

Government of India
Ministry of Finance
Department of Revenue

LOK SABHA
UN-STARRED QUESTION NO. 1647
TO BE ANSWERED ON MONDAY, JULY 31, 2023
Sravana 9, 1945 (Saka)

TAX EVASION AND MONEY LAUNDERING

1647. SHRI UNMESH BHAIYYASAHEB PATIL:

Will the Minister of Finance be pleased to state:

- (a) whether the Ministry of Home Affairs vide Letter no. F.No.IV/11034/19/2023-CSR-1 dated 13.06.23 admitted that bundling of tickets of same number leads to evasion of tax and money laundering and requested organising States to give their suggestions of payment of prizes through banking channel to curb these malpractices;
- (b) if so, the details thereof;
- (c) whether the Government has ordered investigation into the huge evasion of TDS under Section 194B and 194G for the last 5-6 years which may be over Rs. 10000/- crores as per market information; and
- (d) if so, the details thereof?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (b) Ministry of Home Affairs sought views from Department of Revenue, Ministry of Finance through the said OM regarding possibility of disbursement of prize amount of lotteries through formal banking channel. Ministry of Home Affairs has also sought views of all the States on the same issue.

(c) and (d): The Income-tax Act, 1961 ("the Act") has provisions u/s 194B and 194G for Tax Deduction at Source (TDS) in respect of Winnings from lottery or crossword puzzle and Commission, etc., on sale of lottery tickets respectively. The Finance Act, 2023 has amended section 194B of the Act and the scope of TDS has been further expanded to include gambling or betting of any form or nature whatsoever, with a threshold of aggregate amount exceeding Rs. 10,000/- during the Fin. Year for TDS to be deducted.

Further, the Income Tax Department takes appropriate investigative action in cases involving evasion of tax whenever any credible information/ intelligence of violation of provisions of Direct Tax Laws relating to any taxpayer comes to its notice. Such action under Direct Tax laws includes conducting enquiries, mounting search & seizure or survey action, assessment and consequential actions thereto, wherever applicable as per the provisions of the Act. Further, disclosure of information in respect of specific persons is prohibited except as provided under Section 138 of the Act.
