

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:878  
ANSWERED ON:01.03.2013  
BLACK MONEY IN FILM SECTOR  
Ram Shri Purnmasi

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

- (a) whether cases of production of films by the use of black money in the country have come to the notice of the Government;
- (b) if so, the details thereof; and
- (c) the reaction of the Government thereto along with the steps taken/proposed to be taken to prevent such use of black money in the film sector?

**Answer**

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

(a) : Tax evasion has been detected in various sectors of the economy, including, in the film sector.

(b) : The Income tax department investigates violations of direct tax laws based on credible information relating to tax evasion and brings undisclosed amount to taxation through various measures eg. scrutiny of returns, surveys, search and seizure etc. Search and seizure is conducted in the cases of 'persons', which includes individuals, Hindu undivided families (HUFs), firms, companies, association of persons (AoPs), body of individuals (Bols), local authorities and any artificial juridical person, who satisfy any of the conditions specified in Sec 132(1) of the Income tax Act, 1961. These are carried out in cases of persons engaged in diversified businesses/professions spread all over the country, including the film sector. Sector-wise details are not separately maintained.

(c) : The drive against tax evasion is a continuous and ongoing exercise. On receipt of credible information, appropriate action is taken under provisions of the direct tax laws and any undisclosed amount detected is brought to tax. Penal proceedings are initiated in such cases and prosecution is launched in appropriate cases.