

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3703  
ANSWERED ON:11.12.2009  
DIRECT TAX COLLECTION  
Sugavanam Shri E.G.

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

- (a) the targets fixed vis-a-vis collection made in direct tax during each of the last three years and the current year, till date;
- (b) the reasons for shortfall, if any, year-wise; and
- (c) the steps taken or proposed to be taken by the Government in this regard ?

**Answer**

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

(a) The details of Direct Tax collected during the last three years with current financial year is as under:-

|         | (Rs. In crore)  |                  |                   |
|---------|-----------------|------------------|-------------------|
| F.Y.    | Budget Estimate | Revised Estimate | Actual Collection |
| 2006-07 | 2,10,684        | 2,29,272         | 2,30,181          |
| 2007-08 | 2,67,490        | 3,04,760         | 3,12,213          |
| 2008-09 | 3,65,000        | 3,45,000         | 3,33,818          |
| 2009-10 | 3,70,000        | 1,83,822         | (Upto Nov. 2009)  |

The Collection figure of 2008-9 & 2009-10 are provisional.

(b) In 2006-07 & 2007-08 the Collection from Direct Taxes exceeded the Budget Estimate as well as Revised Estimate. In 2008-09 up to the 1st half, the collection was growing at a growth rate of 32.5% over the corresponding collection during the previous year. However, the global slowdown in economy started impacting the Indian economy severely which dented the profits of companies and also resulted in less salary pay outs to employees, both resulting in decrease in collection in Corporation Tax & Personal Income Tax. Therefore during the 2nd half for 2008-09, the tax collection dipped by more than (-)5%. The Stock Market also remained subdued because of economic meltdown and the Department could collect only Rs 5404 crore from Securities Transaction Tax at a negative growth rate of (-)37%. The Income Tax Department therefore could finally collect Rs. 3,33,818 at a growth rate of around 7%.

(c) The following steps have been taken by the Income Tax Department to maximize collection of direct taxes:

# Spreading Knowledge about TDS & TCS provisions by organizing training programme for senior management as well as for DDOs, particularly of Govt. departments and PSUs.

# Monitoring of the recovery of arrears by a Task Force.

# Monitoring of advance tax payments by top taxpayers by the senior officers of the Department.

# Detection of new areas of violation/ avoidance of the provisions of TDS and taking action for proper deduction and deposit of TDS.

# Selection of cases under scrutiny based on objective financial indicators and proper risk assessment.

# Further computerization of the Departmental business processes and databases for linking of information and reporting of high value transactions.

# Cross-verification of data collected through Annual Information Return with the return of income and issuance of notices in suitable cases.

# Conducting surveys at a large scale for detection of concealment of income and for compliance of TDS provisions.

Multi-media campaign to encourage voluntary compliance of tax laws.