11.2021)	1531736	36596	1866790	1757085	109705

Source: DoMS (CAP-I report)

*Includes Current demand.

Reasons for non-recovery

- i. Demand becomes due for payment after the expiry of 30 days from the date of service of notice u/s 156 of the Income tax Act. Action is taken on a regular basis for recovery of demand.
- ii. A major part of the demand falls under the category of 'Demand difficult to recover' which constitutes more than 97% of the arrear demand. Demand may be difficult to recover due to reasons such as inadequate assets, Assessee is not traceable, companies in liquidation, demands stayed by Income tax authorities or Courts, cases before NCLT etc.
- iii. Recoveries got affected due to COVID Pandemic during FY 2020-21 & 2021-22, as there was an embargo on coercive actions for recovery.

Indirect Taxes:

(Amount in Crores)

Years	Total Arrears		Arrears Realised		Pending Arrears	
	No.	Amount	No.	Amount	No.	Amount
2019-20	171965	2,66,906	41246	6,819	1,61,241	2,72,914
2020-21	161241	2,72,914	36549	6,108	1,54,980	2,69,234
2021-22 (as on 31.12.2022)	154980	2,69,234	11210	2,2291	1,69,846	2,95,438

Out of the total of 169846 cases of arrears involving an amount of Rs. 295438 Crores, 82534 cases of arrears involving an amount to Rs. 2,58,672 Crores are non-collectible, and the remaining 87312 cases involving an amount of Rs. 36,766 Crores for F.Y. 2021-22 (Upto Dec, 21) are fit for recovery, but not yet recovered.

Out of the arrears fit for recovery, a substantial number of 43116 cases involving an amount of Rs. 27306 Crores are in respect of Unit Closed/Defaulters not traceable in which the prospects of recovery are not strong. The broad reasons for the non-recovery in respect of the remaining 44196 cases involving an amount of Rs. 9,459 Crores are as under:

- i. Lack of actionable information from the District Authorities in the cases where Certificate Action under Section 142 of Customs Act, 1962 or under Section 11 of Central Excise Act, 1944, has been initiated.
- ii. Poor financial condition of the parties which also do not have assets/ properties that can be attached and proceeded against. Recovery proceedings, in appropriate cases have been taken by way of issuance of garnishee notices etc.
- iii. Difficulty in recovery of fines and penalties from the "carriers" in airport cases.
- iv. Recoveries were adversely affected due to COVID-19 pandemic and lock downs both on account of reduced departmental action as well as the financial hardships faced by the defaulters.
- v. Death of the defaulters or their becoming insolvent.
- vi. Insufficient funds in the bank accounts attached for the purpose of recovery of arrears or the value of the assets attached is inadequate to recover the dues in full.

XII. Tax Deducted at Source (TDS) default detected by Income Tax Department during the last three year

I. Details of Tax deducted at source (TDS) default detected during the last three years as under:

(Figures in Rs. Crores)

Financial Year	Total Outstanding Demand*
2018-19	5338.69
2019-20	6830.30
2020-21	5487.41
2021-22(upto 07.02.2022)	14714.46

Source: CPC TDS

*Includes short payment, interest on short payment, short deduction, interest on short deduction, Late deduction interest, Late payment interest, Late filing Fee, Interest u/220(2), etc.

II. Steps taken to monitor TDS default during the last 3 years:

- i. **Seminar/Webinar** have been conducted for the purpose of awareness regarding various TDS/TCS provisions in order to improve timely compliance of TDS/TCS provisions and to minimize the TDS defaults.
- ii. **Surveys/Spot Verifications** u/s 133A (2A) of the Income tax Act, 1961 were undertaken to detect the TDS defaults.
- iii. **E-Verification** actions have been undertaken.
- iv. Analysis of negative growth of TDS/TCS cases pushed by the CPC is being monitored.
- v. Some defaults are on account of mistakes committed by TAN deductors in filing of TDS returns. Intimation of defaults arising from CPC processing / manual processing are regularly sent to defaulters through the portal. Where correction statements are filed, the same are processed by CPC(TDS) leading to reduction in demand.

III. Actions taken against the defaulters:

- i. **Orders u/s 201/ 201(1A)** have been passed quantifying the amount of defaults.
- ii. **Recovery letters** have been issued.
- iii. **Attachment of bank accounts** for recovery of demand has been done.
- iv. In respect of the established TDS defaults, coercive actions like **recovery surveys** have been undertaken.
- v. **Penalty u/s 271C** have been initiated.
- vi. **Prosecution** have been launched for TDS and TCS defaults u/s 276B and 276BB, respectively, in 1615 cases in FY 2018-19, in 1312 cases in F.Y. 2019-20 and in 50 cases in F.Y. 2020-21.

XIII. Target fixed for collection of Direct and Indirect Taxes for the year 2022-23 and target achieved during the fiscal 2020-21 and 2021-22, year wise.

Direct Taxes:

The Budget Estimates for F.Y. 2022-23 in respect of Direct Tax collection has been fixed as Rs. 14,20,000 crores (Rs. 7,20,000 Crores for Corporation tax, Rs. 6,80,000 Crores for Income tax and Rs. 20,000 Crores for Securities Transaction tax).

The BE, RE and Actual collection of Net Direct Taxes during the Financial Years 2020-21 and 2021-22 (up to 15.02.2022) is as under:

(Rs. In crores)

F.Y.	BE	RE	Net Direct Tax collected			
			Corporate Tax	Income Tax	Security Transaction Tax	Other taxes Including

						Wealth Tax etc.	
2020-21*	1319000	905000	457718.97	470216.72	16926.99	2093.31	946955.99
2021-22** (upto 15.02.2022)	1108000	1250000	567260.63	524678.38	21230.55	3204.46	1116374.02

Source: * Receipt Budget 2022-23

** Pr. CCA, CBDT

Indirect Taxes:

FY 2022-23: Target of Central Net Indirect Tax collection [Customs + Central Excise + Service Tax (Arrears) + GST] for FY 2022-23 has been set as Rs. 13,30,000 Crores in Union Budget 2022-23.

