

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:746

ANSWERED ON:01.03.2013

TAX EVASION

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

- (a) the agencies of the Government involved in checking tax evasion;
- (b) the number of cases of tax evasion detected by these agencies during the last three years, agency-wise and year-wise;
- (c) whether the Government has any mechanism to monitor the working of the officers of the agencies who are involved in checking tax evasion and if so, the details thereof;
- (d) the number of officers found involved in favouring the tax evaders during the last three years and action taken or proposed by the Government against such officers; and
- (e) the effective measures taken/being taken by the Government to combat tax evasion in the country?

**Answer**

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

(a) : There are two agencies, namely, Central Board of Excise and Customs (CBEC) and Central Board of Direct Taxes (CBDT) of the Government involved in checking tax evasion.

(b) : The drive against tax evasion is an ongoing process. The Income Tax Department under CBDT conducts search, survey or scrutiny of tax returns. Following it, assessments of income as per the statutory process is done which is quasi-judicial in nature. Such assessment orders are subject to appeals which can go upto the Supreme Court. In view of the processes involved, the data relating to number of cases where tax evasion was detected is not maintained.

The number of cases of tax evasion detected by the offices under CBEC during the last three years are as under:-

Year No. of cases of tax evasion detected

|         |       |
|---------|-------|
| 2009-10 | 10243 |
| 2010-11 | 13787 |
| 2011-12 | 12515 |

(c) : Yes, Sir. The officers of the CBDT and CBEC perform their duties in accordance with the procedures laid down in the respective tax laws and rules. There is an administrative structure to supervise the functioning of each level in the Department. Further, the institution of the Chief Vigilance Officer [Director General of Income-tax (Vigilance), CBDT and Director General of Vigilance, CBEC] are also there in the Department for taking appropriate action against erring officers.

(d) : Disciplinary proceedings were initiated in the cases of 71 and 147 officers of CBDT and CBEC respectively during the calendar years 2010, 2011 and 2012 for showing lack of devotion to duty or for conduct unbecoming of government servant while discharging their duties under respective laws and while processing tax cases and /or complaints of tax evasion. On finalization of the disciplinary proceedings as per rules, appropriate penal consequences follow.

(e) : The Government has taken various steps in this direction under a multi-pronged strategy which includes creating an appropriate legislative framework; setting up institutions to deal with illicit funds; developing systems for implementation; imparting skills to the manpower for effective action; and joining the Global crusade against black money. Various legislative measures have also been taken by the Finance Act, 2012. Various steps have also been taken to improve intelligence gathering mechanism of the Agencies.