

Chapter I

Central Excise and Service Tax Administration

1.1 Resources of the Union Government

The resources of Government of India include all revenues received by the Union Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans. Tax revenue resources of the Union Government consist of revenue receipts from Direct and Indirect Taxes. Table 1.1 below shows the summary of resources for the financial year 2017-18 (FY18) and FY17.

Table 1.1: Resources of the Union Government

	(₹ in crore)	
	FY18	FY17
A. Total Revenue Receipts	23,64,148	22,23,988
i. Direct Tax Receipts	10,02,738	8,49,801
ii. Indirect Tax Receipts including other taxes	9,16,445	8,66,167
iii. Non-Tax Receipts	4,41,383	5,06,721
iv. Grants-in-aid & contributions	3,582	1,299
B. Miscellaneous Capital Receipts ²	1,00,049	47,743
C. Recovery of Loans and Advances ³	70,639	40,971
D. Public Debt Receipts ⁴	65,54,002	61,34,137
Receipts of Government of India (A+B+C+D)	90,88,838	84,46,839

Source: Union Finance Accounts of respective years.

Note: Direct Tax receipts and Indirect Tax receipts including other taxes have been worked out from the Union Finance Accounts. Total Revenue Receipts include ₹ 6,73,005 crore in FY18 and ₹ 6,08,000 crore in FY17, share of net proceeds of Direct and Indirect Taxes directly assigned to states.

The total receipts of the Union Government increased to ₹ 90,88,838 crore in FY18 from ₹ 84,46,839 crore in FY17. In FY18, its own receipts were ₹ 23,64,148 crore, an increase of ₹ 1,40,160 crore which is an increase of 6.30 per cent over the previous year. This included Gross Tax receipts of ₹ 19,19,183 crore of which Indirect Tax receipts including other taxes accounted for ₹ 9,16,445 crore.

1.2 Nature of Indirect Taxes

The Audit Report is based on the audit conducted up to the FY18 and covers transactions involving levy and collection of Central Excise and Service Tax. The major indirect taxes in vogue as on that date are discussed below:

- a) **Central Excise duty:** Central Excise duty is levied on manufacture or production of goods in India. Parliament has powers to levy excise

² This comprises of value of bonus share, disinvestment of public sector and other undertakings and other receipts;

³ Recovery of loans and advances made by the Union Government;

⁴ Borrowing by the Government of India internally as well as externally.

duties on tobacco and other goods manufactured or produced in India except alcoholic liquors for human consumption, opium, Indian hemp and other narcotic drugs and narcotics but including medicinal and toilet preparations containing alcohol, opium etc. (Entry 84 of List 1 of the Seventh Schedule of the Constitution).

- b) Service Tax:** Service Tax was levied on services provided within the taxable territory (Entry 97 of List 1 of the Seventh Schedule of the Constitution). Service Tax was a tax on services rendered by one person to another. Section 66B of the Finance Act, 1994 envisaged that there shall be a tax levied at the rate of 14 per cent on the value of all services, other than those specified in the negative list, provided or agreed to be provided in the taxable territory by one person to another and collected in such manner as may be prescribed.⁵ 'Service' had been defined in section 65B (44) of the Finance Act, 1994 to mean any activity for consideration (other than the items excluded therein) carried out by a person for another and to include a declared service.⁶
- c) Customs duty:** Customs duty is levied on import of goods into India and on export of certain goods out of India (Entry 83 of List 1 of the Seventh Schedule of the Constitution).
- d) Goods and Service Tax:** Goods and Service Tax (GST) is a tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption (article 366(12A) of Constitution of India) in India with effect from 1 July 2017 (including Jammu and Kashmir with effect from 8 July 2017). Central Excise duty (except five Petroleum products), Service Tax, Countervailing duty (CVD), Special Additional duty (SAD) components of customs and most of the indirect taxes of states (excluding alcoholic liquor for human consumption) have been subsumed into GST. Central Excise duty is continued on five Petroleum products as these products are out of GST at present and will be brought under GST later. Tobacco products are subject to Central Excise and GST both. GST is a consumption based tax i.e. tax is payable in the state where goods or services or both are finally consumed. In addition to GST, a cess named GST Compensation Cess is levied on some goods i.e. Tobacco products, Coal, Aerated water, Motor cars etc.