FY 2021-22: Revised Target of Central Net Indirect Tax collection [Customs + Central Excise + Service Tax (Arrears) + GST] for FY 2021-22 has been set as Rs. 12,59,000 Crores in Union Budget 2022-23. Out of the total target, the provisional Central Net Indirect Tax Collection for the period April-January, 2021-22 stands at Rs. 10,74,583 crore. It shows 85.4% achievement of revised targeted revenue in first 10 months of FY 2021-22.

FY 2020-21: As per Union Budget 2022-23, Central Net Indirect Tax collection [Customs + Central Excise + Service Tax (Arrears) + GST] for FY 2020-21 stood at Rs. 10,74,810 crore which is 108.6% of RE 2020-21. The indirect tax collection for FY 2020-21 shows 12.7% growth when compared to the FY 2019-20 and Indirect tax to GDP ratio turns out to be 5.4% for the Centre."

A detailed break-up of Central Indirect Taxes is attached as **Annexure VII**.

XIV. Dispute Resolution Committee

The Central Government has consciously adopted a policy to make certain processes under the Income-tax Act (the Act) which require interface with the taxpayer faceless. Though the faceless assessment process has been designed to produce an efficient outcome, some disputes may still arise. Disputes create additional costs and compliance burden for a taxpayer. Such costs are disproportionately high in case of a small taxpayer. Section 245 MA of the Act, inserted vide the Finance Act, 2021 w.e.f. 1st April, 2021 for dispute resolution to create a new mechanism specifically targeted towards small taxpayers, which allows such taxpayers to resolve their disputes with minimum cost and compliance burden.

Section 245MA of the Act empowers the Central Government to notify a scheme in the Official Gazette, for the purposes of dispute resolution under Chapter XIX-AA by the DRC and enables the Central Government that it may, by means of a notification, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the said notification. Such scheme is required to be notified by 31st March, 2023.

Central Government is in the process of constituting Dispute Resolution Committees and notifying a scheme outlining the scope and procedure of dispute resolution.

PART II

OBSERVATIONS/RECOMMENDATIONS

1. Budgetary Allocations and Utilisations (Demand No. 35)

The Committee note that the entire Budget provision under Grant No. 35 of Department of Revenue is for GST compensation to States/UTs and for establishment related expenditure of Secretariat and its attached and subordinate offices. The BE,RE and Actuals for the FY 2019-20, were Rs.203466.73 crores, Rs.243505.77 crores and Rs.275429.93 crores respectively, with an excess expenditure of Rs.31924.16 crores (113.11% of RE). The corresponding figures for the fiscal 2020-21 were Rs.272250.83 crores (BE), Rs.272454.75 crores (RE) and Rs.268877.95 crores (Actuals), with a saving of Rs.3576.80 crores (98.69% of RE). In FY 2021-22 BE was substantially reduced to Rs.201512.64 crores which was further brought down to Rs.209805.42 crores at RE stage while expenditure up to December 2021 was Rs.119408.42 crores, which is only 56.91% of RE. Now in the current fiscal (2022-23) BE has been pegged at Rs.227552.52 crores which of course is a substantial rise from the previous BE. The Committee while noting these fluctuations in the budgetary figures of the Department of Revenue have been pointing out this recurrent flaw in fiscal planning of the Department in their previous Reports. The Ministry has been tendering routine, unsatisfactory explanations that the quantum of GST compensation required/released is totally based upon the subsumed tax collection by States and collection trends of SGST/IGST and actual GST compensation cess collection and, therefore, it is not possible to estimate the exact budgetary requirement for the purpose of GST compensation. While recognizing the proposition put forth by the Ministry that these figures are variable and depend upon the tax slab and distribution of IGST component decided by GST Council, the Committee would urge the Ministry to make

budgetary estimates under this Demand more accurately and realistically for the sake of budgetary discipline, factoring in the monthly trends of net GST collections – both for Centre and States – and quantum of revenue losses incurred by each State as the majority of budget provision under Demand No. 35 is for GST compensation to States/UTs.

2. Demand for Grant No. 36 – Direct Taxes and Demand for Grant No. 37 – Indirect Taxes

Under Demand No. 36, the entire budget is for Salaries/Administrative expenses pertaining to field offices of CBDT (Central Board of Direct Taxes). In FY 2019-20, BE of Rs.7338.44 crores was increased to Rs.7520.44 crores at RE stage while the actual expenditure was Rs.7182.72 crores, with a surrendered amount of Rs.244.80 crores. In FY 2020-21, BE was increased to 8065.39 crore (despite the fact that Rs.244.80 crores had been surrendered in the last fiscal) and then brought down to Rs.7694.00 crores at RE stage and actual expenditure was Rs.7403.07 crores, with a surrendered amount of Rs.580.71 crore. Again in FY 2021-22 BE was further increased to Rs.8532.34 crores then marginally reduced to Rs.8508.89 crores and expenditure up to December 2021 stood at Rs.5424.43 crores implying that only 63.75% of RE has been utilized till December 2021. Now in the current fiscal of 2022-23 BE has been pegged at Rs. 9308.80 crores. With respect to Demand for Grant No. 37 pertaining to Indirect Taxes the BE, RE and Actuals for FY 2019-20 were Rs.7900.50 crores, Rs.7900.50 crores and Rs.7535.26 crores, respectively and amount surrendered was Rs.110.78 crores. The corresponding figures for FY 2020-21 stood at Rs.8258.50 crores (BE), Rs.7582.47 crores (RE) and Rs. 7384.21 crores (Actuals), respectively and Rs. 762.11 crores has been shown as amount surrendered. Then in FY 2021-22 BE was massively enhanced to Rs.21359.27 crores and RE was further upwardly revised to Rs. 74398.99 crore. Total expenditure up to 31 Dec 2021 was only Rs.5940.98 crores which is a meagre 7.93% of the RE. For FY

2022-23 BE has been set at Rs.41139.17 crores which again is substantial jump from the last year BE. Analyzing the above set of budgetary figures, the Committee are perturbed to note such variations in the allocated funds. While on the one side funds are being surrendered at the end of financial year, on the other BE figures are being revised upwards every year. Locking of precious and scarce funds with unrealistic projections and surrendering them with monotonous regularity does not augur well for financial prudence. It is the basic tenet of fiscal planning that amounts sought for are premised on realistic estimations and each and every rupee allocated is spent and fully accounted for. While disapproving this aspect of financial planning of the Department, the Committee recommends that the Ministry should pursue for realistic budgetary formulation, followed by optimal utilization of allocated funds through effective management and monitoring.

