

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE**

**LOK SABHA  
UNSTARRED QUESTION NO. 1789**

**TO BE ANSWERED ON FRIDAY THE 27<sup>th</sup> JULY, 2018  
5 SHRAVANA, 1940 (SAKA)**

**"PRADHAN MANTRI GARIB KALYAN YOJANA"**

**1789: SHRI. LALLU SINGH:**

Will the Minister of FINANCE be pleased to State:

- (a) whether the Government has started the Pradhan Mantri Garib Kalyan Yojana (PMGKY) and if so, targets of the scheme and details thereof;
- (b) whether few banks are showing unwillingness to collect taxes under the scheme and if so, the reasons therefor;
- (c) the steps being taken by the Government to ensure compliance of Rules/Guidelines by the banks in this regard; and
- (d) the details of the benefits likely to accrue to tax payers from this scheme since the scheme announced in the year 2016?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE:  
(SHRI SHIV PRATAP SHUKLA)**

(a) Yes Sir. The Government had introduced "The Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016 (the Scheme)" with effect from 17.12.2016. The last date for making declaration under the Scheme was 31.03.2017 which was later on extended till 10th May, 2017 in respect of cases where tax, surcharge and penalty under the Scheme had been paid on or before the 31st March, 2017 and compulsory deposit under the "Pradhan Mantri Garib Kalyan Deposit Scheme, 2016 (Deposit Scheme)" had been made on or before the 30th April, 2017.

Under the Scheme, a person could make a declaration in respect of any income, in the form of cash or deposit in an account maintained by the person with a specified entity, chargeable to tax under the Income-tax Act for any assessment year commencing on or before the 1st day of April, 2017.

A declarant under the Scheme was required to pay tax at the rate of 30% of undisclosed income, surcharge at the rate of 33% of tax and penalty at the rate of 10% of such undisclosed income. The declarant was also required to deposit an amount of not less than twenty-five per cent of such undisclosed income in the Deposit Scheme. These deposits do not carry any interest and have a lock-in period of four years.

In the wake of demonetisation, the Government had introduced the Scheme to enable declarants to make a declaration of undisclosed income and to pay taxes with penalty in order to come clean so that the Government not only gets additional revenue for undertaking welfare activities for the poor but also to ensure that the undisclosed income legitimately comes into the formal economy. As the primary objective of the Scheme was to provide an opportunity to the person having undisclosed income to come clean, no targets were fixed under the Scheme.

(b)&(c) Any procedural or technical difficulties faced by the declarants while making payment of taxes, surcharge and penalty or compulsory deposit during the duration of the Scheme were duly redressed in a timely manner.

(d) As regards benefits given to the declarants, the Scheme provided that income declared under the Scheme shall not be included in the total income of the declarant under the Income Tax Act for any assessment year. Further, the Scheme provided that nothing contained in the declaration shall be admissible as evidence against the declarant for the purpose of any proceedings under any Act other than the specified Acts.

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