⁵ Section 66B was inserted by the Finance Act, 2012 with effect from 1 July 2012; section 66D lists the items the negative list comprises of.

⁶ Section 66E of the Finance Act, 1994 lists the declared services.

There are three components of GST as follows:

- **Central Goods and Service Tax (CGST):** payable to the Central Government on supply of goods and service within state/union territory.
- **State/Union territory Goods and Service Tax (SGST/UTGST):** payable to the State/Union territory Government on supply of goods and service within state/Union territory.
- **Integrated Goods and Service Tax (IGST):** In case of inter-state supply of goods and services, IGST is levied by Government of India. Equivalent IGST is also levied on imports into India. IGST shall be apportioned between the Union and the States in the manner as may be provided by Parliament by law on the recommendations of the Goods and Services Tax Council.

This chapter discusses trends, composition and systemic issues in Central Excise and Service Tax using data from finance accounts, departmental accounts and relevant data available in public domain.

1.3 Organisational Structure

The Department of Revenue (DoR) of Ministry of Finance (MoF) functions under the overall direction and control of the Secretary (Revenue) and coordinates matters relating to all the Direct and Indirect Union Taxes through two statutory Boards namely, the Central Board of Indirect Taxes and Customs (CBIC) formerly Central Board of Excise and Customs (CBEC) and the Central Board of Direct Taxes (CBDT) constituted under the Central Board of Revenue Act, 1963. Matters relating to the levy and collection of Central Excise, Service Tax and GST are looked after by the CBIC.

Indirect Tax laws are administered by the CBIC through its field offices, the Commissionerates. For this purpose, in view of implementation of GST, the country is divided, with effect from 16 June 2017, into 21 Zones of GST headed by the Principal Chief Commissioner/Chief Commissioner. Under these 21 Zones, there are 107 Central Goods and Service Tax Commissionerates that deal with GST and Central Excise and headed by the Principal Commissioner/Commissioner. Divisions and Ranges are the subsequent formations, headed by Deputy/Assistant Commissioner and Superintendents respectively. Apart from these Central Goods and Service Tax Commissionerates, there are 49 GST Appeal Commissionerates, 48 GST Audit Commissionerates and 22 Directorates General/Directorates dealing with specific function.

The overall sanctioned staff strength of the CBIC was 91,628 as on 1 January, 2018.

1.4 Growth of Indirect Taxes - Trends and Composition

Table 1.2 depicts the relative growth of Indirect Taxes during FY14 to FY18.

Table 1.2: Growth of Indirect Taxes

Year	Indirect Taxes*	GDP	Indirect Taxes as per cent of GDP	₹ in crore)	
				Gross Tax revenue	Indirect Taxes as per cent of Gross Tax revenue
FY14	4,97,349	1,13,45,056	4.38	11,38,996	43.67
FY15	5,46,214	1,25,41,208	4.36	12,45,135	43.87
FY16	7,10,101	1,35,76,086	5.23	14,55,891	48.77
FY17	8,62,151	1,51,83,709	5.68	17,15,968	50.24
FY18	9,13,486	1,67,73,145	5.45	19,19,184	47.59

Source: Tax revenue - Union Finance Accounts, GDP – Press note of CSO⁷. *Indirect Taxes includes, Revenue from CX, ST, GST, Customs and other taxes on commodity and services.

It is observed that Indirect tax collection, inclusive of GST compensation cess, increased by ₹ 51,335 crore (5.95 per cent) in FY18 in comparison to FY17. As a percentage of GDP it decreased to 5.45 per cent in FY18 from 5.68 per cent in FY17. Its share in Gross Tax revenue also decreased to 47.59 per cent in FY18 from 50.24 per cent in FY17.

1.5 Indirect Taxes – Relative Contribution

Table 1.3 depicts the trajectory of the major Indirect Tax components in GDP terms for the period FY14 to FY18.

