

PAN Likely to Become Most Potent Tool to Unearth Black Money, Tax Evasion

Come next financial year, the PAN card is likely to become the most potent tool for the Income Tax Department to unearth black money, tax evasion and instances of criminal financing in the country. A recent directive of the Central Board of Direct Taxes (CBDT) to the I-T Dept has asked its officials to launch a special drive against those who have "not furnished their PAN (Permanent Account Number)" while entering into high value transactions.

The drive will end on March 20, eleven days before the current fiscal closes.

The measure has been taken on the recommendations of a high-level committee appointed by the CBDT last year to find those taxpayers who have gone missing without paying taxes, pegged at Rs 1,01,836 crore at present.

The committee under I-T Director General (Administration) was set up to examine pending cases on I-T demands under the categories "assesses not traceable" and "no assets/ inadequate assets for recovery".

A top Finance Ministry official, involved in the planning of the latest drive, explains the idea behind the exercise which is being conducted across the country.

"The PAN card data which the I-T will obtain during the two month drive which started on February 20 will bolster the 360-degree profiling computer-based data-bank of the department. The new PANs will be fed into the system and then whenever a transaction is done using that identity, a flow chart of all credit/debit card, banking and other transactions from it will get displayed for the officer investigating," the official said.