

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2420
ANSWERED ON:25.07.2014
COLLECTION OF INVESTOR DETAILS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Income Tax Department is collecting the details of investors in cooperative banks;
- (b) if so, the details thereof and the reason therefor;
- (c) whether the possible impact of such move on the existence of cooperative banks had been studied and if so, the details thereof; and
- (d) if not, the reason therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

a) Yes, Madam.

b) Information is being collected by the Income Tax Department from Cooperative Banks and Cooperative Credit Societies about deposits exceeding Rs. 2,00,000/- made in cash and payment of interest exceeding Rs. 10,000/-. The information in these categories is being called for three financial years 2010-11, 2011-12 and 2012-13 to start with. The threshold of cash deposit of Rs. 2,00,000/- was increased to Rs.5,00,000/- in August 2013 in deference to requests made by the Cooperative Banks.

As regards deposits in cash, number of pieces of information collected for the three years is 50,23,894 amounting to Rs. 83,877 crores. Details of interest of Rs. 12,187 crores paid to 12,50,958 persons was also collected.

The Cooperative banks do not deduct tax at source on interest paid by them. As a result, it was suspected that substantial portion of such interest income is not being offered to tax. Similarly, though details of cash deposits in other Banks are collected by the Income Tax Department, since such details of cash deposits were hitherto not being collected regularly from Cooperative Banks, it is suspected that unaccounted cash may be getting deposited in these Banks.

c) This is a verification undertaken by Central Information Branch of the Income Tax Department as a normal revenue augmentation measure. The Income Tax Department has not done any study on the possible impact of such move on existence of the Cooperative Banks.

d) Not applicable.