Utilisation of dividends from PSUs

566. SHRI DEREK O'BRIEN: Will the Minister of FINANCE be pleased to state:

(a) the amount collected as dividends from different Public Sector Undertakings (PSUs);

(b) whether it is a fact that Government has asked the PSUs to pay 30 per cent dividend of post tax profit or of Central Government's equity as to earlier 20 per cent;

(c) the surplus money accrued as a result of this measure;

(d) whether Government plans to use this surplus in the further development of PSUs; and

(e) if not, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) During the financial year 2014-15, an amount of ₹ 31691.91 crore has been received as dividend from Central Public Sector Enterprises (CPSEs).

(b) According to the earlier dividend policy, the profit making CPSEs in the oil and petroleum, chemicals and other infrastructure sectors were to pay 30% of their post-tax profit or equity whichever was higher, as dividend. The current dividend policy makes this applicable to all Central Public Sector Enterprises where Government of India has a majority stake.

(c) The Government has made the following estimates with regard to dividend from CPSEs in the current and the next financial year:

BE 2015-16: ₹ 36174.14 crore

RE 2015-16: ₹ 44365.83 crore

BE 2016-17: ₹ 53883.05 crore

(d) and (e) The dividend received from CPSEs is a part of Non-Tax Revenue receipts of Government of India and is spent for the purposes as approved by the Parliament.

Measures to increase number of income tax payers

†567. SHRI NARESH AGRAWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that only four per cent people out of 125 crore people pay income tax;

†Original notice of the question was received in Hindi.

(b) if so, reasons for not paying of Income Tax by remaining 96 per cent people, and measures being taken by the Government to increase the number of income tax payers; and

(c) if not, percentage of tax payers and non-tax payers at present?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) Yes sir. For Assessment Year 2014-15, the number of taxpayers of income-tax is 5.45 crore, which works out to be 4.36% of the estimated population of 125 crore.

(b) Though the population of India is large, a large section of it is not liable to pay income-tax due to the reasons that the agricultural income is exempt, the basic exemption threshold is quite high, a number of other exemptions and deductions are available under the law and a relatively small size of the workforce is actually engaged in economic activities. Within these constraints the Department has adopted the following strategy to expand the tax base:

(i) The Income Tax Department has implemented the Non-Filer Monitoring System (NMS) which analyses and assimilates all in-house information as well as transactional data received from third-parties, including Annual Information Return (AIR), Tax Deduction at Source (TDS) and Tax collection at Source (TCS) statements, Central Information Bureau (CIB) data etc. to identify such persons/entities who have undertaken high value financial transactions but have not filed return. About 1.36 crore non-filers with potential tax liability have been identified under NMS and more than 52 lakh returns have been filed by the target segment.

(ii) The Government has also taken several other steps for broadening of tax base in India. The mechanisms for collection and verification of financial information have been broadened and strengthened. These include collection of data in form of Annual Information Return (AIR) in respect of additional types of high-value transactions and collection of information on high- value expenditure from commercial establishments by Central Information Branch (CIB) of the Income Tax Department. Besides, various legislative measures have been taken to increase the tax base. These include expansion of scope of tax deducted at source (TDS) and tax collected at source (TCS) by bringing more and more taxable transactions within the ambit of TDS/TCS. Moreover, quoting of Permanent Account Number (PAN) has been made mandatory for all transactions above ₹ 2 lakh and for specified transactions in respect of property, shares, bonds, insurance, foreign travel, demat account, etc.

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