

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5221
ANSWERED ON:27.08.2010
INFORMATION THROUGH INFORMERS OF TAX EVASION
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Will the Minister of FINANCE be pleased to state:

- (a) the rules and regulations made to give suitable reward to the person providing such information on tax evasion;
- (b) the steps taken by the Government to collect more and more such information; and
- (c) the success achieved by the Government vis-a-vis steps taken by the Government?

Answer

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

(a): There are Guidelines for 'Grant of rewards' to informants, who provide information on tax evasion. So far as direct taxes are concerned the Competent Authority may grant reward not exceeding 10% of the extra income-tax and wealth tax levied and actually realized subject to the conditions laid down in the Reward Guidelines. So far as indirect taxes are concerned the informers are eligible for reward up to 20% of the net sale- proceeds of the contraband goods seized and/or amount of duty evaded plus amount of fine and penalty levied/imposed and recovered or at the specific rates indicated.

(b) & (c): The Reward policy of the Government is available in the public domain for encouraging informers to provide information relating to tax evasion.

The investigative agencies have become more accessible to the informers through advancement of information technology. These measures have resulted in increase in number of actionable intelligence and consequent detection of tax evasion cases.