Table 1.3: Indirect Taxes – percentage of GDP

Year	GDP	CE revenue	ST revenue	GST revenue	(CE+ST+GST) revenue	₹ in crore)		
						(CE+ST+GST) revenue as per cent of GDP	Custom revenue	Custom revenue as per cent of GDP
FY14	1,13,45,056	1,69,455	1,54,780		3,24,235	2.86	1,72,085	1.52
FY15	1,25,41,208	1,89,038	1,67,969		3,57,007	2.85	1,88,016	1.50
FY16	1,35,76,086	2,87,149	2,11,415		4,98,564	3.67	2,10,338	1.55
FY17	1,51,83,709	3,80,495	2,54,499		6,34,994	4.18	2,25,370	1.48
FY18	1,67,73,145	2,58,636	81,229	4,44,197	7,84,062	4.67	1,29,030	0.77

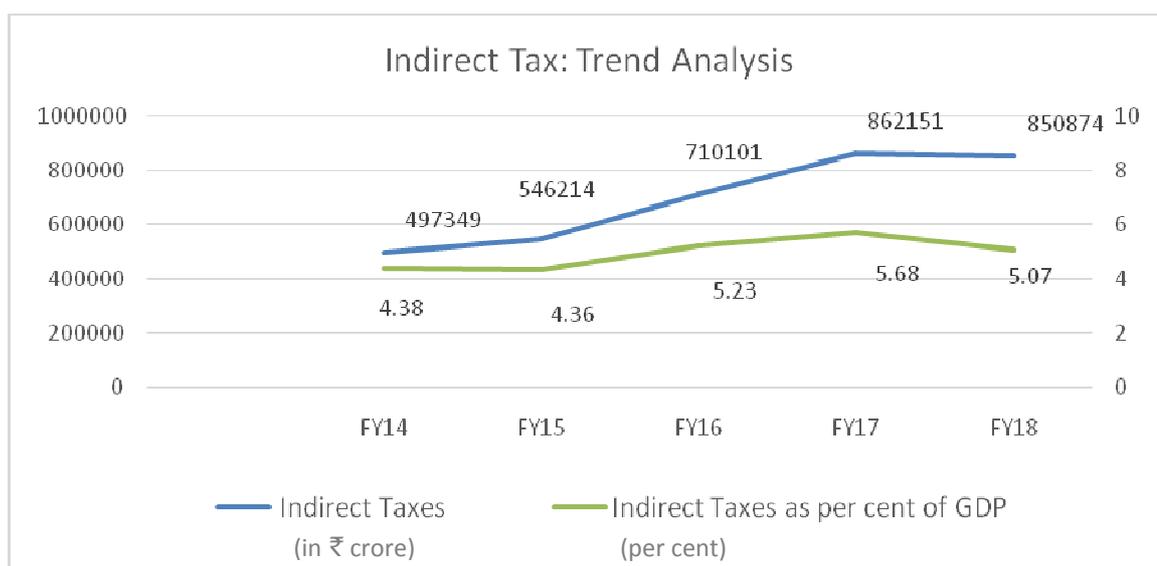
Source: Figures of tax receipts are as per Union Finance Accounts of respective years.

GST revenue included CGST (₹ 2,03,261 Cr.), IGST (₹ 1,76,688 Cr.), UTGST (₹ 1,635 Cr.) and Compensation cess (₹ 62,612 Cr.).

⁷ Press note on GDP released on 31 May 2018 by Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation.

However, for the purpose of trend analysis of Indirect Taxes vis-a-vis GDP and comparison with previous years revenue, GST compensation Cess, amounting ₹ 62,612 crore should be excluded from the GST revenue as the Section 10(1) of the GST (Compensation to the States) Act, 2017, provides that proceeds of GST Cess leviable shall be credited to the non-lapsable Fund known as the Goods and Services Tax Compensation Fund, which shall form part of the Public Account of India. Accordingly, after excluding GST compensation Cess from the GST revenue, it is observed that in FY18 there is a decrease of ₹ 11,277 crore from FY17 in the Indirect Tax receipts⁸ as shown in figure 1.1 below. One of the reasons for the decrease in indirect tax receipts from the previous year is that GST for the month of March is collected in the subsequent month, unlike Central Excise and Service Tax which were collected in the month of March itself. The GST for the month of March 2018, amounting to ₹ 32,179 crore⁹, was collected in April 2018.

Chart 1.1: Indirect Taxes – Trend Analysis



1.6 Central Excise and Service Tax Receipts vis-à-vis CENVAT Credit Utilised

A manufacturer and Service provider can avail credit of duty of Central Excise paid on inputs or capital goods as well as Service Tax paid on input services and can utilise credit so availed in payment of Central Excise duty and Service Tax.