3. Tax Arrears

It is alarming to note that the Department of Revenue seems to be caught up in the vicious cycle of tax arrears as more than 21 lakh crore (Rs.1866790 crore in Direct Tax and Rs.295438 crore in Indirect Taxes) are outstanding in the form of Tax Arrears. Further, as far as arrears in direct taxes are concerned, a major part of the demand falls under the category of 'Demand difficult to recover' which constitutes more than 94% of the arrear demand. With respect to Indirect Taxes out of Rs. 295438 crores an amount of Rs. 258672 crores are non-collectible, thereby meaning that almost 88% of the arrear demand is non-collectible and only 12% of that is fit for recovery, but not yet recovered. The Committee acknowledge that recoveries got affected due to Covid-19 pandemic during FY 2020-21 and 2021-22, as there was an embargo on coercive actions for recovery as well as financial hardships faced by the defaulters. Nonetheless, it cannot be denied that substantial arrears remain non-recoverable which poses

serious questions on the administration of Tax Department which has left these tax arrears pending for long. Noting the fact that tax arrears have been increasing year on year, the Committee would recommend devising a concrete action plan and a roadmap to clear the backlog through a time-bound fast track mechanism. The Committee may be kept abreast of the action plan and the achievements, thereof.

4. Tax Refunds and interest thereon

The Committee note that the Government have provided substantial tax refunds along with accruing interest on refunds in both direct and indirect taxes during the last three financial years. During the financial years 2019-20, 2020-21 and 2021-22, in respect of direct tax, refunds including interest amount to the tune of Rs.183619 crores, Rs. 259719.70 crores and Rs.167598.60 crores were made, respectively. In the case of Indirect Tax refund of Rs.140357 crores, Rs.128299 crores and Rs.142463 crores were made during the fiscals 2019-20, 2020-21 and 2021-22, respectively. The Committee are alarmed at such huge outgo by way of refunds together with interest thereon. This issue of tax refund is a case of double jeopardy for the exchequer. This raises concerns that the assesses may be constrained to pay excess advance tax to fulfil revenue targets of the Department. This practice of excess refunds may also encourage connivance between tax officials and assesses to the detriment of the department. A thorough inquiry should be initiated on the reasons and processes involving refunds. As this ever-increasing trend has now become a phenomenon with large implications for revenues, the Committee desire that the Department must look into this troubling issue and accordingly take corrective measures.

5. Search/Survey and Seizure Operations

The Committee are of the opinion that Search and Seizure Operations can be an effective deterrence against tax evasion and for improving compliance. However, in view of perceived harassment from such intrusive operations, the Committee desire that these operations should be handled with adequate caution. It is necessary that due diligence is fully carried out before undertaking these operations. The Committee are of the view that while stepping up enforcement action against wilful or chronic evaders, the Department should not alienate honest taxpayers. Many individual taxpayers have made representations to Committee members that they are treated as felons by Revenue Officers while the search is underway. Moreover, they are often asked for bribes so that the search process is truncated and/or abandoned. This type of wrongdoing needs to be fully investigated by the Department and taxpayers should be provided an opportunity to provide confidential complaints against wrongdoers.

The Committee note that there is a time-lag between search/survey and passing of assessment order, which defeats the intended purpose of searches and surveys. The Committee further note that due to time-lag between the search/survey and passing of assessment orders, the data of actual yield of searches and surveys is not maintained centrally. The Committee, therefore, desire that the Government should strive to curtail this time-lag and also maintain centralised data on actual yield of searches and surveys, so as to judge the efficacy of this process. The Committee would recommend for speedy assessment orders, apart from infusing more prudence and rationality to these searches and surveys, so that it is prevented from becoming an instrument of harassment and even corruption. There should be reasonable outcomes from these operations. Furthermore, confidentiality of documents seized should be

strictly maintained and officials should be made accountable, if any, leakages are made or unverified information is disclosed to the press.

6. Pendency of Appeal Cases

The Committee are extremely concerned about the latest figures of pending appeals, wherein in respect of Direct Taxes nearly 5.6 lakh appeals are pending at different fora with corresponding tax effect (excluding ITAT) of approximately 28 lakh crore. As far as Indirect Taxes are concerned, more than one lakh appeals are pending at various fora with corresponding tax effect of more than 3 lakh crore. Cumulatively, thus more than 31 lakh crore is locked in appeals at various fora (no tax effect locked up in appeal is maintained by ITAT Registry). In the light of such glaring statistics, the Committee would like to recommend that urgent corrective measures be taken by the Ministry, wherein the Ministry and assesses are restrained from frivolous and speculative litigation. Income Tax Department should also avoid arbitrary tax demand or high pitched demand which gives rise to avoidable tax litigation. Further, the Committee suggest that an initiative to mediate and settle disputes with the Department may also be relied upon in as many cases as feasible.

7. Dispute Resolution Committee

The Committee is pleased to note that the Government has adopted a policy to make certain processes under the Income Tax Act faceless. Though the faceless assessment process has been designed to produce an efficient outcome, nevertheless some disputes may still arise. Disputes create additional costs and compliance burden for a taxpayer and such costs are disproportionately high in case of a small taxpayer. To reduce litigation for small taxpayers a Dispute Resolution Committee had been proposed for them in the Union Budget 2021-22. It is learnt that the proposed Committee is yet to be

formed even after an year of the announcement. The Committee, therefore, urge the Ministry to expedite the process of formation of Dispute Resolution Committee, as that would provide succour to the small taxpayers who can approach the Committee and get their disputes redressed. This would also help in reducing the number of cases.

