

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA**

UNSTARRED QUESTION NO.1884

TO BE ANSWERED ON FRIDAY, THE 29TH DECEMBER, 2017

PAUSHA 8, 1939 (SAKA)

HIGH RISK CATEGORY OF TAXPAYERS

1884: DR. K. GOPAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to undertake action against the persons in the high risk category which has around 1lakh persons with the amount of deposits involved estimated to be around 1.72 lakh crore;

(b) if so, the details thereof;

(c) whether the medium risk category has the highest number of taxpayers under scanner at 7.54 lakh persons, while 5.95 lakh persons are in low risk category and 3.41 lakh persons are in very low risk category; and

(d) if so, the details thereof?

**ANSWER
MINISTER OF STATE FOR FINANCE
(SHRI SHIV PRATAP SHUKLA)**

(a) to (d): The Government has taken action against persons who, prima facie, made suspicious cash deposits post- demonetization.

However, the risk categories are dynamic and subject to change with receipt of new data including the data in the Income-tax Returns filed or submission of response or any other relevant input.

The initial risk assessment of the taxpayers was based on preliminary assessment of the post-demonetization cash deposit data in the context of taxpayer's profile, as the due date for filing of returns for assessment year 2017-18 (relevant to financial year 2016-17) was not over and therefore returns were not available.

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After the expiry of due date for filing of returns, which was 30th November 2017 for assessment year 2017-18, notices under section 142(1) of the Income-tax Act, 1961 were issued to the non-return filers having large cash deposits.

Where return of income has been filed, preliminary risk assessment is done taking into account, inter alia, the following aspects:

- Whether taxpayer mentioned the bank account in the Income Tax Return.
- Whether taxpayer has broadly considered the cash deposits while computing income and paying taxes.
- Whether the explanation of source of cash deposit submitted by the taxpayer is in line with the taxpayer profile.

The dynamic risk management strategy selects high risk cases including those in which returns of income are not filed even after statutory notice, for further investigation/scrutiny and other statutory processes.

Appropriate action against tax evasion is an ongoing process. Such actions under direct taxes include searches, surveys, assessment of income, levy of tax, penalty and filing of prosecution complaints before criminal courts, wherever applicable.
