

**Government of India
Ministry of Finance
Department of Revenue**

LOK SABHA

UNSTARRED QUESTION NO. 4261

TO BE ANSWERED ON FRIDAY, AUGUST 11, 2017

SHRAVANA 20, 1939(SAKA)

“ACTION AGAINST JEWELLERS AFTER DEMONETISATION”

4261. SHRI HARISHCHANDRA CHAVAN:

SHRI RAM TAHAL CHOUDHARY:

Will the Minister of Finance be pleased to State:

- (a) whether the Government has taken action against several jewellers after demonetisation;
- (b) if so, the details thereof, State/ UT-wise and the reasons therefor; and
- (c) the action taken by the Government in this regard along with the outcome thereof?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SANTOSH KUMAR GANGWAR)**

(a) Yes Madam.

Appropriate action against tax evasion, including by jewellers, is an on-going process. Such action under tax laws includes searches, surveys, enquiries, assessment of income, levy of penalties and filing of prosecution complaints before criminal courts, wherever applicable.

(b) & (c) The details of action taken by the Government are as under :

The Income-tax Department (ITD) undertook multi-pronged action following the withdrawal of high value Rs 1000/- and Rs 500/- currency notes on 8th November, 2016. During the period 9th November 2016 to 10th January 2017, more than 1100 searches and surveys were conducted including on various jewellers, apart from issuing more than 5100 verification notices in the cases of suspicious high value cash deposits. These actions led to seizure of valuables of more than Rs. 610 crore which included 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. Separate state/UT-wise data for jewellers is not maintained. Disclosure of information regarding specific taxpayers is prohibited except as provided under section 138 of the Income-tax Act, 1961.

The Income Tax Department also launched 'Operation Clean Money' 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"*. The broad outcomes of the operation so far are as under:

- Identified about 18 lakh persons whose cash transactions did not appear in line with their tax profile and reached them through sms/email. Record number of 5.27 lakh responses received in the first 12 days
- More than 9.27 lakh responses received giving information on 13.33 lakh accounts involving cash deposits of around Rs.2.89 lakh crore.
- Non-compliant cases are dealt-with as per relevant provisions of the Income-tax Act, 1961.
- Portal on Operation Clean Money launched in May 2017 inter-alia promoting participation of common man in the operation.
- Advance data analytics tools deployed further identified 5.56 lakhs new cases for verification
- More than 1 lakh no-response/partial response cases (in the first phase) and about 200 high risk clusters of persons based on certain relationship patterns identified for taking appropriate actions.

The Directorate of Enforcement has initiated investigations under the provisions of Prevention of Money Laundering Act (PMLA), 2002 and Foreign Exchange Management Act (FEMA), 1999 against certain jewellers, post demonetisation. Search and seizure operations were carried out under PMLA, 2002 during which Indian currency and Gold were seized. Total **13** cases have been registered under FEMA/PMLA against Jewellers after Demonetisation.

Further, Central Board of Excise and Customs has registered **81** cases against jewellers. Out of **81** cases, in **73** cases duty evasion involving an amount of Rs.66.13 crore has been detected wherein Rs. 55.54 crore has been recovered so far. In 8 cases, precious metals valued at Rs.175.29 crore have been seized.