New Delhi;
14 March, 2022
23 Phalgun, 1943 (Saka)

SHRI JAYANT SINHA,
Chairperson
Standing Committee on Finance

Annexure-I

(Rs. In crore)

S. No.	Scheme	BE 2021-22	RE 2021-22			BE 2022-23			Objective of Scheme
			Provisions for the year	Provisions for One-time payment of Arrears	Total	Provisions for the year	Provisions for One-time payment of Arrears	Total	
1	Remission of Duties and Taxes on Exported Products (RoDTEP)	13000.00	12454.00	2568.00	15022.00	13699.40	546.00	14245.40	The scheme will ensure that the exporters receive the refunds on the embedded taxes and duties previously non-recoverable.
2	Rebate on State and Central Taxes and Levies (RoSCTL)	0	6946.00	5286.00	12232.00	7640.60	0	7640.60	To rebate all embedded State and Central Taxes/levies for meant for exports of made-up articles & garments.
3	Merchandise Export from India Scheme (MEIS)	0	0	29599.20	29599.20	0	3288.80	3288.80	To provide rewards to exporters to offset infrastructural inefficiencies and associated costs.
4	VisheshKrishi and Gram UdyogYojana	0	0	136.15	136.15	0	90.76	90.76	To compensate high transport costs and offset other disadvantages to promote exports of the Agricultural produce, Gram Udyog products and Forest based products etc.
5	2 percent Additional Adhoc Bonus Incentive for Mobile Phones	0	0	109.80	109.80	0	12.20	12.20	To boost the export of mobile phones.
6	Incremental Export Incentivisation Scheme (Annual and Quarterly)	0	0	82.75	82.75	0	149.90	149.90	To incentivize incremental exports.
7	Served from India Scheme (SFIS)	0	0	6.66	6.66	0	0.00	0.00	To accelerate growth in export of services.
8	Service Exports from India Scheme (SEIS)	0	0	6001.20	6001.20	0	4000.80	4000.80	To promote the export of services from India.

Annexure-II

(Rs. In crore)

S. No.	Scheme	BE 2021-22	RE 2021-22			BE 2022-23			Objective of Scheme
			Provisions for the year	Provisions for One-time payment of Arrears	Total	Provisions for the year	Provisions for One-time payment of Arrears	Total	
9	Target Plus Scheme	0	0	1549.02	1549.02	0	1032.68	1032.68	To accelerate growth in exports by rewarding Star Export.
10	Focus Product Scheme and Market Linked Product Scheme	0	0	565.68	565.68	0	377.12	377.12	To provide incentive for export of specific products to specific market
11	Status Holders Incentive Scheme (SHIS)	0	0	378.90	378.90	0	169.20	169.20	To promote investment in upgradation of technology.
12	Rebate on State Levies Scheme (RoSL)	0	0	264.00	264.00	0	66.00	66.00	This scheme is now replaced by RoSCTL
13	Focus Market Scheme	0	0	175.27	175.27	0	116.85	116.85	To encourage exports to certain foreign markets in order to enhance the country's export competitiveness in those markets.
	Total	13000.00	19400.00	46722.63	66122.63	21340.00	9850.31	31190.31	

Details of GST Compensation released during the year (FY-wise)

(Rs. in crore)

S.No	Name of State/UT	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Andhra Pradesh	382	0	1841	3527	2501	8252
2	Arunachal Pradesh	15	0	0	6	0	21
3	Assam	886	466	879	1370	812	4413
4	Bihar	3041	2571	3525	4359	1557	15053
5	Chattisgarh	1483	2261	3081	3212	1058	11095
6	Delhi	157	4182	7436	5522	5136	22432
7	Goa	252	476	819	813	726	3085
8	Gujarat	3687	6149	10647	11335	6587	38404
9	Haryana	1199	2820	5453	5066	2321	16859
10	Himachal Pradesh	539	2037	1877	1764	675	6892
11	J & K	1137	1462	2279	2171	993	8042
12	Jharkhand	1265	1029	1532	1958	1226	7010
13	Karnataka	6246	10754	14497	13789	7158	52445
14	Kerala	1772	2884	5575	6721	3091	20044
15	Madhya Pradesh	2511	2866	4531	5293	2480	17681
16	Maharashtra	1488	8330	15018	17423	14370	56630
17	Manipur	24	0	0	22	0	46
18	Meghalaya	124	73	101	172	131	602
19	Mizoram	0	0	0	11	0	11
20	Nagaland	0	0	0	14.21820	0	14
21	Odisha	2019	3390	3929	4362	1338	15037
22	Puducherry	333	592	862	607	260	2654
23	Punjab	4037	7129	8805	9694	3495	33160
24	Rajasthan	2598	2176	4440	5633	3005	17851
25	Sikkim	6	0	0	26	9	42
26	Tamil Nadu	632	3151	8922	11142	6087	29934
27	Telangana	169	0	2263	3103	1689	7225
28	Tripura	129	155	171	277	82	814
29	Uttar Pradesh	2124	308	5180	9324	6692	23627
30	Uttarakhand	1283	2037	2477	2496	1168	9462
31	West Bengal	1608	1977	4359	5776	3655	17375
	Total	41146	69275	120498.29	136988.4698	78302.80	446211

Provisional GST compensation pending to be released to States/UTs

S. No.	Name of State/UT	Provisional GST Compensation due for FY 2020-21	Provisional GST Compensation due for FY 2021-22
(1)	(2)	(3)	(4)
1	Andhra Pradesh	616	1524
2	Arunachal Pradesh	0	0
3	Assam	181	549
4	Bihar	388	451
5	Chhattisgarh	160	722
6	Delhi	1310	5469
7	Goa	185	832
8	Gujarat	1620	900
9	Haryana	588	0
10	Himachal Pradesh	202	109
11	J & K	191	0
12	Jharkhand	300	1274
13	Karnataka	1818	3914
14	Kerala	764	2670
15	Madhya Pradesh	615	2199
16	Maharashtra	3464	11655
17	Manipur	0	0
18	Meghalaya	32	111
19	Mizoram	0	0
20	Nagaland	0	0
21	Odisha	324	0
22	Puducherry	69	124
23	Punjab	947	1480
24	Rajasthan	741	635
25	Sikkim	0	0
26	Tamil Nadu	1491	6733
27	Telangana	317	308
28	Tripura	19	0
29	Uttar Pradesh	1608	6954
30	Uttarakhand	307	745
31	West Bengal	876	4292
	Total	19134	53652

