How to respond to Notices received for Cash Deposits?

Disclaimer

The views expressed here are the personal views of speaker. The users are requested to use their own judgement and discretion to select the correct option, based on the facts and the data of the concerned case. The speaker is in no way responsible / liable for any consequences which the assessee might face based on the views expressed herein.

Current scenario :

- Initial phase of Operation Clean Money involves e-verification of large cash deposits made during 9th November,2016 to 30th December,2016.
- Data analytics has been used for comparing the demonetisation data with information in ITD data bases.
- In 1st batch, around 18 lakh persons have been identified in whose case , cash transactions do not appear to be in line with tax payer's profile.
- ITD has enabled online verification of these transactions to reduce compliance cost for the taxpayers while optimising its resources.
- PAN holder can view the info using the link "Cash Transactions 2016"under compliance section

Current scenario :

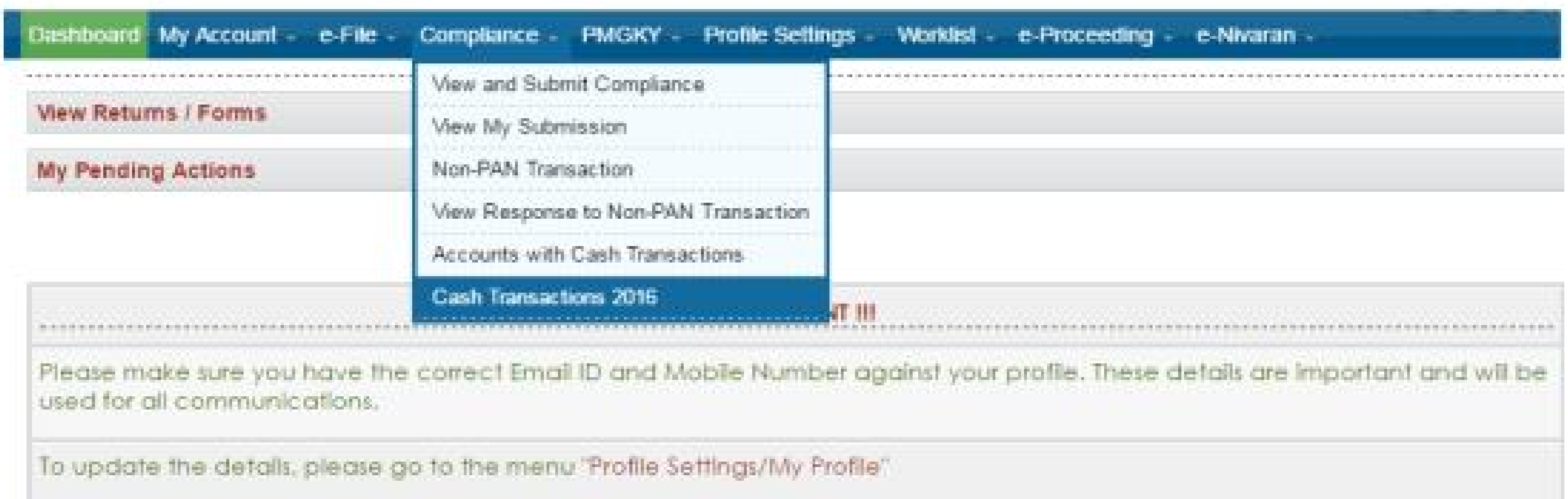
- Taxpayer will be able to submit online explanation for cash deposited without visiting Income Tax Office.
- Data analytics will be used to select cases for verification, based on approved risk criteria.
- If the case is selected for verification, request for additional information will be communicated electronically and its response can also be electronically submitted.
- The response of taxpayer will be assessed against available information. In case the explanation of source of cash is found justified, the verification process will be closed without any need to visit Income tax office.
- Taxpayers covered in this phase should submit their response on the portal within 10 days in order to avoid any notice from the ITD

Viewing information:

The information relating to cash deposits will be displayed to the PAN holder in the e-filing portal (after log in). The taxpayer can view the information as under:

Step 1: Login to e-filing portal at https://incometaxindiaefiling.gov.in.

Step 2: Click on "Cash Transactions 2016" link under "Compliance" section.



Viewing information:

Step 3: The details of transactions related to cash deposits during 9th Nov to 30th Dec 2016 will be displayed.

Cash Transactions 2016

Case Status : Pending

Information from Bank/Institution

Sl.No.	Bank/Institution	Account Number	Transaction	Amount	Status	Response	
1	HDFC	65412300	Cash Deposit	250000	Pending	Submit	-
2	CITI	34445512300	Cash Deposit	450000	Pending	Submit	-

In addition to above, click here to submit details of other bank accounts in which specified bank notes (SBN) has been deposited.

NOTE :

Cash transaction data is only shown in cases where it does not appear to be in line with the taxpayer profile.

The information on the online portal will be dynamic and will be updated on receipt of new information, response and data analytics.

Submission of response:

The taxpayer response is in two steps.

