

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:969  
ANSWERED ON:05.08.2011  
INFORMERS OF TAX EVASION  
Singh Shri Bhupendra

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

- (a) whether any scheme exists to reward those who give information about tax evaders;
- (b) if, so, the details thereof;
- (c) whether information have been provided by informants about tax evaders during the last three years and current year;
- (d) if so, the zone-wise and year-wise number of such informants; and
- (e) the other steps taken by the Government to encourage informers to give information so that maximum cases of tax evasion can be detected?

**Answer**

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

- (a)&(b): 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,
- (c) & (d): The information received from informers relating to cases of tax evasion is not centrally maintained.
- (e); 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.