

(b) whether middlemen and dealers in fake money are raking in a commission of ₹ 30 lakhs per ₹ 50 lakhs per ₹ one lakh of fake money put in circulation; and

(c) if so, what steps are taken to check the menace?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) No information about emergence of Vijayawada and Amaravati as being centres of duplicate/fake currency notes is available with the Government.

(b) Yes, Sir. The middlemen and dealers in fake currency business are raking up commission ranging from 30% to 60% which varies from time to time depending upon the initial level of supply of FICN.

(c) The Ministry of Finance, Ministry of Home Affairs, Reserve Bank of India, Security and Intelligence Agencies of the Centre and States are working in tandem to thwart the illegal activities related to Fake Indian Currency Note (FICN). An FICN Coordination Group (FCORD) has been formed in the Ministry of Home Affairs to share the intelligence/information amongst different security agencies of States/Centre to counter the menace of agencies to effect more seizures. The issue has also been raised in international multilateral fora constantly. RBI has also initiated several measures for generating public awareness, conducting training programs for employees/officers of banks and streamlining the process of reporting and detection of counterfeit notes.

Further, in order to stay ahead of the counterfeiters, Government has recently introduced revised numbering pattern in all denominations of banknotes. RBI has issued Press Release in this regard on June 25, 2015.

Government in consultation with RBI, has also initiated the process of procurement of upgraded/new security features for a new series of banknotes. RBI has issued a PQB for supply of Security Features for Indian banknotes.

#### **Steps taken to curb white collar crimes**

†1829. SHRI RAM NATH THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether white collar crime is undermining the economy due to which money meant for poor is usurped by the rich;

(b) if so, the details thereof;

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†Original notice of the question was received in Hindi.

(c) whether there are stringent laws for arresting such white collar criminals and tax evaders, if so, number of people arrested during last two years for direct or indirect tax evasion;

(d) the number of individuals out of those arrested for direct or indirect tax evasion who have evaded tax amounting to more than 50 crore rupees, individual details thereof may be provided; and

(e) steps being taken by Government to apprehend major tax evaders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Appropriate action against tax evasion is an on-going process. Such appropriate action under direct taxes law includes searches, surveys, assessment of income, levy of tax & penalty and filing of prosecution complaints before criminal courts, wherever applicable. Such taxes, penalties, etc. form part of the total liability of each assessee and is enforced accordingly.

(c) and (d) **Direct Tax** : There is no provision under the direct taxes laws to arrest a person for tax evasion, barring the power of the Tax Recovery Officers (TROs) to arrest a person in relation to recovery of tax dues under Second Schedule of the Income-tax Act, 1961. However, prosecution complaints may be filed under Chapter XXII (Offences and Prosecutions) of the Income-tax Act, 1961 and Chapter V (Offences and Prosecutions) of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 in appropriate cases. Maximum punishment under the Income-tax Act, 1961 is upto 7 years imprisonment and fine. Maximum punishment under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 is 10 years and fine. Number of cases in which prosecution complaints were filed before Criminal Courts during Financial Year 2014-15 and 2015-16 was 669 and 551 respectively. The number of cases in which offences was compounded during Financial Year 2014-15 and 2015-16 was 900 and 1015 respectively. The number of persons convicted under the Income-tax Act, 1961, during Financial Year 2014-15 and 2015-16 was 34 and 27 respectively.

The disclosure of information regarding specific taxpayers is prohibited except as provided in section 138 of the Income-tax Act, 1961.

**Indirect Tax** : Section 13 of the Central Excise Act, 1944, Section 104 of the Customs Act, 1962 and Section 91 of the Finance Act, 1994 empowers any Central

Excise / Customs officer, not below the rank of inspector, with the prior approval of the Commissioner of Central Excise or Commissioner of Customs, as the case may be, to arrest any person whom he has reason to believe to be liable to punishment under the respective provisions of the above indirect tax laws.

The details of the persons arrested for Indirect tax evasion during the last two years are given in Statement (*See below*).

(e) **Direct Tax :** The Government has taken several measures to effectively deal with the issue of tax evasion/ black money. Such measures include policy-level initiatives, more effective enforcement action on the ground, putting in place robust legislative and administrative frameworks, systems and processes with due focus on capacity building and integration of information and its mining through increasing use of information technology. Recent major initiatives of the Government in this regard include - (i) Constitution of the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court, (ii) Enactment of a comprehensive new law - 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, (iii) Introduction of the Benami Transactions (Prohibition) Amendment Bill, 2015 to amend the Benami Transactions (Prohibition) Act, 1988 with a view to, *inter alia*, enable confiscation of Benami property and provide for prosecution, (iv) While focusing upon non-intrusive measures, due emphasis on enforcement measures in high impact cases with a view to prosecute the offenders at the earliest for credible deterrence against tax evasion/black money, (v) Proactively furthering global efforts to combat tax evasion/black money, *inter-alia*, by joining the Multilateral Competent Authority Agreement in respect of Automatic Exchange of Information and having information sharing arrangement with USA under its Foreign Account Tax Compliance Act (FATCA).

**Indirect Tax :** *Modus Operandi* circulars are issued, from time to time, regarding evasion of Central Excise, Customs Duty & Service Tax to field formations, whenever any new *Modus Operandi* comes to the notice of the two apex agencies, *viz*, the Directorate General of Central Excise Intelligence (DGCEI) and the Directorate General of Revenue Intelligence (DGRI). Besides, regular steps are taken to improve anti-evasion and anti-smuggling performance. Third party information, survey, scrutiny of returns and audit are also being extensively utilized to detect evasion of tax.

**Statement-I**

*Details of the persons arrested for indirect tax evasion during the last two years*

Central Excise & Service Tax			
Year	No. of individuals arrested for evasion of Central Excise & Service Tax	No. of individuals arrested for evasion of Central Excise & Service Tax of above ₹ 50 crore	Details of the individuals who have evaded Central Excise & Service Tax above ₹ 50 crore
2014-15	49	-	Nil
2015-16	56	2	1. Shri M.K. Pallai, M/s Makemytrip (India) Pvt. Ltd., Gurgoan, 2. Shri Rajesh Kumar, M/s Dharampal Satyapal Ltd., Noida
Customs			
Year	No. of individuals arrested for evasion of Customs Duty	No. of individuals arrested for evasion of customs duty of above ₹ 50 crore	Details of the individuals who have evaded customs duty above ₹ 50 crore
2014-15	1828	0	NIL
2015-16	1229	01	Sh. Kishan S. Lounganj, Proprietor of M/s R. Kishin & Company, Bhelumal House, 149, Zaveri Bazar, Mumbai-400002.

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**Reduction of interest rates on small savings schemes**

†1830. SHRI NARESH AGRAWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has reduced the rate of interest by 1.5 on small savings schemes;

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†Original notice of the question was received in Hindi.