Overseas Crypto Earnings of Moonlighters under I-T Lens

Emails sent to such taxpayers seeking explanation for unreported income and foreign assets

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New Delhi: The income-tax department has detected cases of professionals moonlighting for overseas firms and receiving payments in cryptocurrencies that were not disclosed in their tax filings, people familiar with the matter said.

The department has begun sending out intimation emails to such taxpayers, seeking explanations for unreported income and foreign assets.

"Investigation has revealed that a large number of professionals in IT, education, auditors and various consultants were working for multiple overseas clients and received payments in crypto," a senior official told **ET**, but declined to disclose the number of such people.

In several cases, individuals working in technology and consulting sectors allegedly received part of their compensation in Stablecoins or other cryptocurrencies that were parked in wallets linked with accounts outside India, in low-tax jurisdictions, sources said.

The probe also flagged residents investing in overseas crypto exchange-traded funds (ETFs) through offshore brokerage accounts without reporting holdings or gains.

The findings emerged from a data-analytics exercise using information from foreign financial institutions, crypto-exchange reporting and global tax-information sharing frameworks.

The exercise is a part of broader efforts to monitor new forms of cross-border compensation and digital-asset investments.

DIGITAL TRAIL

As remote work expands across borders, tax authorities are increasingly examining cases where employees based in India take on side assignments for overseas clients and receive payment in crypto. With global information-sharing arrangements expanding, undisclosed overseas income—whether paid in fiat or crypto—is becoming easier for authorities to detect.

The department is increasingly using blockchain analytics tools to trace digital asset movements and identify points where crypto is converted into fiat currency.

Officials said moonlighting is not a new trend and similar cases were noticed post Covid. But this time payments have been made in crypto to avoid reporting.

"Data matching is now sophisticated enough to track digital asset flows linked to Indian residents," the official quoted above said, adding the department is focusing on voluntary compliance before moving to enforcement action.

Move aimed at monitoring cross-border compensation, digital-asset investments

Under Indian laws, residents are taxed on their global income, regardless of where it is earned or how it is paid. That includes income received in digital assets such as cryptocurrencies.

Since the government introduced a dedicated tax regime for virtual digital assets in 2022, gains from such assets are taxed at a flat 30%, and transactions through certain platforms attract a 1% tax deducted at source.

Undisclosed foreign assets can attract penalties under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act.

Parl Panel Seeks Higher Stipend, Age Relaxation under PM Internship Scheme

Our Bureau

New Delhi: The Parliamentary Standing Committee on Finance has suggested that the government raise the monthly stipend and relax eligibility conditions under the PM Internship scheme, flagging the limited uptake and high dropout rates under the programme.

The panel, chaired by senior BJP leader Bhartruhari Mahtab, has pitched for higher stipend to beneficiaries, keeping in view prevailing living costs. It also wants that "a graded support mechanism, including travel, relocation or accommodation assistance, particularly for women candidates and those from rural or remote areas, be introduced to improve retention". Currently, each selected intern gets a monthly allowance of ₹5,000 for one year, on top of a one-time aid of ₹6,000. The government bears a total of ₹60,000 and participating companies ₹6,000 per year for each intern. These companies are allowed to adjust their expenditure against their corporate social responsibility obligations.

Flags low uptake and high dropouts under the programme amid a sharp cut in allocation for current fiscal

The House panel made these suggestions in its report on demands for grants of the corporate affairs ministry for 2026-27, submitted in Parliament on Thursday. The internship scheme was announced in the July 2024 budget. The House panel also favours easing the age limit for participants (currently set at 21-24 years) and suggests relaxing other conditions to expand the programme. It also wants inclusion of those seeking employment at a later stage due to educational or socioeconomic reasons.

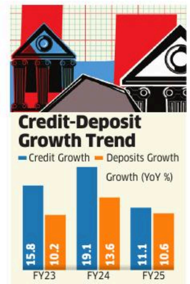
Lower-than-expected participation under the scheme has resulted in a drastic cut in the allocation for the current fiscal to just ₹526 crore in the revised estimate from the budgeted ₹10,831 crore. In fact, the main scheme has not yet been launched, and the initial pilot project has been continued.

