

**Government of India
Ministry of Finance
Department of Revenue**

**LOK SABHA
UNSTARRED QUESTION NO. 1745
TO BE ANSWERED ON FRIDAY, MARCH 10, 2017
PHALGUNA 19, 1938 (SAKA)**

IMPACT OF DEMONETISATION ON TAX COLLECTION

1745: SHRI KESINENI NANI:

Will the Minister of FINANCE be pleased to state:

- (a) the details on Direct and Indirect Tax collection during the last three years and the current year;
- (b) whether the Government has assessed the impact of demonetisation on the aforesaid tax collection; and
- (c) if so, the details thereof and the outcome thereon?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SANTOSH KUMAR GANGWAR)**

(a) The details of Direct and Indirect Tax collection during the last three years and the current year is as under:

(Amount in Rs. Crore)

Financial Year	Total Direct Tax Collection	Total Indirect Tax Collection
2013-14	6,38,596	4,97,060
2014-15	6,95,792	5,44,772
2015-16	7,41,944	7,09,825
2016-17*	6,17,551**	7,03,841@

*Provisional ** Unaudited up to February, 2017 @ Up to January, 2017

(b) & (c)

Direct Tax

During the period between November, 2016 and February, 2017, the growth rate in gross collection of direct taxes has increased from 14.4% to 15.0%. Similarly, during the same period, advance tax collections, which are better indicator of the performance of the economy, have also shown an increase in growth rate from 12.6% to 14.4%.

Though there is an increase in the overall gross collections as well as advance tax collections since demonetisation, both in terms of absolute numbers and growth rate, it is not feasible to comment as to the extent to which the increase is attributable to the policy of demonetisation. As 30-35 percent of the annual tax collections are received in the last quarter, it is premature to estimate the impact of demonetisation on revenue collections. Moreover, investigation into the amount of cash deposited in bank accounts since announcement of demonetisation will take some time to be completed, so its impact on tax collections will be staggered over a few quarters from now.

Indirect Tax

The growth in indirect tax revenue during April-January 2016-17 (Year on Year) was about 23.9%.