Annexure V

(In Rs. crores)

GST (Net) Collection for Centre												
Months	CGST			IGST			Compensation Cess			Total GST		
	2020-21	2021-22	% Growth	2020-21	2021-22	% Growth	2020-21	2021-22	% Growth	2020-21	2021-22	% Growth
April	5,934	55458	835%	9,749	4,787	-51%	990	9,187	828%	16,673	69,433	316%
May	18,961	28,291	49%	9,642	15,340	59%	6,020	8,886	48%	34,624	52,518	52%
June	30,151	33,696	12%	9,673	6,377	-34%	7,472	6,564	-12%	47,296	46,638	-1%
July	37,902	47,901	26%	-6,027	-3,733	-38%	6,816	7,530	10%	38,691	51,699	34%
August	32,359	53,326	65%	5,198	-16,195	-412%	6,856	8,474	24%	44,414	45,604	3%
Sept.	37,172	47,379	27%	-290	-634	119%	6,809	8,489	25%	43,691	55,234	26%
Oct.	42,901	48,547	13%	192	8,970	4562%	7,840	8,220	5%	50,933	65,737	29%
Nov.	39,803	49,237	24%	7,611	7,238	-5%	8,029	9,442	18%	55,444	65,917	19%
Dec.	43,040	46,227	7%	12,408	14,635	18%	8,248	9,141	11%	63,696	70,003	10%
Jan.	44,666	69,662	56%	6,770	-28,989	-528%	8,332	9,477	14%	59,767	50,149	-16%
Feb.	66,642	-	-	-37,309	-	-	9,349	-	-	38,683	-	-
March	56,804	-	-	-10,367	-	-	8,430	-	-	54,866	-	-
Total (April-March)	456,335	479725	-	7,251	7,797	-	85,192	85,411	-	548,778	572,933	-

Annexure-VI

(p-1/3)

SR	ASSESSMENT YEAR	TAX_PAID_SLAB (Advance-Tax+Self-Assessment-Tax+TDS/TCS claimed in ITR)	Total Number ITR filers (ITR-1/2/3/4/5/6/7)	Income from Salary/Pension (>0)	Income from House Property (non-zero amount)	HUF_COUNT (PAN category is HUF)	Income From Business/Profession (>0)	PROFESSION (Nature of Business is Professional)	PRESUMPTIVE (submitted ITR-4 with Income-from-business > 0)	
			TOTAL_ITRS	SALARY_COUNT	HP_COUNT	HUF_COUNT	BUSINESS_COUNT	PROFESSION_COUNT	ITR4_PRESUMPTIVE_COUNT	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1	2018-19	01-TOT_TAX_PAID_GE_0_LE_3L	Total-Tax-Paid >= 0 and <= 3 Lakh	60,356,604	29,057,516	8,034,619	1,135,942	25,608,118	2,209,448	13,787,154
2	2018-19	02-TOT_TAX_PAID_GT_3L_LE_5L	Total-Tax-Paid > 3 Lakh and <= 5 Lakh	1,029,460	678,141	348,821	12,394	344,828	50,981	41,600
3	2018-19	03-TOT_TAX_PAID_GT_5L_LE_10L	Total-Tax-Paid > 5 Lakh and <= 10 Lakh	830,275	534,144	287,896	8,338	292,707	42,286	21,071
4	2018-19	04-TOT_TAX_PAID_GT_10L_LE_20L	Total-Tax-Paid > 10 Lakh and <= 20 Lakh	357,332	195,507	105,126	3,571	155,090	20,700	4,660
5	2018-19	05-TOT_TAX_PAID_GT_20L_LE_50L	Total-Tax-Paid > 20 Lakh and <= 50 Lakh	204,152	96,521	52,875	1,868	101,169	12,941	1,092
6	2018-19	06-TOT_TAX_PAID_GT_50L_LE_100L	Total-Tax-Paid > 50 Lakh and <= 100 Lakh	59,888	23,182	16,180	406	33,439	3,679	107
7	2018-19	07-TOT_TAX_PAID_GT_100L	Total-Tax-Paid > 100 Lakh	52,714	11,590	12,375	252	35,759	3,042	34
TOTAL (All ITRs)			62,890,425	30,596,601	8,857,892	1,162,771	26,571,110	2,343,077	13,855,718	
- Latest eReturns of AY 2018-19 submitted upto 15-Feb-2021 have been taken into consideration.										
INDIVIDUALS AND HUF										
SR	ASSESSMENT YEAR	TAX_PAID_SLAB (Advance-Tax+Self-Assessment-Tax+TDS/TCS claimed in ITR)	Total Number of Individuals/HUF submitting ITR-1/2/3/4)	Income from Salary/Pension (>0)	Income from House Property (non-zero amount)	HUF_COUNT (PAN category is HUF)	Income From Business/Profession (>0)	PROFESSION (Nature of Business is Professional)	PRESUMPTIVE (submitted ITR-4 with Income-from-business > 0)	
			TOTAL_ITRS	SALARY_COUNT	HP_COUNT	HUF_COUNT	BUSINESS_COUNT	PROFESSION_COUNT	ITR4_PRESUMPTIVE_COUNT	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
1	2018-19	01-TOT_TAX_PAID_GE_0_LE_3L	Total-Tax-Paid >= 0 and <= 3 Lakh	58,243,560	29,057,516	7,995,657	1,135,927	24,576,686	2,128,726	13,787,154
2	2018-19	02-TOT_TAX_PAID_GT_3L_LE_5L	Total-Tax-Paid > 3 Lakh and <= 5 Lakh	931,306	678,141	342,177	12,393	264,236	44,995	41,600
3	2018-19	03-TOT_TAX_PAID_GT_5L_LE_10L	Total-Tax-Paid > 5 Lakh and <= 10 Lakh	728,342	534,144	280,069	8,334	208,519	35,882	21,071
4	2018-19	04-TOT_TAX_PAID_GT_10L_LE_20L	Total-Tax-Paid > 10 Lakh and <= 20 Lakh	285,088	195,507	98,512	3,571	95,702	16,556	4,660
5	2018-19	05-TOT_TAX_PAID_GT_20L_LE_50L	Total-Tax-Paid > 20 Lakh and <= 50 Lakh	146,254	96,521	47,171	1,868	54,020	9,847	1,092
6	2018-19	06-TOT_TAX_PAID_GT_50L_LE_100L	Total-Tax-Paid > 50 Lakh and <= 100 Lakh	34,828	23,182	13,423	406	13,147	2569	107
7	2018-19	07-TOT_TAX_PAID_GT_100L	Total-Tax-Paid > 100 Lakh	17,840	11,590	8,372	252	7,357	1629	34
TOTAL (Individuals/HUF - ITR-1/2/3/4)			60,387,218	30,596,601	8,785,381	1,162,751	25,219,667	2,240,204	13,855,718	

