

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

UNSTARRED QUESTION NO. 2117

TO BE ANSWERED ON MONDAY, DECEMBER 02, 2019
AGRAHAYANA 11, 1941 (SAKA)

TAX EVASION/ECONOMIC GROWTH

†2117. SHRIMATI RANJANBEN DHANANJAY BHATT:
SHRIMATI SANGEETA KUMARI SINGH DEO:
SHRI RAJA AMARESHWARA NAIK:
SHRI BHOLA SIGH:
DR. SUKANTA MAJUMDAR:

Will the Minister of Finance be pleased to state:

(a) whether several cases of tax evasion have come to light from different parts of the country, if so, whether the Government is considering to take any steps in this regard;

(b) if so, the time by which these steps will be taken by the Government and if not, the reasons therefor;

(c) whether the Government has taken initiatives to increase the number of individuals under IT net;

(d) if so, whether recent positive steps started by the Government to have positive impact on the situation and if so, the details thereof;

(e) whether the Government has set targets for India's economic growth for the next five years;

(f) if so, whether there have been some sectors identified by the Government as Sunrise or Growth Engines in this regard and if so, the details thereof; and

(g) the steps being taken by the Government to reduce the inflation due to short supply of essential commodities because of natural calamities?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)**

(a) & (b):

Several cases of Tax evasion relating to indirect taxes as detailed below have come to light from different parts of Country:

(Rs. in

crore)

| Year | Number of Cases | Tax evasion detected | Amount recovered |
|--------------------------|-----------------|----------------------|------------------|
| 2017-18 | 6815 | 32204.49 | 4579.94 |
| 2018-19 | 9348 | 65843.39 | 21221.53 |
| 2019-20 (upto September) | 3074 | 24657.48 | 5238.22 |

The details of the cases of the commercial fraud cases booked by Anti-smuggling unit during 2018-19 are as under:

(Rs. in crore)

| Number of Cases | Amount of Duty Involved | Amount of Duty recovered |
|-----------------|-------------------------|--------------------------|
| 2966 | 11211.04 | 5643.96 |

During FY 2018-19 and 2019-20 following number of non-filers with potential tax liabilities were identified by the income tax department:

| | |
|--------------------------|------------|
| NMS Cycle 7 (AY 2017-18) | 38.81 lakh |
| NMS Cycle 8 (AY 2018-19) | 15.58 lakh |

Income Tax Department takes suitable steps on a continuous basis against the persons indulging in tax evasion throughout the country. Such steps/actions under the direct tax laws include, *inter-alia*, conducting search and seizure actions, surveys, summons, assessment and reassessment of income, levy of penalties and filing of prosecution complaints before criminal courts, wherever applicable.

Income Tax Department has also implemented the Non- Filers Monitoring System (NMS) which assimilates and analyses in-house information as well as transactional data received from third- parties, including Statements of Financial Transaction, Tax Deduction at Source and Tax Collection at Source statements, Intelligence and Criminal Investigation data etc.to identify such persons who have undertaken high value financial transactions but have not filed income tax returns.

The border control agencies, field formation of Central Board of Indirect Taxes & Customs BIC keep constant vigil on the illicit imports/smuggling through ports, airports, land Customs Stations, inland Container Depots, Foreign Post Offices and Courier Terminals. Each Customs Commissionerate is having intelligence and investigation units for checking of smuggling. Besides, the Directorate General of Revenue Intelligence having pan Indian presence is the specialized agency under CBIC involved in anti-smuggling and anti-evasion activities. Alerts and modus operandi circulars are issued from time to time to prevent smuggling of such goods. On detection of cases, strict action is taken accordance with the Customs Act, 1962 and other existing provisions of laws, as applicable.

The footprints of Directorate General of GST Intelligence have been expanded in GST Regime. The monitoring tools to prevent GST evasion has been strengthened & emphasis has been laid on system based analytical tools and system generated intelligence. In this direction, the Directorate General of Analytics and Risk management (DGARM) has been set up by the CBIC and the same has become operational w.e.f. 1st July 2017. E-way bill squads have also been activated for the purposes of random verification of the goods in transit.

(c) & (d): Various measures are being taken by the Government to increase the number of income tax return filers including identification of potential non-filers through centralized Non-filer Monitoring System (NMS), formulation of region-specific strategies for identifying potential non-filers, issue of statutory notices to enforce compliance, holding of outreach programmes to encourage voluntary compliance, use of mass media for creating awareness, simplification in income-tax returns and filing process to encourage voluntary filing, etc.

During F.Y. 2018-19, about 1.1 crore new income tax return filers were added. During the current financial year, so far, 61.86 lakh new return filers have already been added.

