

## **CBDT to crack the whip on persons purchasing jewellery and making cash deposits with black money**

### **MISCELLANEOUS - REPLIES GIVEN BY REVENUE SECRETARY ON QUESTIONS RELATING TO ACTION BY INCOME TAX DEPARTMENT IN RESPECT OF OLD CURRENCY DEPOSITED IN BANKS**

**PRESS RELEASE, DATED 10-11-2016**

**Q.1:** A lot of small businessmen, housewives, artisans, workers may have some cash lying as their savings at home, will the income tax department ask questions if the same is deposited in banks?

**A.1:** Such group of people as mentioned in the question need not worry about such small amount of deposits up to Rs.1.5 or 2 lacs, since it would be below the taxable income. There will be no harassment by Income Tax Department for such small deposits made.

**Q.2:** Will the Income Tax Department be getting reports of cash deposits made during this period? If so, will the current threshold of reporting requirement of reporting cash deposits of more than Rs.10 lacs will only continue?

**A.2:** We would be getting reports of all cash deposited during the period of 10th November to 30th December, 2016 above a threshold of Rs. 2.5 lacs in every account. The department would do matching of this with income returns filled by the depositors. And suitable action may follow.

**Q.3:** Suppose the department finds that huge amount of cash above Rs.10 lacs is deposited in a bank account, which is not matching with the income declared, what would be the tax and penalty to be paid on the same?

**A.3:** This would be treated as the case of tax evasion and the tax amount plus a penalty of 200% of the tax payable would be levied as per the section 270(A) of the income tax Act.

**Q.4:** It is believed that a lot of people are buying jewelry now, how does department plan to tackle this?

**A.4:** The person who buys jewelry has to give his PAN number. We are issuing instructions to the field authorities to check with all the jewelers to ensure that this requirement is not

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compromised. Action will be taken against those jewelers who fail to take PAN numbers from such buyers. When the cash deposits of the jewelers would be scrutinized against the sales made, whether they have taken the PAN number of the buyer or not will also be checked.