

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

**LOK SABHA
UNSTARRED QUESTION NO. 2242
TO BE ANSWERED ON MONDAY, 02ND AUGUST, 2021
SRAVANA 11, 1943 (SAKA)**

HIGH VALUE DEPOSITS

2242: SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is investigating heavy deposits made during 50 days period of demonetisation;

(b) if so, the details thereof;

(c) whether an investigation is also being done on financial institutions against their high value deposits; and

(d) if so, the details thereof along with the status of investigation so far?

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) & (b): During demonetisation, large cash was deposited in bank accounts, and it became possible to track the owners of cash. The Income Tax Department (ITD) took a number of prompt actions on those found to be involved in misuse of the scheme of demonetisation. These actions, inter-alia, included the following:

- The Income Tax Department conducted searches in 900 groups during the period November 2016 to March, 2017 leading to seizure of Rs. 900 crores, including cash of Rs. 636 crores and admission of undisclosed income of Rs.7961 crores. During the same period, 8239 surveys were conducted leading to detection of undisclosed income of Rs.6745 crores.
- The cash deposit data was analyzed to identify those persons whose cash transactions did not appear to be in line with their profile. Regular emails and SMS were sent to them for submitting their response online. This exercise promoted voluntary compliance.

- Further, electronic campaign was initiated in case of non-filers depositing cash between Rs 5-10 lakh. Further, 3.04 lakh persons who had deposited cash of Rs. 10 lakh or more but had not filed their return of income till due date of filing returns were identified. Overall, Self-Assessment Tax of more than Rs. 13,000 crores was paid by targeted non-filers.
- In respect of cases where high deposits were made post demonetisation and the corresponding returns of income were not filed, notices u/s 142 (1) of Income Tax Act, 1961 were issued for filing of returns. Assessment orders have been passed making requisite additions in these cases.
- Further, in cases where the Returns of Income were filed by the depositors, the income tax returns and demonetization data were analyzed under Computer Assisted Scrutiny Selection (CASS) and cases were selected for scrutiny on account of various scenarios related to demonetization. After scrutiny, assessment orders have been passed in large number of cases wherein substantial additions have been made.
- In suitable cases, penalties have also been levied.
- It may also be mentioned that because of sustained non-intrusive campaign by the Income Tax Department post demonetization, during F.Y. 2017-18, the net collection of direct taxes increased by 18% at Rs. 10.03 lakh crore as compared to previous year. This was the highest growth in preceding seven F.Y.s. There was also exceptional growth in Personal Advance Tax of 23.4% and Personal Self-Assessment Tax of 29.9% in F.Y. 2017-18 in comparison to F.Y. 2016-17.

Further, Directorate of Enforcement (ED) has registered 9 cases under the provisions of the Prevention of Money Laundering Act, 2002 (PMLA, 2002) and 5 cases under the Foreign Exchange Management Act, 1999 (FEMA, 1999) with respect to heavy deposits made during the period of demonetisation.

(c) & (d): Directorate of Enforcement (ED) has registered one case under the provisions of FEMA, 1999 against a Financial Institution with regard to their high value deposits.
