

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
LOK SABHA**

STARRED QUESTION NO. 144

TO BE ANSWERED ON 27th JULY, 2018/5th SHRAVANA SAKA, 1940

Demonetisation

***144. SHRI RAM KUMAR SHARMA:**

QUESTION

Will the Minister of FINANCE be pleased to state:

- (a) whether the circulation of currency notes of Rs. 500 and Rs. 1000 denomination was banned in the country under demonetisation two years ago and if so, the details thereof;
- (b) whether it is a fact that the said decision was taken by the Government and if so, the facts thereof;
- (c) whether there was a possibility to check the black money with the implementation of this decision;
- (d) if so, the reaction of the Government thereto; and
- (e) the total amount of black money detected since the implementation of demonetisation?

ANSWER

**MINISTER OF FINANCE
(SHRI PIYUSH GOYAL)**

- (a) to (e) A Statement is laid on the table of the House.

**STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 144
RAISED BY SHRI RAM KUMAR SHARMA, HON'BLE MEMBER OF PARLIAMENT TO
BE ANSWERED ON 27.07.2018 REGARDING DEMONETISATION**

(a): The legal tender status of ₹500 and 1000 denominations of banknotes of the Mahatma Gandhi Series issued by the Reserve Bank of India till November 8, 2016, was withdrawn vide Government of India Gazette Notification No. 3407(E) dated November 08, 2016.

(b): Government of India issued the notification under section 26 (2) of RBI Act, 1934 declaring that the existing series of banknotes of Rs. 500 and Rs. 1000 shall cease to be legal tender with effect from November 9, 2016, based on the recommendation of the Central Board of the Reserve Bank of India.

(c) to (e): The Income tax Department (ITD) had taken prompt action on those found to have been involved in misuse of the scheme of demonetization. These actions included, among others, conducting search and survey actions in relevant cases. During the period November 2016 to March, 2017, Income-tax Department (ITD) conducted searches in 900 groups, involved in various activities and business, leading to seizure of Rs. 900 crores, including cash seizure of Rs. 636 crores. During the same period, 8239 surveys were conducted leading to detection of undisclosed income of Rs.6745 crores.

Further, a dedicated campaign was launched to take focused action on non-filers of Income Tax Returns who had deposited large value of cash during demonetisation period. Notices u/s 142(1) of the Income Tax Act, 1961 were issued to **3.04 lakh** persons who had deposited cash of more than Rs 10 Lakh but had not filed their return of income till the due date of filing. As a result, returns were filed by **2.09 lakh** of such identified non-filers who have paid self-assessment tax of **Rs. 6,416 Crore**. Because of sustained campaign during F.Y. 2017-18, the net collection of direct taxes increased by 18% at 10.03 lakh crore. There has also been exceptional growth in Personal Advance Tax of 23.4% and Personal Self-Assessment Tax of 29.9% in comparison to previous year.

During FY 2017-18, 6.86 crore Income Tax Returns (ITRs) were filed with Income Tax Department as compared to 5.48 crore ITRs filed during FY 2016-17, showing a growth of 25%. The table showing growth rate of ITRs for last five years is as below:

Financial Year	No of Income Tax Returns	Growth Rate as compared to previous Financial year
2013-14	379,73,221	
2014-15	404,04,339	6%
2015-16	462,94,225	15%
2016-17	548,83,401	19%
2017-18	686,74,904	25%