In the first step the taxpayer needs to confirm that the displayed bank account relates to the PAN of the taxpayer. Further details are required to be provided in the second step only if the taxpayer confirms that the account relates to the taxpayer.

Submission of response:

If the user selects the response option “The Account does not relate to this PAN” then message “Your feedback will be sent to the information source for confirmation.” will be displayed. On clicking the submit button, the success message along with Transaction ID is displayed on the Screen.

Submission of response:

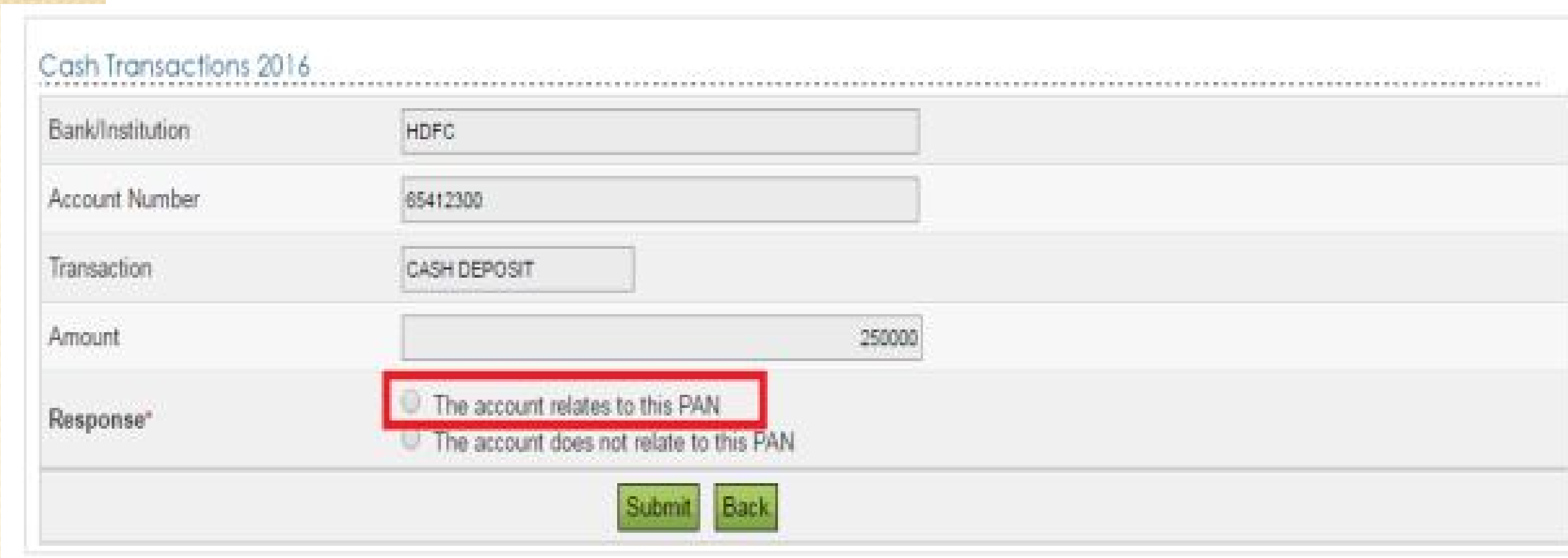
NOTE:

If the user selects this option, then the source will be reconfirmed and the user has to be ready with supporting documents like Bank statements, bank pay-in-slips for cash deposits etc. It may be advisable to also write a separate letter to the concerned Bank to explain the difference, and to obtain necessary confirmation from Bank , as this may lead to a clear case of dispute between the Bank and the user. So, the user needs to re-confirm before selecting this option.

Submission of response:

Confirmation of account :

The user is provided with two options i.e. “The account relates to this PAN” and “The account does not relate to this PAN”. If the user selects the response option “The account relates to this PAN” the screen for capturing details will be displayed to the user.


Cash Transactions 2016

Bank/Institution	HDFC
Account Number	85412300
Transaction	CASH DEPOSIT
Amount	250000
Response*	The account relates to this PAN The account does not relate to this PAN

Submit Back

Submission of response:

NOTE :

If the account belongs to the PAN but the value of cash deposit is not correct, the user should select the response option “The account relates to this PAN”. The correct value of cash deposit can be submitted in the details screen

Submission of response:

Issues:

- Error or mistake of reporting Bank

- Joint account where PAN of First holder is not available and reported in PAN of second holder

- Joint account where transactions are reported in PAN of first holder while transactions are accounted for and / or offered for income in second holder
  - Has the first holder to mention the fact of transactions belonging to second holder and still explain the sources of cash deposit?

    OR
  - Can the first holder afford to disown the transactions by referring the same to the second holder PAN?

- Duplicate / double reporting by Banks (Eg. In case of merged Banks, both the Banks have reported).