⁸ Indirect Tax includes Central Excise, Service Tax, Customs and other taxes on commodity and services.

⁹ CGST for the Month of April 2018 is ₹ 32,089 crore and UGST for the month of April 2018 is ₹ 90 crore.

Table 1.4 depicts Central Excise collections through Personal Ledger Account (PLA) i.e. cash and CENVAT credit during FY16 to FY18.

Table 1.4: Central Excise receipts: PLA and CENVAT utilisation

(₹ in crore)

Year	CE duty paid through PLA		CE duty paid through CENVAT credit		CE duty paid from CENVAT credit as per cent of PLA payments
	Amount#	Per cent increase from previous year	Amount*	Per cent increase from previous year	
FY16	2,87,149	51.90	3,10,335	6.39	108.07
FY17	3,80,495	32.51	3,39,274	9.33	89.17
FY18	2,58,636	(-)32.03	99,808	(-)70.58	38.59

Source: # Union Finance Accounts of respective years.

* Figures furnished by the Ministry.

It is observed that Central Excise revenue paid through PLA showed negative growth in FY18. This is due to the fact that after GST implementation from 1 July 2017, all commodities, except five petroleum products and tobacco products, had been subsumed in the GST. It is also observed that the Central Excise duty paid from CENVAT credit as per cent of PLA payment has also decreased in FY18.

Table 1.5 depicts the growth of Service Tax collections through PLA and CENVAT credit during FY16 to FY18.

Table 1.5: Service Tax receipts: PLA and CENVAT utilisation

(₹ in crore)

Year	ST duty paid through PLA		ST duty paid through CENVAT credit		ST paid from CENVAT credit as per cent of PLA payments
	Amount#	Per cent increase from previous year	Amount*	Per cent increase from previous year	
FY16	2,11,415	25.87	1,10,823	34.22	52.42
FY17	2,54,499	20.38	1,24,057	11.94	48.75
FY18	81,229	(-)68.08	38,915	(-)68.63	47.91

Source: # Union Finance Accounts of respective years. Figures of FY18 are provisional. * Figures furnished by the Ministry.

After implementation of GST with effect from 1 July 2017, Service Tax has been subsumed in the GST. Therefore, figures for Service Tax revenue and CENVAT utilisation showed negative growth in comparison to the previous years. It is also observed that the percentage of Service Tax paid from CENVAT credit as per cent of PLA payments also showed negative growth in FY18.

1.7 Central Excise Revenue from Major Commodities

After the implementation of GST, five petroleum products (crude oil, diesel, petrol, natural gas and air turbine fuel) and tobacco products¹⁰ are kept After

¹⁰ Tobacco products are subject to both Central Excise and GST.

under the purview of Central Excise. However, vide Notification No. 11/2017-Central Excise, dated 30 June 2017, the effective Central Excise duty, from 1st July 2017, on tobacco products, which is subject to both Central Excise and GST, was Nil. Central Excise revenue from these two categories of commodities during FY18 is shown in table 1.6¹¹.

Table 1.6: Revenue from Petroleum and Tobacco commodities
(₹ in crore)

Commodities	FY16	FY17	FY18
Petroleum products	1,80,734	2,43,748	2,43,592
Tobacco products	21,463	19,846	6,010
Others	84,952	1,16,901	9,034
Total	2,87,149	3,80,495	2,58,636

Source: Figures provided by the Ministry in the DDM-CE-1 return.

The reason for decline in Central Excise revenue from the tobacco products is that after implementation of GST, with effect from 1 July 2017, GST and GST compensation cess are being levied on the tobacco products and the effective Central Excise duty has been brought to nil.

In respect of Central Excise revenue from the petroleum products it was observed there was an increase of ₹ 63,014 crore in FY17 from the previous year. However, there is no increment in the revenue from the petroleum sector in FY18 from FY17. When requested, Ministry attributed (March 2019) slight shortfall of revenue in petroleum sector to the reduction in the rate of duty on Motor Spirit and High Speed Diesel by ₹ 2 per litre from October 2017.

