

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5115
ANSWERED ON:10.12.2010
TAX EVASION BY LOTTERY AGENTS
Kurup Shri N.Peethambara

Will the Minister of FINANCE be pleased to state:

- (a) whether agents of foreign Government lotteries are evading tax leading to loss of crores of rupees to the Government exchequers;
- (b) if so, the details thereof for the last three years;
- (c) whether there is any proposal to make more stringent laws to punish such tax evaders;
- (d) if so, the details thereof and if not, the reasons thereof;
- (e) whether there is any proposal to ban such lotteries in India; and
- (f) if so, the details thereof?

Answer

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

- (a) & (b): The information relating to tax evasion detected by the income Tax Department in the cases of agents of Foreign Government lotteries during the last three years is not maintained centrally in CBDT. Collection of the requisite details would require examination of individual case record, involving considerable time and effort, which may not be commensurate with the objective sought to be achieved. However, necessary actions in accordance with the provisions of the Direct Tax Laws are taken by the officers having jurisdiction over such cases, to bring to tax the undisclosed income detected in each case, within the time limit prescribed by the statute. Furthermore, penalties are imposed and prosecution proceeding are launched in appropriate cases,
- (c) & (d): Does not arise in view of reply to part (a) & (b) above.
- (e) & (f): The rules for regulation of lotteries are made by the respective State Government within their jurisdictions.