Submission of response:

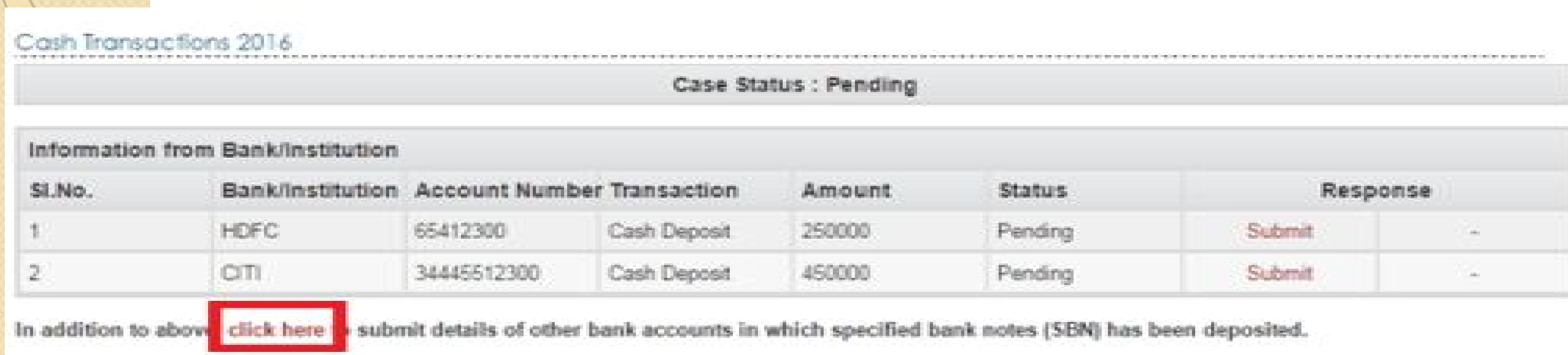
Issues:

- Instances where the Legal notes deposited has been reported as SBN deposited by the reporting Bank
  - Not possible to identify at this point of time from information available on portal
  - Advisable to recheck the Bank statements as well as Pay in Slip for the Legal Notes deposited

Submission of details of deposit in other bank:

The user is required to submit details of other bank accounts (other than the one displayed) in which specified bank notes (SBN) has been deposited.

Step 1: Click on the hyperlink below the list of bank accounts



Cash Transactions 2016

Case Status : Pending

Information from Bank/Institution							
Sl.No.	Bank/Institution	Account Number	Transaction	Amount	Status	Response	
1	HDFC	65412300	Cash Deposit	250000	Pending	Submit	-
2	CITI	34445512300	Cash Deposit	450000	Pending	Submit	-

In addition to above click here to submit details of other bank accounts in which specified bank notes (SBN) has been deposited.

Step 2: Provide explanation of cash deposits as the case may be.

Step 3: On successful validation, the success message along with Transaction ID is displayed on the Screen.

Details of submitted response

Reponse for Cash Transactions has been submitted Successfully and Transaction ID is: 1000734280 . In case of any queries please contact 1800 4250 0025.

Back to Cash Transactions

The user can revise the submitted response by clicking on the "Submit" button

Submission of details of deposit in other bank:

It is required to give details of all Bank accounts where **SBN** has been deposited. More so because this data is dynamic and is continuously updated based on the information received.

Further it is important to note that the details in this case pertain to **SBN** only and not in relation to total cash deposited in that Bank account.

Explanation of cash deposit :

If the user selects the response option “The account relates to this PAN” the screen for capturing details will be displayed to the user.

At this stage, the user will be able to modify the value of cash deposit (if it is different than the displayed value).

The user will also be able to provide the explanation of transaction (source of cash deposit) digitally without visiting the Income tax office. The various categories for providing the explanation are:

Explanation of Transaction (Cash Deposit)

A	**Account Details**	
A.1	Bank/Institution	XXXXX XXXXXX Bank
A.2	Branch/IFSC Code	XXXXXXXXX
A.3	Account Number	NNNNNNNNNNNNNN
A.4	Cash Deposit in the account between 9th Nov 2016 and 30th Dec 2016 (as reported)	23,00,000
A.5	Cash Deposit in the account between 9th Nov 2016 and 30th Dec 2016 (as confirmed)	<Amount> + Remarks
B	**Source of Cash Deposit**	
B.1	Cash out of earlier income or savings	<Amount> + Remarks
B.2	Cash out of receipts exempt from tax	<Amount> + Remarks
B.3	Cash withdrawn out of bank account	<Account wise list>
B.4	Cash received from identifiable persons (with PAN)	<PAN wise list>
B.5	Cash received from identifiable persons (without PAN)	<Person wise list>
B.6	Cash received from un-identifiable persons	<Nature of transaction wise list>
B.7	Cash Disclosed/To be disclosed under PMGKY	<Amount> + Remarks
B.8	Balance (A.5 - B.1 - B.2 - B.3 - B.4 – B.5 – B.6 - B.7)	[Computed]

Explanation of Transaction (Note):

- If the cash deposit amount displayed under A.4 is not correct, please mention the correct amount under A.5. ITD intends to refer such cases to the information source for confirmation.
- If cash is from more than one category (or out of cash in hand), the source of cash may be assigned under various categories.
- If cash is claimed to be out of earlier income or savings, further details can be provided under remarks.
- If cash is claimed to be out of receipts exempt from tax (agricultural income etc.), further details can be provided under remarks. In case the amount is received as donation, gift, loan, the details may be provided under B.4, B.5 or B.6 as the case may be.
- In case cash is received from other persons, nature of cash transaction (e.g. Cash sales, gift etc.) can be mentioned while providing the details under B.4, B.5 or B.6.
- The sum of all sources of cash deposits (B.1 to B.7) should match with the cash deposit amount (A.4) such that balance (refer B.8) is computed as 0.

