

LOK SABHA

UNSTARRED QUESTION NO. 3662

TO BE ANSWERED ON MONDAY, AUGUST 11, 2025/SRAVANA 20, 1947 (SAKA)

ANTI-CORRUPTION BODY FOR CENTRAL TAX AGENCIES

3662. SHRI PARSHOTTAMBHAI RUPALA:

Will the Minister of FINANCE be please to state:

- (a) the measures implemented by the Government to reduce tax evasions via continuous tax audits;
- (b) whether the Government proposes to select audit cases by employing risk management techniques which will be examined by a dedicated team to minimise the potential for corruption, if so, the details thereof; and
- (c) the action taken/to be taken by the Government to establish an independent anti-corruption body for central tax agencies, if so, the details thereof?

ANSWER

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

(a) and (b) : In case of direct taxes, cases are selected for scrutiny/assessment by Assessing Officers on the basis of approved risk rules under Computer Aided Scrutiny Selection (CASS) and Risk Management Strategy, formulated by CBDT. Such risk rules are machine implemented and executed in an identity blind manner. Investigation regarding tax evasion is an ongoing process and whenever any instance of tax evasion comes to notice, the Income Tax Department takes appropriate actions including conducting e-verification campaigns, NUDGE (Non-intrusive Usage of Data to Guide and Enable) taxpayers campaigns, search & seizure, surveys, reopening of cases, assessment of income, levy & recovery of tax, imposition of penalty, launching of prosecution etc. as per the provision of the Income-tax Act, 1961.

In case of indirect taxes, the tax audits under GST and Customs are a regular exercise. An annual Audit Plan containing a list of taxpayers to be audited is issued every financial year. The Directorate General of Risk Management and Analytics (DGARM) under the CBIC has put in place a robust risk management system for selecting taxpayers for audit purposes for each financial year. To curb tax evasion via continuous tax audits, the selection of taxpayers for audit is done based on risk parameters and local risk perception. The audit selection is prioritized on risk to revenue assessment and thus more high-risk taxpayers are taken up for audit. The list of taxpayers to be audited is system generated without any interface with the taxpayers. Based on the Audit Plan, provided by the Directorate General of Audit, DGARM officers prepare the Audit lists Audit Commissionerate-wise for each Financial Year.

(c) The Hon'ble Lokpal of India and Central Vigilance Commission (CVC) already exist as independent anti-corruption bodies for Central Tax Agencies.