1.8 Budget Estimate Vs Actual Receipts

Tables 1.7 and 1.8 depict a comparison of the Budget Estimates and the corresponding actuals for Central Excise, Service Tax and GST receipts.

Table 1.7: Budget, Revised estimates and Actual receipts (CE, ST and GST)

(₹ in crore)

Year	Budget estimates		Revised budget estimates			Actual receipts		
	CE	ST	CE	ST	GST	CE	ST	GST
FY14	1,97,554	1,80,141	1,79,537	1,64,927		1,69,455	1,54,780	
FY15	2,07,110	2,15,973	1,85,480	1,68,132		1,89,038	1,67,969	
FY16	2,29,809	2,09,774	2,84,142	2,10,000		2,87,149	2,11,415	
FY17	3,18,670	2,31,000	3,87,369	2,47,500		3,80,495	2,54,499	
FY18	4,06,900	2,75,000	2,76,995	79,507	4,44,631	2,58,636	81,229	4,44,197

Source: Union Finance Accounts and receipt budget documents of respective years.

It is observed that budget estimates were made for Central Excise and Service Tax while revised estimates were made after implementation of GST and

¹¹ The Ministry provided the latest revenue figures from the petroleum sector in the form DDM-CE-1, which are different from the figures provided earlier.

accordingly revised estimates for Central Excise and Service Tax were reduced. Actual revenue collection in comparison to revised estimates was short in Central Excise by ₹ 18,359 crore (6.63 per cent), excess by ₹ 1,722 crore (2.17 per cent) in Service Tax and short by ₹ 484 crore (0.10 per cent) in GST.

Table 1.8: Variation between budget estimates and actual receipts (CE, ST and GST)

(₹ in crore)							
Year	Budget estimates (CE+ST)	Revised budget estimates (CE+ST+GST)	Actual receipts (CE+ST+GST)	Diff. between actuals and BE	Diff. between actuals and RE	Percentage variation between actuals and BE	Percentage variation between actuals and RE
FY14	3,77,695	3,44,464	3,24,235	(-)53,460	(-)20,229	(-)14.15	(-)5.87
FY15	4,23,083	3,53,612	3,57,007	(-)66,076	3,395	(-)15.62	0.96
FY16	4,39,583	4,94,142	4,98,564	58,981	4,422	13.42	0.89
FY17	5,49,670	6,34,869	6,34,994	85,324	125	15.52	0.02
FY18	6,81,900	8,01,133	7,84,062	1,02,162	(-)17,071	14.98	(-)2.13

Source: Union Finance Accounts and receipt budget documents of respective years. Figures of actual receipts of FY18 are provisional.

Actual revenue of CE, ST and GST in FY18 was short by ₹17,071 crore (2.13 per cent) from revised estimates while in comparison to budget estimates it was ₹ 1,02,162 crore (14.98 per cent) more.

1.9 Central Excise Revenue Forgone under Central Excise Act, 1944

Central Government has been granted powers under Section 5A(1) of the Central Excise Act, 1944 to issue exemption notifications in public interest so as to prescribe duty rates lower than the tariff rates prescribed in the Schedules. The rates prescribed by exemption notifications are known as the “effective rates”. Revenue forgone is defined as the difference between the duty that would have been payable but for the exemption notification and the actual duty paid in terms of the said notification and till budget for FY17 was calculated in the following manner:

- In cases where the tariff and effective rates of duty are specified as ad valorem rates - **Revenue forgone= Value of goods X (Tariff rate of duty - Effective rate of duty).**
- In cases where the tariff rate is on ad valorem basis but the effective duty is levied at specific rates in terms of the exemption notification, then – **Revenue forgone = (Value of goods X Tariff rate of duty) - (Quantity of goods X Effective rate of specific duty).**
- In cases where the tariff rates and effective rates are a combination of ad valorem and specific rates, revenue forgone is calculated accordingly.

- In all cases, where the tariff rate of duty equals the effective rate, revenue forgone will be zero.

From budget for FY18, the methodology to calculate the revenue impact of tax incentives on the Central Excise was modified. The rates imposed by unconditional notifications had been considered as *de facto* tariff rates and excluded from calculation of revenue forgone. The revenue forgone was then only on account of conditional exemptions which allowed reduced rates vis-a-vis the tariff rates or the *de facto* tariff rate.

