

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

**LOK SABHA
UNSTARRED QUESTION NO. 1710
TO BE ANSWERED ON FRIDAY, NOVEMBER 25, 2016
AGRAHAYANA 4, 1938 (SAKA)**

TAX EVADERS

**1710: SHRI NALIN KUMAR KATEEL:
SHRIMATI RANJANBEN BHATT:
SHRI D.K. SURESH:**

Will the Minister of FINANCE be pleased to state:

- (a) whether Government has sent notices to the tax evaders, if so, the details thereof along with the amount of tax recovered thereon during the last three years and current year;
- (b) whether Government is aware of high value transactions taking place without PAN card; and
- (c) if so, the details thereof and the steps taken to make PAN mandatory for such transactions?

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

(a):
Direct Tax

The Income Tax Department collects information regarding tax evasion from various sources which is an on-going process. Appropriate action under direct taxes laws is taken on such information which includes sending notices, conducting enquiries, surveys, searches, assessment of income, levy of tax, interest, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable. The tax, interest and penalties, forming part of the total liability of each assessee, are enforced as per law. However, tax evasion is established only after finalization of assessment orders, inter alia, by way of appeals before all appellate authorities, including the Hon'ble Supreme Court.

Details regarding the amount of tax recovered in all such cases are not maintained centrally. However, the data of search & seizure and surveys conducted in the last 3 years and the current year, alongwith preliminary outcome thereof is as under:

Financial Year	Number of groups searched	Total assets seized (In Rs. crore)	Undisclosed income admitted u/s 132(4) of the Income-tax Act, 1961 [in Rs. crore]
2013-14	569	807.84	10791.63
2014-15	545	761.70	10288.05
2015-16	445	712.68	11066.24
2016-17 (upto October, 2016)*	252	569.41	7699.74

*Provisional

Surveys:

Financial Year	No. of surveys conducted	Undisclosed income detected (in Rs. crore)
2013-14	5327	90390.71
2014-15	5035	12820.33
2015-16	4422	9654.80
2016-17 (upto October, 2016)*	4233	7526.42

*Provisional

Indirect Tax

In instances, where default in payment of Central Excise duty, Customs Duty or Service Tax due to non-payment, or short payment of duty/tax or delayed payment of duty/tax or duty/tax evasion or incorrect availment / utilization of CENVAT credit is detected, a Show-Cause Notice is issued. The Show-Cause notices (SCNs) are adjudicated and where the demand is conferred, the same has to be recovered. The Show-Cause Notices issued during the last years are as under:-

Year	No. of SCNs issued	
	Central Excise Duty	Service Tax
2013-14	1789	4288
2014-15	1488	3402
2015-16	1614	3545
2016-17 (upto Sept, 2016)	722	1594

(Rs. In crore)

The details of cases detected / booked for Customs related offences are as under:-

Year	Outright Smuggling Cases		Commercial Fraud Cases	
	No. of cases	Value of goods seized	No. of cases	Duty Evasion detected
2013-14	27519	1555.44	4625	3974.14
2014-15	20218	1793.42	1926	4470.34
2015-16	38259	2049.24	3198	3609.84
2016-17 (upto October, 2016)	25172	1165.48	1297	757.04

(Rs. In crore)

The recovery of arrears of Indirect tax arrears during the last three years and the current year is as below:-

Year	(Rs. in crore)		
	Central Excise Duty	Customs Duty	Service Tax

2013-14*	2880.82	3835.71	7310.95
2014-15	1615.88	950.86	900.70
2015-16	1690.00	825.19	1564.75
2016-17 (upto 30.09.2016)	790.44	343.44	537.81

*Data for year 2013-14 includes Spot recovery (pre-adjudication) since 2014-15 onwards these spot recoveries (Pre-adjudication recoveries) have not been included in arrears as these are not confirmed demands and hence do not qualify as arrear recovery.

The amount recovered does not necessarily relate to SCNs issued during the corresponding period as the adjudication thereof by the competent authority may take time.

(b) & (c):

Direct Tax

The Government is aware of the high value transactions taking place without PAN Card and as per the latest Annual Information Return (AIR) furnished for F.Y. 2015-16 under Rule 114E read with section 285BA, 15.22% of total transactions reported in respect of specified transactions do not have a valid PAN.

The steps taken to make PAN mandatory includes recent amendment made in the Rules 11B, 11C and 114D of Income Tax Rules, 1962 effective from 01.01.2016, which are briefly explained below:

- i. As per Rule 114B, it is mandatory for a person to quote PAN in respect of all specified transactions exceeding the specified monetary value. There are 18 different kinds of transactions specified with monetary value for which PAN quoting has been made mandatory. Where a person does not have a PAN he is required to give particulars of his identity and address in the prescribed Form 60.
- ii. Rule 114C now requires that the person with whom the transaction is made in relation to Rule 114B, shall ensure after verification that PAN has been duly and correctly mentioned or a declaration in Form 60 has been duly furnished with complete particulars, as the case may be.
- iii. Rule 114D now requires that person with whom the transactions is made in relation to Rule 114B, shall furnish a statement in Form 61 w.r.t. Form 60 declarations made by transacting parties online to Intelligence and Criminal Investigation Wing of the Income-tax Department. The statement is required to be furnished twice a year by 31st Oct in respect of declarations received up to 30th September, and 30th April in respect of declarations received up to 31st March."

Indirect Tax

Registration in Central Excise and Service Tax is PAN based, which is to be mentioned by the assessee / service provider on their invoices/ bills.
