**PRESS INFORMATION BUREAU**
**GOVERNMENT OF INDIA**
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# STATEMENT BY REVENUE SECRETARY REGARDING PAYMENT OF INDIRECT TAXES; URGES ALL ASSESSEES TO ENSURE THAT THEY MAKE TIMELY AND CORRECT PAYMENT OF CUSTOMS DUTY, CENTRAL EXCISE DUTY AND SERVICE TAX FOR CONTINUED TRADE FACILITATION

**New Delhi, Pausa 12, 1934**
**January 2, 2013**

The text of the Revenue Secretary Shri Sumit Bose's Statement made to the media today is as follows:

The Finance Minister has consistently emphasized that clarity in tax laws, a stable tax regime, a non-adversarial tax administration, a fair mechanism for dispute resolution, and an independent judiciary will provide great assurance to investors. While our Department is making every possible effort to facilitate trade and industry, a number of tax payers/assessees are still not doing their part by paying their due taxes in a timely manner and complying with the law.

It has been observed that a number of Central Excise assessees continue removing goods clandestinely, sometime even without registration, misusing CENVAT Credit or simply not paying Central Excise duties which are due to the Government, in disregard of the law. We are keeping a very close watch on such elements. They are advised to come forward to pay all due taxes and avail of the benefit of reduced penalty. If they fail to do so, they should be ready for the consequences which include:

- Recovery of duty along with interest and penalty up to 100%.
- Suspension of CENVAT Credit
- Provisional attachment of property, and
- Arrest and Prosecution

In case of Service Tax, all services are taxable With effect from 1.7.2012, except those in the Negative List and exempted services. However, a number of service providers who should be paying service tax now have not yet registered themselves. It is also noticed that **more than half of the service providers** who are registered with us are not filing returns. The Department has also gathered information that a number of service providers are collecting service tax from the receivers of service but not depositing the tax with the Government. Let me warn them that all such service providers will not only be liable to pay the service tax along with interest and penalty which may be equal to the service tax evaded, but they can also be prosecuted for these offences. Money due to them from a third party can also be appropriated by the Government.

On the Customs side, we have seen that some importers and exporters are indulging in under-invoicing in import/over-invoicing in exports and mis-declaration of goods and are misusing exemptions and various incentive schemes, to evade customs duty. When 70 per cent of the consignments are being cleared by Customs on self assessment basis, without any assessment and examination by the Department, it is incumbent upon the importers/exporters to discharge their correct duty liability. Some unscrupulous elements are already on the radar of DRI and intelligence wings of Customs houses. Such importers and exporters should be ready to face legal consequences including arrest and prosecution besides payment of duty with interest, fine and penalty up to 100% of duty evaded. The only window for them is to come forward and deposit the duty now and avail of the benefit of reduced penalty.

In these times of electronic availability of transactional and financial data from various sources on real time basis, let me emphasize that it is not difficult for the tax authorities to reach the doors of those who are evading tax payment.

The Government would urge all assessees to ensure that they make timely and correct payment of customs duty, central excise duty and service tax for continued trade facilitation.

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