

## Summary of Recommendations

### With reference to administration and levy of penalty

1. The entire process of initiation, levy and order of penal proceedings to be duly recorded so that proceedings do not suffer from procedural infirmities.
2. The Ministry may ensure that concealment of income is penalized as per the Act.
3. The Ministry may put in appropriate mechanisms to ensure that tax demands are collected on time and defaults penalized.
4. The Ministry may ensure coordination between various wings within ITD so that revenue efforts are synergized.
5. The Ministry may put in a mechanism for ensuring appropriate penalties for cash transactions relating to loans and deposits beyond prescribed limits.

### With reference to administration of Prosecution

6. The Ministry needs to ensure instituting a more robust mechanism for identifying cases for prosecution which takes into account timeliness; quantum of tax evasion; and contemporary impact.
7. CBDT should ensure posting of a designated and experienced Nodal officer to handle prosecution at the field level with independent charge. CBDT is to ensure periodical interaction amongst authorities (like quarterly) so that status of a case is ascertainable at any point of time.
8. CBDT should take up work of cleaning of records and data bases to ascertain actual pendency and status of prosecution cases at various levels. CBDT should ensure maintenance of updated prosecution records at all levels.
9. CBDT should ensure periodical physical verification of prosecution related files.
10. Ministry needs to streamline the mechanism for appointment and evaluation of departmental counsels representing the ITD before judicial authorities. The remuneration rates also need a relook in accordance with the tasks associated so as to avail and retain the services of experienced counsels.

11. The Ministry may ensure regular coordination with the judicial machinery.
12. CBDT should perform one time exercise to identify the stage of pendency of all cases in the various Courts and follow it actively for resolution.
13. CBDT should consider compounding offences before launching the prosecution proceedings so that revenues are collected.
14. CBDT should deploy prosecution machinery for high impact cases and avoid focussing on low impact cases.