Cash Transactions 2016

Department of Income Tax (Government of India) [IN] https://www.incometaxindiaefiling.gov.in/e-Filing/MyAccount/SubmitCashTransactionsDetails2016.html?ID=-682464277&

B	**Source of Cash Deposit**	
B.1	Cash out of earlier income or savings	
	Remarks	
B.2	Cash out of receipts exempt from tax	
	Remarks	
B.3	Cash withdrawn out of bank account	0

Sl. No.	Select all	Bank/Institution*	IFS Code(in case of Bank account)	Account Number*	Amount Withdrawn*	Remarks
1						

Add Delete Download CSV Help Choose File No file chosen Upload CSV

B.4	Cash received from identifiable persons (with PAN)	0

Sl. No.	Select all	PAN of person*	Name of person*	Nature of Transaction *	Amount Received*	Remarks
1				Select		

Add Delete Download CSV Help Choose File No file chosen Upload CSV

B.5	Cash received from identifiable persons (without PAN)	0

Sl. No.	Select all	Name of person*	Address of person*	Pincode of person*	Nature of transaction*	Amount Received*	Remarks
1					Select		

Add Delete Download CSV Help Choose File No file chosen

EN 11:23 06/02/2017

Cash Transactions 2016

https://www.incometaxindiaefiling.gov.in/e-Filing/MyAccount/SubmitCashTransactionsDetails2016.html?ID=22521&accSec

B.5	Cash received from identifiable persons (without PAN)	0

Sl. No.	Select all	Name of person*	Address of person*	Pincode of person*	Nature of transaction*	Amount Received*	Remarks
1					Select		

Add | Delete | Download CSV | Help | Choose File No file chosen

B.6	Cash received from un-identifiable persons	0

Sl. No.	Select all	Nature of transaction*	Amount Received*	Remarks
1		Select		

Add | Delete | Download CSV | Help | Choose File No file chosen | Upload CSV

B.7	Cash Disclosed/To be disclosed under PMGKY	
	Remarks	
B.8	Balance (A.5 - B.1 - B.2 - B.3 - B.4 - B.5 - B.6 - B.7)	497225

Notes :

1. If the cash deposit amount displayed under A.4 is not correct, please mention the correct amount under A.5. ITD intends to refer such cases to the information source for confirmation.
2. If cash is from more than one category (or out of cash in hand), the source of cash may be assigned under various categories in the sequence mentioned in section 5.3 (Important aspects regarding submission of response) in the User Guide.
3. If cash is claimed to be out of earlier income or savings, further details can be provided under remarks.
4. If cash is claimed to be out of receipts exempt from tax (agricultural income etc.), further details can be provided under remarks. In case the amount is received as donation, gift, loan, the details may be provided under B.4, B.5 or B.6 as the case may be.
5. In case cash is received from other persons, nature of cash transaction (e.g. Cash sales, gift etc.) can be mentioned while providing the details under B.4, B.5 or B.6.
6. The sum of all sources of cash deposits (B.1 to B.7) should match with the cash deposit amount (A.4) such that balance (refer B.8) is computed as 0.

Submit | Back

EN 11:30 06/02/2017

Important aspects regarding submission of response:

- If the cash deposit amount displayed under A.4 is not correct, please mention the correct amount under A.5. ITD intends to refer such cases to the information source for confirmation.
- If cash is claimed to be from more than one category (or out of cash in hand), the source of cash may be assigned under various categories in the following sequence (Adopting other sequence may result in case being selected for verification based on risk criteria)

a) Cash withdrawn out of bank account (Refer B.3)

b) Cash received from identifiable persons (with PAN) (Refer B.4)

c)Cash received from identifiable persons (without PAN) (Refer B.5)

d) Cash received from un-identifiable persons (Refer B.6)

e) Cash out of receipts exempt from tax (Refer B.2)

f) Cash out of earlier income or savings (Refer B.1)

g) Cash Disclosed/To be disclosed under PMGKY (Refer B.7)

Important aspects regarding submission of response:

- In case there are multiple entries under B.3 to B.6, facility has been provided for online submission as well as upload of CSV (Comma Separate Values).
- In case cash is claimed to be withdrawn out of bank account, the account wise details are required to be provided (Refer B.3).
- In case cash is received from other persons (on account of cash sales, loan, gift, donation etc.), it should be mentioned under B.4, B.5 or B.6 as the case may be. The nature of cash transaction can be mentioned while providing the details.
- If cash is claimed to be out of receipts exempt from tax (agricultural income etc. but excluding cases of gift, donation etc. which have been covered earlier), Further details can be provided under remarks.

