

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3307  
ANSWERED ON:30.08.2013  
DIRECTORATE OF CRIMINAL INVESTIGATION  
Kumar Shri P.

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

- (a) the role and function of Directorate of Criminal Investigation and the year in which it was set up ;
- (b) whether the Government is satisfied with the functioning of the said Directorate;
- (c) if so, the achievements made by it since inception, year-wise;
- (d) whether the Government has wound up / proposes to wind up the DCI and if so, the details thereof and the reasons therefor; and
- (e) the steps taken / proposed to be taken by the Government to further strengthen and improve the functioning of the DCI?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI J.D. SEELAM)

(a) The Directorate of Criminal Investigation (DCI) was created vide Notification dated 30th May, 2011 & 19th August, 2011 to perform functions in respect of criminal matters having any financial implications punishable as an offence under any direct tax law including inter alia:

- (i) Chapter XXII of the Income Tax Act, 1961(Act 43 of 1961); and
- (ii) Chapter VIII of the Wealth Tax Act, 1957(Act 27 of 1957).

(b) Yes, Sir.

(c) The DCI has been playing pivotal role in collection, collation and dissemination of intelligence for use by different wings of the Income Tax Department in proceedings under direct tax laws apart from undertaking investigation in specified categories of cases including information received under exchange of information protocols from other countries.

Major part of the information collected is through the mechanism of Annual Information returns (AIR) and Central Information Branch (CIB). Such information is utilized inter alia for computer aided selection of scrutiny cases.

Besides, the DCI has conducted search and seizure operations in 8 cases in which undisclosed income admitted was to the tune of Rs. 438 Crores (Approx). Further, the DCI in association with Directorate of Systems undertook a pilot project named 'Non-filers Monitoring System' in February-March 2013 with encouraging results in terms of both widening and deepening of the tax base. The DCI has also undertaken various other projects including enquires under direct taxes laws into allegations of violations of KYC norms by several Banks, having impact on evasion of direct taxes.

(d) No, Sir.

(e) Various steps have been taken to strengthen the intelligence related functions of DCI. These include legislative and administrative interventions including rationalization of CIB/AIR codes to make the functioning of the Directorate more effective. DCI's structures would also get suitably augmented with implementation of ongoing cadre restructuring of the Income Tax Department.