

I-T department checking high-value deposits

Department keeps a watch on suspectedly illegal transactions, including by jewelers

The income tax (I-T) department will start checking possible mismatches between the declared income and the amount deposited by individuals above Rs 2.5 lakh between November 10 and December 30.

"We are getting data of deposits over Rs 2.5 lakh from banks. We will start enquiries where the deposited amount does not match with the income (declared). The rate of penalty will be 200% in these cases," Central Board of Direct Taxes (CBDT) chairman Sushil Chandra told this newspaper.

He said they would look at the declared income of the earlier 4-5 years and do the matching. "We will re-open old cases where needed. If you have been reporting an (annual) income of Rs 5 lakh or not filing any return but deposit Rs 50 lakh, we will ask such individuals to explain the source of income," Chandra said.

The department is also keeping a watch on suspectedly illegal transactions, including by jewellers. They've been checking if sales over recent days were being broken into sub-Rs 2 lakh, to avoid quoting of the PAN, mandatory for any jewellery sale over Rs 2 lakh. Gold was sold for as much as Rs 50,000 per 10g using the no-banned currency notes of Rs 500 and Rs 1,000. Discounting of currency is also being reported to get rid of old notes. Hawala dealers are exchanging currency for up to Rs 125 a dollar (double the official rate), according to sources.

"Whether it is deposit of cash or sale of goods in old currency note, we are keeping a watch and taking steps," Chandra said after inaugurating the CBDT pavilion at the India International Trade Fair.

The I-T department has already sent around 600 notices to jewellers across 25 cities, asking them to detail daily sales between November 7 and 10. Teams from the Directorate General of Central Excise Intelligence are also visiting major jewellery stores and their manufacturing units, seeking these details, sources said. Jewellers in major cities are under the scrutiny in this regard; this could later extend to other cities.

(Business Standard)