Impact of import of oil and gold on CAD

2396. SHRI S. THANGAVELU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Current Account Deficit (CAD) is expected to be higher than last year;

(b) if so, the details thereof;

(c) whether it is also a fact that one of the reasons for the widening of CAD is import of oil and gold in the country; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The current account deficit (CAD) widened to 4.2 per cent of GDP in 2011-12 from 2.8 per cent of GDP in 2010-11. Information on CAD is available only for the first half of 2012-13. CAD was 4.6 per cent of GDP in the first half of 2012-13 as against 4.0 per cent of GDP during the first half of 2011-12.

(c) and (d) Subdued .economic and financial conditions due to euro-zone crisis led to weak external demand for India's exports. This, together with higher imports of petroleum, oil lubricants (POL) and gold and silver, and nearly static invisibles' surplus led to widening of trade and current account deficits.

Income tax inquiry against corporate houses

†2397. SHRI BHUPENDER YADAV: Will the Minister of FINANCE be pleased to state:

(a) the names of the corporate houses against whom the Income Tax inquiry had been initiated during the last two years in the country;

(b) the findings of the Income Tax inquiries;

(c) whether most of the corporate houses are fonnd to be guilty of tax evasion; and

(d) if so, the details of action taken against those corporate houses till date?

† Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Inquiries under the Income Tax Act, 1961 (the Act) in respect of various entities including companies is an on-going process and includes search and seizure; surveys; scrutiny of income-tax returns and open enquiries as per provisions of the Act. The data with respect to income-tax inquiry initiated against such entities including companies is not maintained in the Ministry.

(b) Does not arise in view of reply to part (a) above.

(c) Whenever any credible information pertaining to tax evasion is detected or received, appropriate action as per the Direct Taxes laws are taken following the process of law. Assessment orders are passed following quasi-judicial process wherein assessment of the total income is made and tax demand is raised. These orders are subject to appeal as per law. Therefore, any entity including company can be finally held to be guilty of tax evasion after conclusion of statutory proceedings which include appellate proceedings before various authorities. The data in this respect is not maintained in the Ministry.

(d) Does not arise in view of reply to part (c) above. However, penalty and prosecution proceedings are initiated in appropriate cases as per provisions of the Direct Taxes laws in addition to raising of tax demand and collection thereof.

Fraud cases in public sector bank

2398. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether fraud cases in public sector banks have increased manifold in the recent past;

(b) whether these banks are funding high risk ventures without taking adequate precautions, and also breaching RBI norms in extending excess loans;

(c) if so, the details thereof for the last three years, year-wise and bank-wise with number of fraud cases reported in each bank and amount involved therein; and

(d) the details of preventive and other measures are being taken by the banks, RBI and Government in this regard?