Important aspects regarding submission of response:

In case the amount is received as donation, gift, loan, the details may be provided under B.4, B.5 or B.6 as the case may be.

If receipts exempt from tax (Refer B.2) is not in line with the taxpayer profile or other available information, the case may be selected for verification based on risk criteria.

- If cash is claimed to be out of earlier income or savings, further details can be provided under remarks. If this information (Refer B.1) is not in line with the taxpayer profile or other available information, the case may be selected for verification based on risk criteria.
- The sum of all sources of cash deposits (B.1 to B.7) should match with the confirmed cash deposit amount (A.5) such that balance (refer B.8) is computed as 0.

Total cash deposits has to be explained as a whole.

Considering Accounting, Income Tax, Legal aspects and to meet with the logical intention of the Government, the Cash deposit can be explained properly only if the cash deposited is divided in two parts :

1. SBN deposits
2. Legal notes deposits

Part I

- For assessee maintaining regular books of accounts

Instances where Cash Balance as on 31-Mar-16 have been already reported elsewhere:

- Assessee is covered under Tax Audit
- Assessee has filed Income Tax Return – 4 or 4S (Presumptive Taxation)
- Assessee who have reported figure of cash in hand in Schedule AL (Assets and Liabilities) – mandatory in case where total income exceeds Rs. 50 Lakhs
- Assessee who has reported figures of cash balance to any other Government agency, in compliance of any other requirements
- Assessee covered under Search and / or Survey.

Basis of Explanation:

All cash receipts (including cash withdrawls from Banks) are recorded properly

All cash payments (including cash Deposits in Banks) are recorded properly

Cash Book is maintained properly or Cash transactions are recorded with proper supportings and evidences

Explanation for SBN Deposited can be from the sources prior to 9th Nov. 2016 which may comprise of:

Opening cash balance as on1st April 2016

Add: Cash receipts during 1st Apr to 8th Nov 2016.

Add: Cash withdrawn from bank during 1st Apr to 8th Nov 2016.

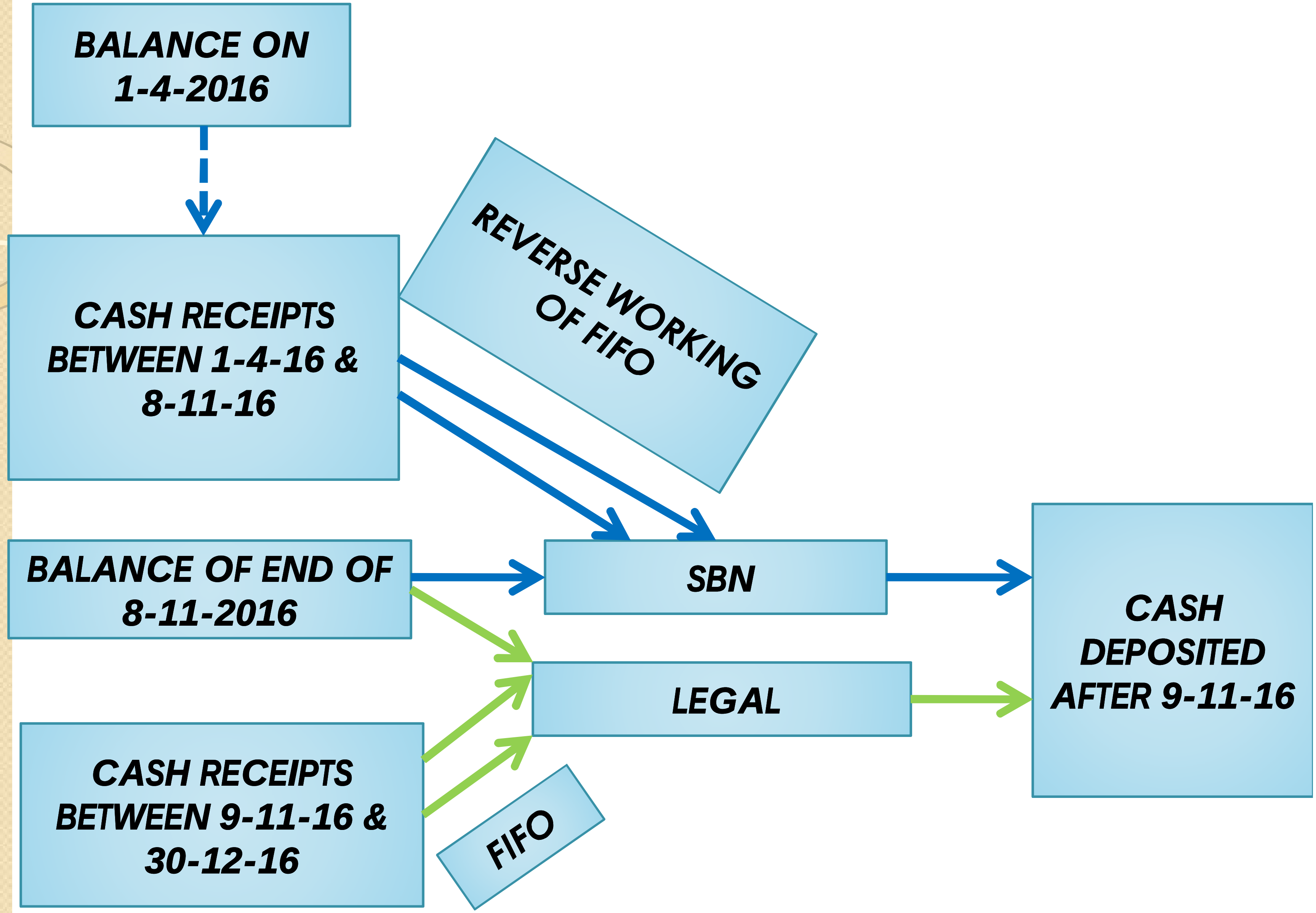
Less: Cash Deposited during 1st Apr to 8th Nov 2016.

