



Recovery of undisclosed income post demonitization

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With a view to curbing financing of terrorism through the proceeds of Fake Indian Currency Notes (FICN) and use of such funds for subversive activities such as espionage, smuggling of arms, drugs and other contrabands into India, and for eliminating black money which casts a long shadow of parallel economy on the real economy, the Government decided to cancel the legal tender character of the high denomination bank notes of Rs. 500 and Rs. 1000 issued by the Reserve Bank of India on 8th November 2016.

There was no official estimation of quantum of black money in India. However, post demonetization, the Income Tax Department (ITD) conducted searches in 900 groups of persons during November 2016 to March, 2017 leading to seizure of Rs 900 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. Information of various kinds of wrong-doings by about 400 persons was also shared with other law enforcement agencies such as Enforcement Directorate and Central Bureau of Investigation for appropriate action.

Further, during the current Financial year (01.04.2017 to 30.06.2017) the ITD has conducted searches in 102 groups, seizing assets worth Rs. 103 crore. The persons searched have admitted undisclosed income of Rs. 2670 crore. During the same period surveys conducted in 202 cases (01.04.2017 to 31.05.2017) led to detection of Rs. 150 crore as undisclosed income.

The Department has 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". Broad outcome of the operation so far is as under:

- i. About 18 lakh persons whose cash transactions did not appear in line with their tax profile were identified and approached through email/sms.
- ii. More than 9.27 lakh responses were received giving information on 13.33 lakh accounts involving cash deposits of around Rs.2.89 lakh crore. Out of this record number of 5.27 lakh responses were received in the first 12 days of the operation.
- iii. Advance data analytics tools were deployed which further identified 5.56 lakhs new cases and about 1 lakh those cases in which either partial or no response was received in the earlier phase. Besides, about 200 high risk clusters of persons were identified for appropriate action.

This was stated by Shri Santosh Kumar Gangwar, Minister of State for Finance in written reply to a question in Rajya Sabha today.

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