- Latest eReturns of AY 2018-19 submitted upto 15-Feb-2021 have been taken into consideration.

SR	ASSESSMENT YEAR	TAX_PAID_SLAB (Advance-Tax+Self-Assessment-Tax+TDS/TCS claimed in ITR)	Total Number of ITR filers (ITR-1/2/3/4/5/6/7)	Income from Salary/Pension (>0)	Income from House Property (non-zero amount)	HUF_COUNT (PAN category is HUF)	Income From Business/Profession (>0)	PROFESSION (Nature of Business is Professional)	PRESUMPTIVE (submitted ITR-4 with income-from-business > 0)	
	(a)	(b)	TOTAL_ITRS	SALARY_COUNT	HP_COUNT	HUF_COUNT	BUSINESS_COUNT	PROFESSION_COUNT	ITR4_PRESUMPTIVE_COUNT	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	2019-20	01-TOT_TAX_PAID_GE_0_LE_3L	Total-Tax-Paid >= 0 and <= 3 Lakh	66,448,706	31,244,765	8,998,288	1,171,697	28,916,782	957,270	16,911,052
2	2019-20	02-TOT_TAX_PAID_GT_3L_LE_5L	Total-Tax-Paid > 3 Lakh and <= 5 Lakh	1,178,877	784,632	404,544	13,491	384,714	29,500	48,491
3	2019-20	03-TOT_TAX_PAID_GT_5L_LE_10L	Total-Tax-Paid > 5 Lakh and <= 10 Lakh	979,595	643,017	343,611	9,245	333,200	28,941	24,518
4	2019-20	04-TOT_TAX_PAID_GT_10L_LE_20L	Total-Tax-Paid > 10 Lakh and <= 20 Lakh	422,183	238,194	123,069	3,889	176,779	17,770	4,453
5	2019-20	05-TOT_TAX_PAID_GT_20L_LE_50L	Total-Tax-Paid > 20 Lakh and <= 50 Lakh	235,552	114,752	61,106	2,006	113,117	12,196	64
6	2019-20	06-TOT_TAX_PAID_GT_50L_LE_100L	Total-Tax-Paid > 50 Lakh and <= 100 Lakh	69,398	27,660	18,700	435	38,189	3,888	8
7	2019-20	07-TOT_TAX_PAID_GT_100L	Total-Tax-Paid > 100 Lakh	59,943	13,628	14,364	264	40,252	3,186	2
TOTAL (All ITRs)				69,394,254	33,066,648	9,963,682	1,201,027	30,003,033	1,052,751	16,988,588
- Latest eReturns of AY 2018-19 submitted upto 15-Feb-2021 have been taken into consideration.										
INDIVIDUALS AND HUF										
SR	ASSESSMENT YEAR	TAX_PAID_SLAB (Advance-Tax+Self-Assessment-Tax+TDS/TCS claimed in ITR)	Total Number of Individuals/HUF submitting ITR-1/2/3/4)	Income from Salary/Pension (>0)	Income from House Property (non-zero amount)	HUF_COUNT (PAN category is HUF)	Income From Business/Profession (>0)	PROFESSION (Nature of Business is Professional)	PRESUMPTIVE (submitted ITR-4 with income-from-business > 0)	
	(a)	(b)	TOTAL_ITRS	SALARY_COUNT	HP_COUNT	HUF_COUNT	BUSINESS_COUNT	PROFESSION_COUNT	ITR4_PRESUMPTIVE_COUNT	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	2019-20	01-TOT_TAX_PAID_GE_0_LE_3L	Total-Tax-Paid >= 0 and <= 3 Lakh	64,216,418	31,244,765	8,957,671	1,171,697	27,870,940	876,959	16,911,052
2	2019-20	02-TOT_TAX_PAID_GT_3L_LE_5L	Total-Tax-Paid > 3 Lakh and <= 5 Lakh	1,073,557	784,632	397,359	13,491	298,822	23,010	48,491
3	2019-20	03-TOT_TAX_PAID_GT_5L_LE_10L	Total-Tax-Paid > 5 Lakh and <= 10 Lakh	868,399	643,017	335,222	9,245	242,053	22,025	24,518
4	2019-20	04-TOT_TAX_PAID_GT_10L_LE_20L	Total-Tax-Paid > 10 Lakh and <= 20 Lakh	342,755	238,194	115,768	3,889	111,695	13,218	4,453
5	2019-20	05-TOT_TAX_PAID_GT_20L_LE_50L	Total-Tax-Paid > 20 Lakh and <= 50 Lakh	172,058	114,752	54,794	2,006	61,485	8,790	64
6	2019-20	06-TOT_TAX_PAID_GT_50L_LE_100L	Total-Tax-Paid > 50 Lakh and <= 100 Lakh	41,287	27,660	15,623	435	15,430	2535	8
7	2019-20	07-TOT_TAX_PAID_GT_100L	Total-Tax-Paid > 100 Lakh	21,025	13,628	9,931	264	8,644	1628	2
TOTAL (Individuals/HUF - ITR-1/2/3/4)				66,735,499	33,066,648	9,886,368	1,201,027	28,609,069	948,165	16,988,588
- Latest eReturns of AY 2018-19 submitted upto 15-Feb-2021 have been taken into consideration.										

