

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO. 1082

TO BE ANSWERED ON 21ST JULY, 2017/30TH ASHADHA SAKA, 1939

Law Flouters during Demonetisation

1082. SHRI N.K. PREMACHANDRAN

QUESTION

Will the Minister of Finance be pleased to state:

- (a) whether the Government proposes to public the list of law flouters violates of norms during demonetisation;
- (b) if so, the details of such violators and the amount involved if more than Rs. 25 lakhs, individual, company, institution, bank/State/UT-wise;
- (c) whether the Government proposes to take action against the aforesaid persons, company, institutions including banks for such violations and if so, the details thereof, State/UT-wise;
- (d) whether the Government identified black money and fake notes in connection with demonetisation; and
- (e) if so, the details of the total amount of black money and fake notes seized, State/ UT-wise?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)**

(a) & (b) Disclosure of information regarding specific taxpayers is prohibited except as provided under section 138 of the Income-tax Act, 1961.

(c) to (e) Appropriate actions including searches, surveys, and enquiries were taken by the Income Tax Department (ITD) for serious violations of the provisions of the Income Tax Act, 1961. Further, disclosure of information regarding specific taxpayers is prohibited except as provided under section 138 of the Income-tax Act, 1961.

During the period 9th November 2016 to 10th January 2017, more than 1100 searches and surveys were conducted by the ITD, apart from issuing more than 5100 verification notices in the cases of suspicious high value cash deposits or related activities. These actions led to seizure of valuables of more than Rs. 610 crore which includes cash of Rs. 513 crore. Seizure of cash in new currency notes was about Rs 110 crore. The undisclosed income detected in these actions was more than Rs. 5400 crore.

Operation Clean Money was launched on 31st January 2017 with the mission to “*Create a tax compliant society through a fair, transparent and non-intrusive tax administration where every Indian takes pride in paying taxes*”. In the process, about 18 lakh persons were identified whose cash transactions did not appear in line with their tax profile. Such persons were approached through SMS/email (*non-intrusive method without even a notice*).The contacted persons were required to submit their responses by logging into a specified website. As an outcome, more than 9.27 lakh responses were received providing information on 13.33 lakh accounts involving cash deposits of around Rs.2.89 lakh crores. Appropriate action under direct tax law in the remaining cases has been taken. Subsequently, advance data analytics tools were deployed and 5.56 lakhs new cases were identified for online verification.

Whenever a complaint against a bank official(s) is received and any irregularities are found or observed on the part of Banks' official(s), the Banks initiate action as per their extant rules and commensurate punishment is awarded to the delinquent employees based on the seriousness of the wrongdoings as per Bank's disciplinary rules.

The data available from the National Crime Records Bureau (NCRB) indicates that 1,57,818 numbers of Fake Indian Currency Notes (FICN) having a face-value of Rs.11,24,04,980 have been reported by States/UTs Police for the period 9.11.2016 to 14.7.2017.