

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2420

ANSWERED ON:07.12.2012

INFORMATION REGARDING TAX EVASION

Ganpatrao Shri Jadhav Prataprao; Vasava Shri Mansukhbhai D.

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

- (a) the schemes being implemented by the Government to receive maximum information regarding evasion of income tax and other taxes;
- (b) the rules laid down to reward the persons giving information regarding tax evasion;
- (c) the amount of funds allocated/ disbursed as reward during the last three years;
- (d) the steps taken by the Government to get more information relating to tax evasion; and
- (e) the outcome thereof?

**Answer**

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

(a) The Government is focussing on increasing use of Information Technology for detection of evasion of tax. The Government also receives information on tax evasion from public at large through letters, e-mails, reports in media etc. The Government grants rewards to persons who provide information useful for detection of tax evasion and realisation of taxes subject to certain guidelines issued by Central Board of Excise and Customs (CBEC) and Central Board of Direct Taxes (CBDT).

(b) Both the CBDT and CBEC have issued guidelines to reward the person giving information on tax evasion vide their Office Memorandums No. 292/2/1998-IT(Inv-III) dated 29.11.2007 and No. 13011/06/2001-Cus(AS) dated 20.06.2001 respectively.

(c) The allocation and disbursement of funds by CBDT to reward the informers during last three financial years is as under:

(Rs. in crores)

Financial Year	Amount allocated	Amount disbursed
2009-10	4.50	3.21
2010-11	4.50	3.34
2011-12	4.50	3.11

In case of indirect taxes, the CBEC does not maintain the data relating to amount of the funds allocated /disbursed as rewards centrally.

(d) The Government has been increasingly using information technology and integration of various sources of information relevant for detection of evasion of Income Tax. Systems have been put in place through which the Income Tax Department periodically receives information of high value transactions in specified categories such as immovable property, shares and securities, mutual funds, transactions through credit cards, cash deposits in Banks etc. The information so collected is analysed for further necessary action. For indirect taxes, the reward guidelines are widely published in departmental web sites by the field formations of CBEC and also their officers have been sensitized to cultivate information and intelligence for detection of tax evasion.

(e) Due to following the above procedure and guidelines, the Direct Tax collection has increased 6 fold, in the last decade, from Rs.69,198 crore in Financial Year 2001-02 to Rs.4,46,070 crore in 2010-11 and the growth of nearly 2 times in the Direct Tax to GDP ratio in the same period i.e. from 3.03 percent in 2001-02 to 5.66 percent in 2010-11. The Income Tax Department conducted several searches and surveys and brought substantial additional income to tax. In case of indirect taxes the CBEC is able to get a large number of information, which results in detection of tax-evasion cases. However, this data is not maintained by CBEC centrally.