(e) & (f): It is the Government's endeavor to continuously increase GDP growth rate year after year. To this end, the government has been taking various reforms measures to boost economic growth in the medium to long term prospects. Introduction of Insolvency and Bankruptcy Code (IBC) in 2016 is a significant step towards cleaning and strengthening the financial system of the country. Implementation of Goods and Services Tax in 2017 stands out as the most important measure for improving ease of doing business in the country. Make-in-India programme is a major initiative towards increasing the indigenous capacity of the country to produce world class goods and services. Continuous liberalization has resulted in record and unprecedented inflows of foreign direct investment into the country, and all along government has kept inflation low, fiscal spending disciplined and current account deficit manageable to ensure macroeconomic

stability so necessary to sustaining a healthy investment climate in the country. More recently government has cut corporate tax rate from 30 percent to 22 percent to boost investment activity in the country. In particular, the corporate tax rate has been cut to 15 percent for new domestic manufacturing companies which is amongst the lowest in the world. This complements a cut in the repo rate by 135 basis points during 2019 by the Reserve Bank of India and mandating of banks to link their lending rates with external benchmarks for reducing the cost of capital for investors. Government has also extended PM Kisan scheme to include all farmers, which will boost rural consumption.

(g) Steps taken by the government to contain price rise are as per Annexure.

Steps taken by the Government to contain price rise

- i. During the current year, buffer stock of 57,372.90 MT onion was created under Price Stabilization Fund (PSF) through procurement from Maharashtra (48,183.54 MT) and Gujarat (9,189.36 MT). Of this, after adjusting for storage losses, moisture, drilage, spoilage and low quality onion disposed of in the local market, a total quantity of 26,735 MT (46.59% of procurement) was distributed to various States Governments, other agencies and also sold in various mandi through open auction. In addition, about 11,408 MT of low grade onion were sold /disposed in the local market.
- ii. Onions were supplied to State Governments of Haryana, Kerala, Andhra Pradesh and Uttar Pradesh at no-profit no-loss basis to improve prices and availability situation. Since July 2019, onions were supplied from the buffer stock for direct retailing in Delhi-NCR through Mother Dairy, NCCF, NAFED and Govt. of NCT of Delhi at regulated retail rates to ensure availability of onions at reasonable prices. Since last one week freshly procured onion from Alwar area is being supplied to Govt. of NCT of Delhi.
- iii. Onions were supplied to State Governments of Haryana, Kerala, Andhra Pradesh and Uttar Pradesh at no-profit no-loss basis to improve prices and availability situation. Since July 2019, onions were supplied from the buffer stock for direct retailing in Delhi-NCR through Mother Dairy, NCCF, NAFED and Govt. of NCT of Delhi at regulated retail rates to ensure availability of onions at reasonable prices.
- iv. The benefit to exporters of onions under Merchandise Exports from India Scheme (MEIS) was withdrawn through notification dated 11.06.2019. Minimum Export Price (MEP) of \$850/MT was imposed on 13.09.2019.
- v. Onions were supplied to State Governments of Haryana, Kerala, Andhra Pradesh and Uttar Pradesh at no-profit no-loss basis to improve prices and availability situation. Since July 2019, onions were supplied from the buffer stock for direct retailing in Delhi-NCR through Mother Dairy, NCCF, NAFED and Govt. of NCT of Delhi at regulated retail rates to ensure availability of onions at reasonable prices. Since last one week freshly procured onion from Alwar area is being supplied to Govt. of NCT of Delhi.
- vi. Government, on 29 September 2019, imposed stock limits on traders across the country – 100 quintals on retail traders and 500 quintals on wholesale traders under the Essential Commodities Act, 1955/States are free to introduce lower limits. Further, Government of India has urged State Governments to hold regular meetings with the traders of Onions at State and District level to prevent hoarding, speculative trading and profiteering, unfair and illegal trade practices like cartelling, etc. On 29 September, 2019, export of onions was banned.
- vii. Government has on 9 November, 2019, directed MMTC to import up to 1 Lakh MT of onion and NAFED to procure surplus onion from Rajasthan, Maharashtra and distribute in deficit States.
- viii. Government has approved creation of a dynamic buffer of up to 20 lakh tonnes of pulses for appropriate market intervention under Price Stabilisation Fund (PSF).
- ix. Pulses from the buffer is utilized for meeting institutional requirements like supplies for MDM, ICDS, PDS, Army & CPMFs. Food Aid has also been provided to Afghanistan as well as for Flood-

relief measures in Kerala. The stock is also utilized for releases in open market to effectively manage/moderate the prices of pulses.

x. Currently available balance of buffer stock of pulses under PSF left is about 15.67 LMT.