Table 1.9 depicts figures of Central Excise related revenue forgone during last five years as reported in budget documents of the Union Government.

Table 1.9: Central Excise receipts and total revenue forgone

(₹ in crore)			
Year	Central Excise receipts [§]	Revenue forgone*	Revenue forgone as per cent of Central Excise receipts
FY14	1,69,455	1,96,223	115.80
FY15	1,89,038	1,96,789	104.10
FY16	2,87,149	79,183	27.58
FY17	3,80,495	71,164	18.70
FY18	2,58,636	-	-

Source: [§]Union Finance Accounts, figures for FY 18 are provisional. *Union Receipts Budget. FY16 and FY17 figures as recast and reflected in Budget document of FY18.

In the Receipt Budget FY19, Government reported that excise duty had been subsumed in GST¹², the revenue impact of tax incentives for excise has been discontinued from FY18 onwards. It has also been reported that the revenue impact of exemptions under GST would be provided from Budget of FY20 onwards.

1.10 Service Tax Revenue Forgone under Finance Act, 1994

A perusal of the budget documents revealed that details of revenue foregone for Direct Taxes and other Indirect Taxes such as Central Excise and Customs have been laid before Parliament each year during the respective budget commencing with the budget of FY07. However, the revenue foregone in respect of Service Tax is not available in the budget documents. In reply to the similar issue pointed out in paragraph No. 1.12 of Audit Report No. 6 of 2014, the Ministry replied that the figure was not being maintained due to absence of adequate data.

The same issue was examined by the Tax Administration Reform Commission, in its third report (November 2014) and it was mentioned that for Service

¹² Except on tobacco products and five petroleum products (crude oil, diesel, petrol, natural gas and air turbine fuel).

Tax, the Department should consider ways to estimate revenue foregone figures and do a gap analysis.

However, no action had been taken in this regard as revenue forgone under Service Tax had not been calculated by the Department.

1.11 Tax Base in Central Excise, Service Tax and GST

"Assessee" means any person who is liable for payment of Central Excise duty as a producer or manufacturer of excisable goods or a registered person of a private warehouse in which excisable goods are stored and includes an authorised agent of such person as per definition in Rule 2 (c) of Central Excise Rules, 2002 or any person who is liable to pay Service Tax and includes his agent as per definition in Section 65(7) of the Finance Act, 1994 (as amended).

In respect of GST, as per the Section 2(107) of the CGST Act, 2017, "taxable person" means a person who is registered or liable to be registered under Section 22 or Section 24 of the CGST Act, 2017.

Table 1.10 depicts the data of the number of persons registered with the CBIC and GST registrations.

Table 1.10: Tax base in Central Excise, Service Tax and GST

Year	No. of registered assessees (CE)	No. of registered assessees (ST)	Total assessees (CX & ST)	No. of registered assessees (GST)	Per cent growth over previous year
FY14	4,35,213	22,73,722	27,08,935		-
FY15	4,67,286	25,26,932	29,94,218		10.53
FY16	4,98,273	28,28,361	33,26,634		11.10
FY17	5,27,534	31,60,281	36,87,815		10.86
FY18 (Jun 17)	5,39,203	32,47,480	37,86,683		-
FY18 (Mar 18)	5,39,725	32,48,014	37,87,739	1,05,05,913	-

Source: Figures furnished by the Ministry.

It is observed that number of registered assessees increased during all five years. After the implementation of GST the number of registered assessees, as on 31 March 2018, were 1,05,05,913. But the tax base under Central Excise and Service Tax is not comparable with the GST tax base. It is due to the fact that GST registrants include registered assessees of State VAT regime who now migrated to GST. Out of 1,05,05,913 assessees, 41,16,360 new assessees had been registered under GST. The total registered assessees of GST have been divided into CBIC and State Tax Departments. The basis of such bifurcation is that all the migrated assessees paying GST less than ₹ 1.5 crore have been divided in the ratio of 90:10 between States and Centre and the migrated assessees paying GST more than ₹ 1.5 crore and new

registrants have been divided in the ratio of 50:50 between States and Centre. Accordingly, as on 31 March 2018, the total number of GST registrants under CBIC administration were 32,11,352.