BID TO PUSH CREDIT GROWTH

Banks Urged to Devise Low-interest Loans for Retail, MSME Clients

Inputs expected by month-end; rollout planned early next fiscal

Dheeraj Tiwari



New Delhi: The government has asked banks to devise low-interest loan schemes for retail borrowers as well as micro and small enterprises, and explore credit products for tribals who may lack collateral. Banks are expected to share inputs by the end of this month and implement the schemes early next financial year, said people familiar with the development.

"Banks have been asked to look at various loan schemes and further build upon the existing models such as Grameen Credit Score and the Stand Up India 2.0 scheme," a government official said on condition of anonymity, adding that the aim is to push credit growth.

Bank-led credit growth stood at a 19-month high of 14.6% at January-end, compared with 11.4% a year ago.

Banks will discuss internally how such schemes can be designed with a uniform loan application and other credit appraisal metrics. The retail loans will cover all consumer loans, including housing loans, subject to prudent lending guidelines, said the official.

Public sector banks have already implemented the Grameen Credit Score framework for better assessment of self-help group members and people in rural areas to increase lending to this category.

A bank executive said lenders will look at tailored schemes for micro enterprises, which may include longer tenure periods to bring down interest rates and lower requirements of margin funds. "Firms operating in sectors such as leather, toys and even street vendors will be targeted through these new loan products," he said, adding that the government wants banks to come up with inclusive credit strategies for the unbanked population.

Another bank executive said that models such as the proposed customised credit cards with a ₹5 lakh limit for micro enterprises registered on Udyam portal can also be looked at. "We are already in the process of rolling out these projects and can add more features to them including additional lending support," he said

Non-food bank credit increased 14.4% year-on-year in January, accelerating from 11.3% a year earlier while remaining at levels similar to those in December 2025, according to a report by CareEdge Ratings.

"Growth was broad-based, led by personal loans, especially vehicle loans, and remained double-digit in MSME (micro, small and medium enterprises) lending. Credit to services, including trade and NBFCs (non-banking financial companies), remained healthy, supported by a gradual pickup in corporate borrowings," it said, noting that gold loans surged 128.8% year-on-year in January, reflecting strong collateral-backed demand amid higher gold prices.

Par Panel Pushes for Rooftop Solar Scheme

Strengthening portal infrastructure and data validation, as well as onboarding power distribution companies, are key to achieving the target of installing rooftop solar systems for one crore households under PM Surya Ghar: Muft Bijli Yojana, a parliamentary panel report said on Thursday. The scheme, launched in February 2024, aims to benefit one crore households with a saving of ₹75,000 crore annually by installing solar systems on their rooftops by March 2027. During the past two years, about 23.29 lakh rooftop solar installations were achieved against the target of 61 lakh, with 80% fund utilisation at ₹22,402.97 crore out of the revised allocation of ₹28,100 crore, as per the panel's report on the Ministry of New and Renewable Energy's 2026–27 demands for grants.

Parliament Watch

Push for Faster Smart Meter Installation

A parliamentary panel has urged the power ministry to undertake urgent measures to accelerate installation of smart metres in a structured and time-bound manner. The Eleventh Report of the Committee on 'Demands for Grants (2026-27) of Ministry of Power' was tabled in Parliament on Thursday.

House Panel Suggests Stress Test of I-T Portal

A Parliamentary panel on Thursday asked the Income Tax department to undertake 'rigorous stress and load testing' of its e-filing portal and the entire IT backbone to ensure that there are no glitches when the new Act is rolled out from April 1. The Income Tax department has informed the Standing Committee on Finance, chaired by BJP member Bhartruhari Mahtab, that out of the 190 forms to be notified under the new I-T Act, only 54 forms are expected to be ready by March 31, 2026. The remaining forms will be rolled out subsequently.