

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

**LOK SABHA  
UNSTARRED QUESTION NO. 119**

TO BE ANSWERED ON MONDAY, NOVEMBER 29, 2021

AGRAHAYANA 8, 1943 (SAKA)

**TAX EVASION**

119. SHRIMATI RANJANBEN DHANANJAY BHATT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the incidents of tax evasion are increasing in Delhi and other parts of the Country;
- (b) if so, whether the Government has taken any step in this regard so far;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

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

**(a):** There is no evidence to suggest that incidents of Income tax evasion are increasing in Delhi and other parts of the country.

In terms of cases detected under Goods & Service Tax (GST) and Customs, there is no increasing trend in such evasion noticed in Delhi, although, there is overall increase in detection of GST and Customs evasion cases in the country.

**(b) to (d):** The Income Tax Department (ITD) takes suitable steps against the persons indulging in tax evasion such as 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.

In recent times, various measures have been initiated to prevent tax evasion which, inter-alia, includes:

- (i ) Enactment of The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 which has come into force w.e.f. 01.07.2015 to specifically and more effectively deal with the issue of black money stashed away abroad.
- (ii) Developing a wide range of non-intrusive methods for detecting tax evasion. They include measures like Computer Assisted Scrutiny Selection (CASS) of cases for Scrutiny; Non-filers Monitoring System (NMS) to prioritize action on non-filers; Income Tax Business Application (ITBA) to help in curbing tax evasion by putting in place end to end processes for all verticals of the Department etc.

(iii) Collecting information on Specified Financial Transactions (SFT), above notified thresholds, relating to cash deposits, credit card payments, purchase and sale of properties, purchase of shares and mutual funds etc. Such information is collected, collated and analyzed for computer aided scrutiny and risk profiling of taxpayers, identification of non-filers and stop filers etc.

(iv) A large number of legislative provisions have been made in the Income Tax Act, 1961 (the Act) to effectively tackle tax evasion such as mandatory quoting of PAN for various cash transactions, restrictions on cash transaction of Rs. 2 lakh or more, levy of TDS @ 2% to 5% on the amount of cash withdrawal by a person exceeding Rs. 20 lakhs in aggregate from one or more accounts maintained by the recipient with a banking company or a co-operative society engaged in the business of banking or post office during a financial year, prohibiting taxpayers from taking/accepting loans or deposits or a sum of more than Rs.20,000/- in cash or repayment of loans or deposits of a sum of more than Rs. 20,000/- in cash. No deductions under section 80G of the Act is allowed if cash donations exceed Rs. 2,000/-.

(v) To bring transparency in the source of funding to political parties, suitable amendments have been made with effect from 01.04.2018 to provide that no donations of Rs.2,000/- or more shall be received otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account or through electoral bonds.

(vi) Introduction of measures to incentivize digital transactions by allowing for transactions through other prescribed electronic modes (apart from account payee cheque or account payee bank draft) such as payment by credit cards, debit cards, net banking, UPI, RTGS, NEFT, IMPS and BHIM Aadhaar pay.

(vii) Proactively engaging with foreign governments with a view to facilitate and enhance the exchange of information under Double Taxation Avoidance Agreements (DTAAs)/Tax Information Exchange Agreements (TIEAs)/Multilateral Conventions.

(viii) Taking effective and timely enforcement actions including expeditious investigation in foreign assets cases.

(ix) Mandatory linking of Aadhaar with PAN, to aid in de-duplication of PAN and also prevent potential tax frauds.

Further, several measures have been taken to check tax evasion in GST such as detection of issuance of fake invoices, data analysis based interventions, introduction of e-way bills & e-invoices, aadhaar based authentication for new applicants. The Directorate General of GST Intelligence and Central GST formations keep constant vigil & take action in accordance with law wherever GST evasion is noticed.

Besides this, several measures have also been taken to check Custom Duty evasion such as risk profiling, targeting, data analytics based intelligence gathering and non-intrusive inspection of cargo. The Directorate of Revenue Intelligence and Customs field formations keep constant vigil and take action in accordance with law wherever Customs duty evasion is noticed.

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