Less: Cash paid (Purchase / Expenses incurred) during 1st Apr to 8th Nov 2016.

=Closing Cash Balance (SBN and Legal) as on 8th Nov 2016

SBN deposited after 8th Nov. 2016 cannot be more than the Amount of cash balance in hand (as computed above), at the end of 8th Nov. 2016.

However, if the amount of SBN deposited exceeds cash balance on 8th Nov. 2016 then excess amount may be considered to be offered for PMGKY.


BALANCE ON 1-4-2016
CASH RECEIPTS BETWEEN 1-4-16 & 8-11-16
REVERSE WORKING OF FIFO
BALANCE OF END OF 8-11-2016
SBN
LEGAL
CASH DEPOSITED AFTER 9-11-16
CASH RECEIPTS BETWEEN 9-11-16 & 30-12-16
FIFO

For Example:

(Rs.in Lacs)

Date	Particular of Receipts	Amount	Date	Particular of Payments	Amount
1-4-16	Op. Bal	5			
			8-11-16	Cl. Bal.	5
		5			5

The explanation can be Earlier Income or Savings (B.1).

It should be mentioned in the remarks column that cash on hand of Rs. 5 Lakhs is as per the latest audited Balance Sheet or as the case may be, filed with Income Tax Department.

Normally assessee should not have deposited cash (SBN) more than Rs. 5 lacs. However, If cash (SBN) deposited exceeds Rs. 5 lacs then assessee has to consider option of offering the difference in PMGKY.

For Example:

(Rs.in Lacs)

Date	Particular of Receipts	Amount	Date	Particular of Payments	Amount
1-4-16	Op. Bal	0			
5-5-16	Cash Sales	5	8-11-16	Cl. Bal.	5
		5			5

The explanation can be cash sales (from identifiable person with / without PAN or unidentifiable person) as the case may be (B.4 to B.6).

In Remarks column, nature of business and other relevant details to be mentioned.

Normally assessee should not have deposited cash (SBN) more than Rs. 5 lacs. However, If cash (SBN) deposited exceeds Rs. 5 lacs then assessee has to consider option of offering the difference in PMGKY.

For Example:

(Rs.in Lacs)

Date	Particular of Receipts	Amount	Date	Particular of Payments	Amount
1-4-16	Op. Bal	0			
6-6-16	Cash Withdrawl from Bank	5	8-11-16	Cl. Bal.	5
		5			5

The explanation can be Cash withdrawn from Banks (B.3). Here the assessee has to give details of Bank Name, IFSC Code, Amount withdrawn and Remarks.

Normally assessee should not have deposited cash (SBN) more than Rs. 5 lacs. However, If cash (SBN) deposited exceeds Rs. 5 lacs then assessee has to consider option of offering the difference in PMGKY.

For Example (Amount in Lacs)

Date	Particular of Receipts	Amount	Date	Particular of Payments	Amount
1-4-16	Op. Bal	5	7-4-16	Bank Deposit	1
5-4-16	Cash receipts	2	10-7-16	Cash expense	1
8-6-16	Bank withdrawn	1	8-11-16	Cl. Bal.	6
		8			8

Assuming cash deposit of Rs. 6 Lakhs, explanation can be divided in three parts in the following order:

1) Cash withdrawl from Banks of Rs. 1 Lakh in B.3
2) Cash receipts of Rs. 2 Lakhs in B.4 to B.6
3) Earlier Income / Savings Rs. 3 Lakhs in B.1

Normally assessee should not have deposited cash (SBN) more than Rs. 6 lacs. However, If cash (SBN) deposited exceeds Rs. 6 Lacs then assessee has to consider option of offering difference in PMGKY.