SR	ASSESSMENT YEAR	TAX_PAID_SLAB (Advance-Tax+Self-Assessment-Tax+TDS/TCS claimed in ITR)	Total Number ITR filers (ITR-1/2/3/4/5/6/7)	Income from Salary/Pension (>0)	Income from House Property (non-zero amount)	HUF_COUNT (PAN category is HUF)	Income From Business/Profession (>0)	PROFESSION (Nature of Business is Professional)	PRESUMPTIVE (submitted ITR-4 with income-from-business > 0)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	2020-21	01-TOT_TAX_PAID_GE_0_LE_3L	Total-Tax-Paid >= 0 and <= 3 Lakh	63,868,597	29,224,003	8,649,584	1,171,371	28,585,671	823,038	17,433,184
2	2020-21	02-TOT_TAX_PAID_GT_3L_LE_5L	Total-Tax-Paid > 3 Lakh and <= 5 Lakh	1,293,848	880,193	446,208	14,607	400,777	30,301	53,297
3	2020-21	03-TOT_TAX_PAID_GT_5L_LE_10L	Total-Tax-Paid > 5 Lakh and <= 10 Lakh	1,089,087	734,989	383,379	9,844	350,313	31,157	28,679
4	2020-21	04-TOT_TAX_PAID_GT_10L_LE_20L	Total-Tax-Paid > 10 Lakh and <= 20 Lakh	465,330	271,701	135,251	4,143	185,892	19,460	5,615
5	2020-21	05-TOT_TAX_PAID_GT_20L_LE_50L	Total-Tax-Paid > 20 Lakh and <= 50 Lakh	256,209	130,385	64,935	2,062	117,753	13,359	95
6	2020-21	06-TOT_TAX_PAID_GT_50L_LE_100L	Total-Tax-Paid > 50 Lakh and <= 100 Lakh	71,188	28,930	19,108	411	38,088	3,908	7
7	2020-21	07-TOT_TAX_PAID_GT_100L	Total-Tax-Paid > 100 Lakh	63,203	16,160	15,403	276	40,561	3,439	3
TOTAL (All ITRs)			67,107,462	31,286,361	9,713,868	1,202,714	29,719,055	924,662	17,520,880	
- Latest eReturns of AY 2020-21 submitted upto 31-May-2021 have been taken into consideration.										
INDIVIDUALS AND HUF										
SR	ASSESSMENT YEAR	TAX_PAID_SLAB (Advance-Tax+Self-Assessment-Tax+TDS/TCS claimed in ITR)	Total Number of Individuals/HUF submitting ITR-1/2/3/4)	Income from Salary/Pension (>0)	Income from House Property (non-zero amount)	HUF_COUNT (PAN category is HUF)	Income From Business/Profession (>0)	PROFESSION (Nature of Business is Professional)	PRESUMPTIVE (submitted ITR-4 with income-from-business > 0)	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1	2020-21	01-TOT_TAX_PAID_GE_0_LE_3L	Total-Tax-Paid >= 0 and <= 3 Lakh	61,584,650	29,224,003	8,609,084	1,171,371	27,545,460	743,375	17,433,184
2	2020-21	02-TOT_TAX_PAID_GT_3L_LE_5L	Total-Tax-Paid > 3 Lakh and <= 5 Lakh	1,185,369	880,193	438,762	14,607	313,836	23,706	53,297
3	2020-21	03-TOT_TAX_PAID_GT_5L_LE_10L	Total-Tax-Paid > 5 Lakh and <= 10 Lakh	973,613	734,989	374,571	9,844	256,961	24,044	28,679
4	2020-21	04-TOT_TAX_PAID_GT_10L_LE_20L	Total-Tax-Paid > 10 Lakh and <= 20 Lakh	383,698	271,701	127,911	4,143	119,589	14,720	5,615
5	2020-21	05-TOT_TAX_PAID_GT_20L_LE_50L	Total-Tax-Paid > 20 Lakh and <= 50 Lakh	190,910	130,385	58,259	2,062	65,031	9,987	95
6	2020-21	06-TOT_TAX_PAID_GT_50L_LE_100L	Total-Tax-Paid > 50 Lakh and <= 100 Lakh	42,887	28,930	16,072	411	15,371	2540	7
7	2020-21	07-TOT_TAX_PAID_GT_100L	Total-Tax-Paid > 100 Lakh	24,104	16,160	10,970	276	9,112	1812	3
TOTAL (Individuals/HUF - ITR-1/2/3/4)			64,385,231	31,286,361	9,635,629	1,202,714	28,325,360	820,184	17,520,880	
- Latest eReturns of AY 2020-21 submitted upto 31-May-2021 have been taken into consideration.										

Annexure VII

	Revised Targets for FY 2020-21	Actual collection for FY 2020-21	Percentage of Target achieved	Revised Targets for FY 2021-22	Actual Collection for FY 2021-22 (April - January)	Percentage of Target achieved till January 2022	Target for FY 2022-23 (BE)
Customs duty	1,12,000	1,34,750	120%	1,89,000	1,67,821	89%	2,13,000
Central Excise duty	3,61,000	3,89,667	108%	3,94,000	3,33,174	85%	3,35,000
ST(arrears)	1,400	1,615	115%	1,000	656	66%	2,000
Total (Non-GST)	4,74,400	5,26,032	111%	5,84,000	5,01,651	86%	5,50,000
CGST	4,31,000	4,56,334	106%	5,70,000	4,79,725	84%	6,60,000
IGST	-	7,251	-	-	7,797	-	-
GST-Comp. Cess	84,100	85,192	101%	1,05,000	85,411	81%	1,20,000
Total (GST)	5,15,100	5,48,777	107%	6,75,000	5,72,933	85%	7,80,000
Total Net[GST+Non-GST]	9,89,500	10,74,810	109%	12,59,000	10,74,584	85%	13,30,000