1.12 Revenue Realised because of Anti-Evasion Measures

Both, Director General of Central Excise Intelligence (DGCEI) (Now Directorate General of Goods and Service Tax Intelligence) as well as the Central Excise and Service Tax Commissionerates have well-defined roles in the task of detection of cases of evasion of Central Excise duty and Service Tax. While the Commissionerates, with their extensive database about units in their jurisdiction and presence in the field, are the first line of defence against duty evasion, DGCEI specialises in collecting specific intelligence about evasion of substantial revenue. The intelligence so collected is shared with the Commissionerates. Investigations are also undertaken by DGCEI in cases having all India ramifications. Table 1.11 depicts the performance of DGCEI during last three years.

Table 1.11: Anti-evasion performance of DGCEI in respect of Central Excise and Service Tax during last three years

(₹ in crore)

Year	Central Excise			Service Tax		
	Detection		Voluntary payment during Investigation	Detection		Voluntary payment during Investigation
	No. of cases	Amount		No. of cases	Amount	
FY16	2,366	5,297	804	7,519	18,971	4,658
FY17	2,127	5,773	795	8,085	17,846	5,313
FY18	903	6,440	359	5,319	24,243	3,564

Source: Figures furnished by the Ministry.

It is observed that number of cases detected by DGCEI in FY18 decreased from 2,127 to 903 in Central Excise and from 8,085 to 5,319 in Service Tax in comparison to FY17, though amount involved has increased from ₹ 5,773 crore to ₹ 6,440 crore in Central Excise and from ₹ 17,846 crore to ₹ 24,243 crore in Service Tax. Voluntary payment during investigation has, however, decreased from ₹ 795 crore to ₹ 359 crore (54.84 per cent) in Central Excise and from ₹ 5,313 crore to ₹ 3,564 crore (32.91 per cent) in Service Tax.

1.13 Revenue Collection due to Departmental Efforts

There are various methods by which the Department collects the revenue due but not paid by the taxpayers. These methods include Scrutiny of Returns, Internal Audit, Anti-Evasion, Adjudication etc.

The result of departmental efforts is shown in Table 1.12.

Table 1.12: Revenue recovered by departmental efforts

(₹ in crore)

Sl. No.	Departmental action	Central Excise		Service Tax	
		Recovery during FY17	Recovery during FY18	Recovery during FY17	Recovery during FY18
1	Internal audit	304	219	500	386
2	Anti-Evasion	382	159	1,620	1,153
3	Confirmed Demands	1,043	577	650	897
4	Pre-deposits	368	575	525	502
5	Scrutiny of Returns	291	77	234	179
6	Recovery from Defaulters	3,486	1,093	1,106	470
7	Provisional Assessment	64	11	3	9
8	Others	174	125	379	425
	Total	6,112	2,836	5,017	4,021

Source: Figures furnished by the Ministry.

Total Central Excise and Service Tax collection during FY18 was ₹ 2,58,636 crore and ₹ 81,229 crore, respectively. Out of which, only ₹ 2,836 crore (1.09 per cent) in Central Excise and ₹ 4,021 (4.95 per cent) in Service Tax were recovered due to the departmental efforts. Further, figures of revenue collection shown under Anti-Evasion in Table 1.12 for FY17 and FY18 do not tally with the amount relating to same category shown in Table 1.11.

1.14 Cost of Collection

Table 1.13 depicts the cost of collection vis-a-vis the revenue collection.

Table 1.13: Central Excise and Service Tax receipts and cost of collection

(₹ in crore)

Year	Receipts from Central Excise	Receipts from Service Tax	Receipts from GST (CGST+IGST)	Total receipts	Cost of collection	Cost of collection as % of total receipts
FY14	1,69,455	1,54,780		3,24,235	2,635	0.81
FY15	1,89,038	1,67,969		3,57,007	2,950	0.83
FY16	2,87,149	2,11,415		4,98,564	3,162	0.63
FY17	3,80,495	2,54,499		6,34,994	4,056	0.64
FY18	2,58,636	81,229	4,44,197	7,84,062	5,249	0.67

Source: Union Finance Accounts of respective years. Figures of FY18 are provisional.

The cost of collection as per cent of total receipts has increased to 0.67 per cent in FY18 from 0.64 per cent in FY17.