Part II

- For assessee (other than covered in Part 1 above)

  may include
  - salaried employees /
  - retired employees /
  - senior citizens etc. or
  - other assessees not carrying on any business profession
  - And not maintaining regular books of accounts

- Has the option of going beyond the period prior to 1-4-16
- They may offer the cash withdrawals out of the bank accounts even prior to the period of 1-4-16
- However necessary adjustments have to be made for following
    - Cash deposited into bank account after the relevant cash withdrawals from bank
    - Cash payments during the relevant period
    - Cash payments for household expenses

Uploading lists using CSV :

A facility has been provided to enable upload of CSV (Comma Separate Values) in following categories:

- 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

Uploading lists using CSV :

Following aspects may be considered while uploading lists using CSV:

- Download the CSV template from link ("Download CSV").
- Click on the "Template" and provide a file name to save the CSV file.
- Update data as per the headings provided in CSV template.
- Ensure that the filled template is saved in .CSV format. The same can be done by going to File → Save As Provide File name to save the Template → Select Save as type as "CSV (Comma delimited) (*.csv)" → Save.
- Click on "Choose File" button to browse and select the updated CSV file, then click on "Upload CSV" to update the data.

Capturing data in CSV for "Cash withdrawn out of bank account"

Account wise list (Refer B.3)

Bank/Institution	IFSC Code	Account Number	Amount Withdrawn	Remarks

In "CSV Template", the data provided should comply with the below requirements:

- "Bank/Institution" is a Mandatory field.
- "IFS Code" should be exactly 11 characters. First 4 characters should be ALPHABETS, 5th character must be zero (0) and remaining 6 characters should be either numbers or alphabets. This is a Mandatory field. The same shall be validated

  with RBI list.
- "Account Number" can be alphanumeric, with two specific Special characters(Forward slash '/' and Hyphen '-') not exceeding 20 characters. This is a Mandatory field.
- "Amount Withdrawn" field should only be "Numeric, Non-negative and No decimals".

This is a Mandatory field.

Capturing data in CSV for "Cash received from identifiable persons (with PAN)"

PAN of Person	Name of Person	Nature of transaction*	Amount Received	Remarks

In "CSV Template", the data provided should comply with the below requirements:

- "PAN of Person" field should be 10 Characters. First 5 Alphabets, next 4 numbers and at the end 1 Alphabet.
- "Name of Person" is a Mandatory field.
- The drop down values of "Nature of Transaction" should be entered as per the codes mentioned below:

Drop down	Code to be specified in CSV(case sensitive)
Cash Sales	RS
Loan received in Cash	RL
Loan repayment in Cash	RR
Gift Received in Cash	RG
Donation Received in Cash	RD
Other Cash Receipt	RO

Capturing data in CSV for "Cash received from identifiable persons (without PAN)"

Name of Person	Address of Person	Pincode	Nature of transaction*	Amount Received	Remarks

In "CSV Template", the data provided should comply with the below requirements:

- Name of Person" is a Mandatory field.
- "Address of Person" is a Mandatory field.
- "Pin Code" field must be 6 digits and should not start with zero. This is a Mandatory field.
- The drop down values of "Nature of Transaction" should be entered as per the codes mentioned below:

Drop down	Code to be specified in CSV(case sensitive)
Cash Sales	RS
Loan received in Cash	RL
Loan repayment in Cash	RR
Gift Received in Cash	RG
Donation Received in Cash	RD
Other Cash Receipt	RO

Capturing data in CSV for “Cash received from un-identifiable persons”

Nature of transaction*	Amount Received	Remarks

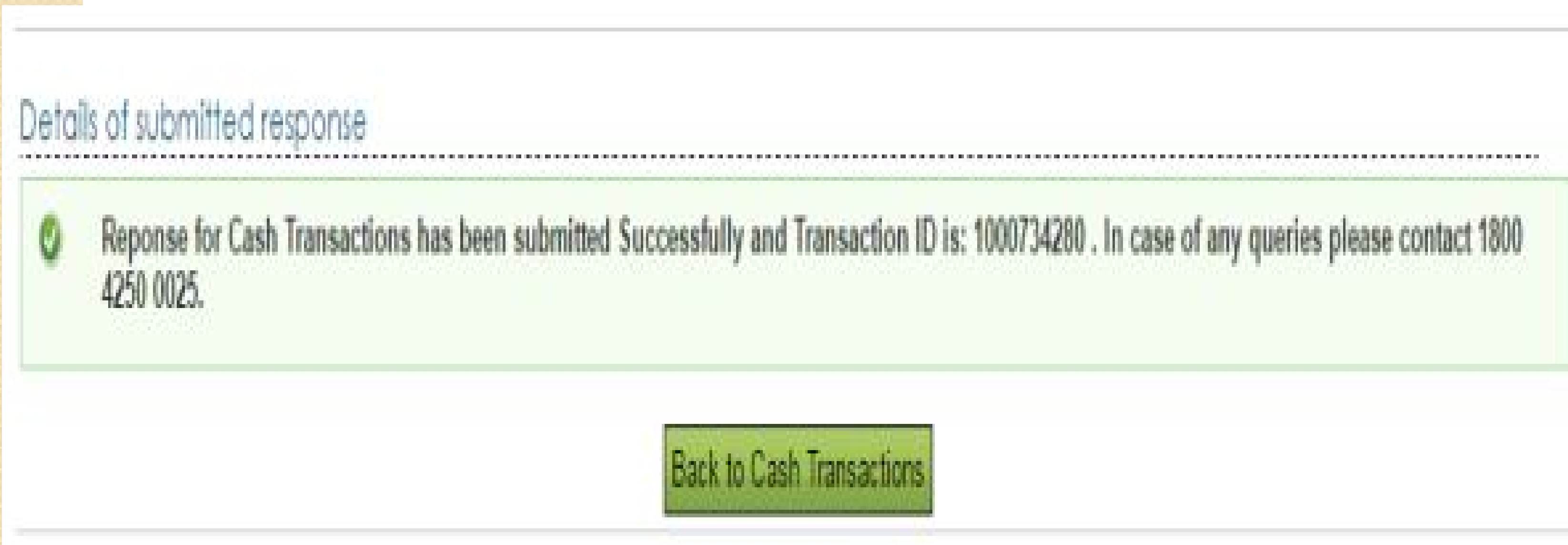
In “CSV Template”, the data provided should comply with the below requirements:

