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**Income Tax Department  
initiates Operation Clean  
Money – guidance provided  
for e-verification of cash  
deposits**

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## Background

- Post demonization, the Income Tax Department (ITD) has now launched the Operation Clean Money, initial phase of which involves e-verification of large cash deposits made during the period November 9, 2016 until 30 December 2016.
- Data analytics has been used for comparing the demonetisation data with information available in ITD databases in respect of such cash deposits and about 18 lakh persons where cash transactions do not appear to be in line with tax payer's profile in the first batch have been identified.
- The tax payers identified as above are required to verify these transactions on the e-filing portal, which will be synchronised with the internal verification portal of ITD. A user guide is released for the benefits of the tax payers.

## Highlights of the online verification of cash deposits

- The information in respect of the identified cash deposits is reflected in the e filing window of the PAN holder at the portal <https://incometaxindiaefiling.gov.in>.
- The information can be viewed using the link "Cash Transactions 2016" under compliance section of the portal after user log in.
- The taxpayer need to submit their response online within 10 days, without any need to visit Income Tax office
- Email and SMS will also be sent to the taxpayers for submitting online response on the e-filing portal. Taxpayers who are not yet registered on the e-filing portal should click on "Register Yourself" link.
- Registered taxpayers should verify and update their e-mail address and mobile number to receive electronic communication.
- Requests for additional information may be sought in select cases for additional verification, based on data analytics and approved risk criteria.
- The information on the online portal will be dynamic and will be updated on receipt of new information, response and data analytics.
- At the outset, the taxpayer needs to review the data and confirm that the bank account does relate to his PAN. Further details are required to be provided in only if the PAN belongs to the taxpayer.
  - The taxpayer will be able to modify the value of cash deposit (if it is different than the displayed value) and is required to provide the explanation of transaction in their bank account. The various options available under the explanation are:
    - Cash out of earlier income or savings
    - Cash out of receipts exempt from tax
    - Cash withdrawn out of bank account
    - Cash received from identifiable persons (with PAN)
    - Cash received from identifiable persons (without PAN)
    - Cash received from un-identifiable persons
    - Cash disclosed/to be disclosed under PMGKY
  - The response of the taxpayer will be assessed against the available information and if the explanation of source of cash is justified, the verification will be closed. The verification will also be closed if the cash deposit is declared under Pradhan Mantri Garib Kalyan Yojna (PMGKY).

- If “the account does not relate to this PAN” is selected, then the message ‘Your feedback will be sent to the information source for confirmation’ will be displayed.
- Taxpayer can contact the helpdesk at 1800 4250 0025, in case of any difficulty in submitting the online response to the ITD.
- In cases where no response is received within reasonable time, other proceedings and enforcement actions will be considered.

## Comments

All the tax payers are required to register / verify their details on the e-filing website to ensure that any communication from the ITD is received appropriately and response to queries in a timely manner.

Source: Press release issued by Ministry of Finance dated January 31, 2017 and User Guide issued by Income Tax Department

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