

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO.1162
TO BE ANSWERED ON FRIDAY, 9TH FEBRUARY, 2018
MAGHA 20, 1939 (SAKA)**

SUSPICIOUS CASES OF DEPOSITS AFTER DEMONETISATION

**1162: SHRI NALIN KUMAR KATEEL:
SHRI B.N. CHANDRAPPA:
SHRI D.K. SURESH:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has identified large number of suspicious cases of individuals/companies who have made huge deposits and their monetary assets do not match their tax profile after demonetisation;*
- (b) if so, the number of individuals/ companies who have made huge deposits along with the number of suspicious cases identified in this regard, company/bankwise;*
- (c) whether the Government has taken any steps against such individuals/ companies involved in such malpractices, conducted investigations and identified the source of unaccounted deposits, if so, the details thereof; and*
- (d) the reaction of the Government thereto?*

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

(a) & (b): As a part of post-demonetisation exercise, Operation Clean Money (OCM) was launched by the Government 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”.

As a part of this exercise, the cash deposit data was analysed to identify persons whose cash transactions did not appear to be in line with the tax payer’s profile. Preliminary analysis resulted in identification of about 17.92 lakh persons for verification process in the first phase. Online verification of cash transactions was enabled and the information in respect of the identified cases was made available in the e-filing window of the PAN holder (after log in) at the portal <https://incometaxindiaefiling.gov.in>. The taxpayer was able to submit online explanation without any need to visit Income Tax office. Email and SMS were sent to the taxpayers for submitting online response on the e-filing portal. As a result, nearly 11.46 Lakh persons submitted online response in respect of 17.44 Lakh accounts.

High risk cases were made available to the field formations of the Income tax Department using an internal online portal for effective monitoring and follow-up. However, company-wise/bank-wise data is not maintained centrally by Central Board of Direct Taxes (CBDT).

(c) & (d): Notices u/s 142(1) of the Income tax Act have been issued to those persons who have deposited cash of Rs 15 Lakh or more but had not filed their return of income till the due date of filing. As a result, returns of income have been filed by 55,884 such persons.

Further, Data analytics is used to match information in Income-tax return with cash deposit data and identify high risk cases for further verification/investigation. In all the cases of suspected tax evasion, appropriate actions are undertaken by the Income-tax Department (ITD), including against individuals/companies involved in malpractices after demonetisation. Such appropriate action under direct tax laws includes searches, surveys, assessment of income, levy of taxes, penalty and prosecution as applicable. Post-demonetisation, during the period 09/11/2016 to 10/01/2017, more than 1,100 search, seizure and survey actions were taken by the ITD. These actions led to seizure of valuables of more than Rs. 610 crore, which includes cash of Rs. 513 crore (including new currency of more than Rs 110 crore).

The provision of section 138 of the Income-tax Act prohibits the disclosure of information of individual assessee under investigation.