- “Amount Received” field should be “Numeric, Non-negative and No decimals”. This is a Mandatory field.
- The drop down values of “Nature of Transaction” should be entered as per the codes mentioned below:

Drop down	Code to be specified in CSV(case sensitive)
Cash Sales	RS
Loan received in Cash	RL
Loan repayment in Cash	RR
Gift Received in Cash	RG
Donation Received in Cash	RD
Other Cash Receipt	RO

Validation during submission

The sum of all sources of cash deposits (B.1 to B.7) should match with the confirmed cash deposit amount (A.5) such that balance (refer B.8) is computed as 0. On successful validation, the success message along with Transaction ID is displayed.



Viewing submitted response

The user can view submitted responses.

Step 1: Click on "View" button against the respective Bank Account under "Cash Transactions 2016".

Cash Transactions 2016

Case Status : Partly Submitted

Information from Bank/Institution

Sl.No.	Bank/Institution	Account Number	Transaction	Amount	Status	Response	
1	HDFC	65412300	Cash Deposit	250000	Submitted	Submit	View
2	CITI	34445512300	Cash Deposit	450000	Pending	Submit	-

In addition to above, click here to submit details of other bank accounts in which specified bank notes (SBN) has been deposited.

Step 2: Click on "Transaction No" to view /download the submitted

Details of submitted response

Sl.No.	Date of Submission	Transaction No
1	16/01/2017	1000729638 Download PDF
2	16/01/2017	1000729040 Download PDF
3	16/01/2017	1000728914 Download PDF

NOTE: The user can revise the submitted response by clicking on the "Submit" button.

Verification of case

Some cases will be selected for verification based on risk criteria.

If the case is selected for verification, request for additional information and its response will also be communicated digitally.

The information request will be communicated to the PAN holder with a hyperlink for uploading information. An e-mail concerning the additional information will be sent to the e-mail id of the taxpayer.

The response of taxpayer will be assessed against available information and in case explanation of source of cash is found to be justified, the verification will be closed without any need to visit Income Tax Office. If cash deposit is declared under PMGKY, the verification will be closed

Stricter Penalty Provisions

- Tax and penalty Provisions for search and seizure have also been made stricter by amending Section 271AAB.
- In case, unexplained assets/cash is found with you during a search and seizure raid then apart from the tax and surcharge under the amended Section 115BBE, penalty under section 271AAB will also be levied.

Pradhan Mantri Garib Kalyan Yojana (PMGKY)

(PMGKY):

Scheme provides an opportunity to persons having undisclosed income in the form of cash or deposit in an account maintained with a specified entity (which includes Bank and Post office) to declare such income and pay tax as below:

Tax	30.00%
Surcharge @ 33%	9.90%
Penalty	10.00%
Total Tax Liability	49.90%

- No deduction in respect of any expenditure or allowance or set-off of any loss will be allowed against the income in respect of which a valid declaration is made under the scheme.

(PMGKY):

- A declarant under this scheme shall not be entitled in respect of undisclosed income or any amount of tax and surcharge paid thereon, to re-open any assessment or reassessment made under the Income Tax Act or the Wealth tax Act 1957, or to claim any set-off or relief in any appeal
- The scheme provides that a mandatory deposit of not less than 25 per cent of such income shall be made in the **zero-interest bearing** Pradhan Mantri Garib Kalyan Deposit Scheme, 2016, **for four years.**
- Not declaring the blackmoney under the scheme now but showing it as income in the tax return form would lead to a total levy of 77.25 per cent in taxes and penalty. In case the disclosure is not made either using the scheme or in return, a further 10 per cent penalty on tax will be levied followed by prosecution.

(PMGKY):

Not applicable to persons in respect of whom detention order has been passed under any of the following acts:

- Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
- Narcotic Drugs and Psychotropic Substance Act, 1985
- Unlawful Activities (Prevention) Act, 1967
- Prevention of Corruption Act, 1988
- Prohibition of Benami Property Transaction Act
- Prevention of Money-Laundering Act, 2002
- any person notified under Section 3 of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992

Questions ?