Minutes of the Tenth sitting of the Standing Committee on Finance (2021-22) The Committee sat on Wednesday, the 23rd February, 2022 from 1500hrs. to 1730 hrs in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Jayant Sinha – Chairperson

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Subhash Chandra Baheria
4. Dr. Subhash Ramrao Bhamre
5. Shri Gaurav Gogoi
6. Shri Manoj Kotak
7. Shri Pinaki Misra
8. Shri Gopal Shetty
9. Shri Parvesh Sahib Singh
10. Shri Manish Tewari

RAJYA SABHA

11. Shri Ahmad Ashfaque Karim
12. Shri Praful Patel
13. Dr. Amar Patnaik
14. Shri Mahesh Poddar
15. Smt. Ambika Soni

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Shri Siddharth Mahajan | - | Joint Secretary |
| 2. | Shri Ramkumar Suryanarayanan | - | Director |
| 3. | Shri Kulmohan Singh Arora | - | Additional Director |
| 4. | Shri Kh. Ginalal Chung | - | Deputy Secretary |

WITNESSES

Ministry of Finance (Department of Revenue)

1. Shri Tarun Bajaj, Secretary
2. Shri Vivek Aggarwal, Additional Secretary
3. Ms. Meera Swarup, SS & FA
4. Shri J.B. Mohapatra, Chairman (CBDT)
5. Shri Vivek Johri, Chairman (CBIC)
6. Shri D.P. Nagendra Kumar, Member (GST), CBIC
7. Shri Rajiv Talwar, Member (Customs), CBIC
8. Ms. Anuja Sarangi, Member (Admn. & Faceless Scheme), CBDT
9. Shri Nitin Gupta, Member (Inv.), CBDT
10. Ms. Pragya Sahay Saksena, (Member (L&S), CBDT
11. Shri Pankaj Vidyarthi, Pr. DGIT (Admn. & TPS), CBDT
12. Shri Ritvik Pandey, Joint Secretary (Revenue)
13. Shri Kamlesh C Varshney, JS (TPL-I), CBDT
14. Shri Raman Chopra, JS (TPL-II), CBDT
15. Shri G.D. Lohani, Joint Secretary (TRU), CBIC
16. Ms. Veena Joshi, ADG (Exp. Budget), CBIC
17. Shri Sanjay Mangal, Commissioner (GST), CBIC

2. At the outset, the Chairperson welcomed the Members and the witnesses to the sitting of the Committee. After the customary introduction of the witnesses the Secretary, Department of Revenue briefed the Committee on various aspects related to Demands for Grants (2022-23) of the Ministry of Finance (Department of Revenue). The major issues discussed, *inter-alia*, included GST collection/enforcement measures, GST compensation to States, extension of tenure for providing GST compensation to states, Direct and Indirect Tax refunds, Tax disputes held up in courts / various fora, Dispute Redressal Committee for small tax payers, export promotion schemes – RoDTEP & RoSCTL Schemes, Secret Service expenditure, deepening and expanding tax base of the country, Advance Tax, TDS & TCS, inverted duty structure, search and seizures, Enforcement Directorate, Tax on virtual assets, travails of individual tax payer, Deemed

Resident in India, encryption of people's tax returns (data security), capital gains, indirect tax incidence pre and post GST, need to simplify the tax regime and vacancies in CBDT and CBIC.

3. The witnesses responded to the queries raised by the Members on different issues. As many of the queries of Members remained unanswered, the Chairperson directed the representatives of the Ministry of Finance (Department of Revenue) to furnish written replies to the points raised by the Members during the discussion before 14th March to the Secretariat.

The witnesses then withdrew.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.

Minutes of the Thirteenth sitting of the Standing Committee on Finance (2021-22)
The Committee sat on Monday, the 14th March, 2022 from 1500hrs. to 1630 hrs. in
Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Jayant Sinha – Chairperson

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Subhash Chandra Baheria
4. Shri Shrirang Appa Barne
5. Dr. Subhash Ramrao Bhamre
6. Smt. Sunita Duggal
7. Shri Manoj Kotak
8. Shri Ravi Shankar Prasad
9. Shri Gopal Shetty
10. Shri Manish Tewari
11. Shri Rajesh Verma

RAJYA SABHA

12. Shri Sushil Kumar Modi
13. Shri A. Navaneethakrishnan
14. Shri Praful Patel
15. Dr. Amar Patnaik
16. Shri Mahesh Poddar
17. Shri G.V.L. Narasimha Rao

SECRETARIAT

- | | | | |
|----|------------------------------|---|---------------------|
| 1. | Shri Siddharth Mahajan | - | Joint Secretary |
| 2. | Shri Ramkumar Suryanarayanan | - | Director |
| 3. | Shri Kulmohan Singh Arora | - | Additional Director |
| 4. | Shri Kh. Ginlal Chung | - | Deputy Secretary |

3. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the Committee took up the following draft reports for consideration and adoption:

- (i) Fortieth Report on Demands for Grants (2022-23) of the Ministry of Finance (Departments of Economic Affairs, Expenditure, Financial Services, Investment & Public Asset Management and Public Enterprises).
- (ii) Forty-First Report on Demands for Grants (2022-23) of the Ministry of Finance (Department of Revenue).
- (iii) Forty-Second Report on Demands for Grants (2022-23) of the Ministry of Corporate Affairs.
- (iv) Forty-Third Report on Demands for Grants (2022-23) of the Ministry of Planning.
- (v) Forty-Fourth Report on Demands for Grants (2022-23) of the Ministry of Statistics and Programme Implementation.

After some deliberations, the Committee adopted the 40th to 44th draft Reports on DFG (2022-23) and authorised the Chairperson to finalise them and present the Reports to the Parliament. The Committee decided to defer adoption of the Report on 'the Chartered Accountants, the Cost and Works Accountants and the Company Secretaries (Amendment) Bill, 2021' as some Members sought more time to consider the various issues related to the Bill.

The Committee then adjourned.

A verbatim record of the proceedings has been kept.