

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA

UNSTARRED QUESTION NO.13

TO BE ANSWERED ON MONDAY, JULY 21, 2025/ASHADHA 30, 1947(SAKA)

“INCOME TAX ON VDA & CRYPTO CURRENCY INCOME”

13. Shri Lavu Sri Krishna Devarayalu :
Shri G M Harish Balayogi:

Will the Minister of FINANCE be pleased to state:

- a) the total revenue collected from income tax on VDA/Cryptocurrency related income during the last three years, year-wise;
- (b) whether any estimates have been made by the Government regarding the projected revenue loss due to under-reporting/misreporting of income from VDA/cryptocurrency transactions;
- (c) whether the Government is using AI/ML/data analytics tools to identify tax evasion in VDA transactions, if so, details thereof;
- (d) whether a centralized system has been established by the Government for real-time matching of VDA-related ITR filings with TDS returns filed by Virtual Asset Service Providers (VASPs), if so, the status of its implementation; and
- (e) whether the Government has undertaken any capacity-building initiatives to equip tax officials for effective compliance monitoring and investigation in the VDA/cryptocurrency ecosystem, if so, the details thereof and if not, the reasons therefor?

ANSWER

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

- (a) The tax on income from transfer of Virtual Digital Assets (VDA), under section 115BBH of the Income Tax Act, 1961, was introduced from FY 2022-23. The collection of tax on income from VDA, for last three years is as under:

S. No.	Financial Year	Amount of tax on income from VDA as per Income Tax Returns (in crore)
1	2022-23	269.09
2	2023-24	437.43
3.	2024-25	Data not yet available*

*Due date for filing Income Tax Returns for FY 2024-25 has not yet elapsed.

(b) No such estimates have been made.

(c) The Government is utilizing data analytics tools to trace and detect tax evasion from VDA related transactions. The analysis includes the use of Non-Filer Monitoring System (NMS), Project Insight and internal databases of the Income Tax Department, to correlate available information on VDA transactions with the transactions disclosed in the return of income by the taxpayer.

(d) Real time matching of VDA related transactions, filed in income tax returns, with information filed by Virtual Asset Service Providers (VASPs) is not being carried out. However, TDS returns filed by VASPs and income tax returns filed by the taxpayers are analysed to identify discrepancies in reported VDA transactions. Central Board of Direct Taxes has initiated NUDGE (Non-Intrusive use of Data to Guide and Enable) campaign to identify such discrepancies for further action. Under NUDGE campaign suitable communications, to review and update their income tax returns, were issued to all taxpayers who did not report VDA related transactions in their income tax returns, despite tax being deducted at source for such transactions by VASPs, where the quantum of such discrepancy was more than Rs 1 lakh.

(e) Several capacity-building initiatives are being undertaken by the Government to equip officers for effective compliance monitoring and investigation of VDA related transactions. Training programs, specialized workshops, Chintan Shivirs and hands-on workshops are regularly conducted by various training institutes under the Income Tax Department. At local level, field offices conduct training sessions and webinars on digital forensics, blockchain analysis, legal frameworks, and handling of digital evidence. The officers and officials are also imparted short term training on digital forensics, in partnership with National Forensic Science University (NFSU), Goa, which empower them to identify and trace VDA related transactions from data captured during intrusive actions.
