

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION No. 5698
TO BE ANSWERED ON FRIDAY, THE 7TH APRIL, 2017
17, CHAITRA, 1939 (SAKA)**

CEILING ON CASH TRANSACTIONS

5698. SHRI BHAIRON PRASAD MISHRA:

SHRI V. ELUMALAI:

ADV. JOICE GEORGE:

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government is aware that Rs. 3 lakh ceiling on cash transactions proposed in the budget 2017-18 has been revised to Rs. 2 lakh;
- (b) if so, the details thereof and the reasons for the sudden changes affected;
- (c) whether the Government has imposed a fine equivalent to the amount of transaction for violating the aforesaid norms; and
- (d) if so, the details thereof and the reasons therefor?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)**

(a)& (b) Yes Madam, the ceiling on cash transactions has been revised to rupees two Lakh through Finance Act, 2017. The provisions of section 269ST *inter-alia* restrict acceptance of cash of two lakh rupees or more in the circumstances specified therein, through modes other than an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account. In view of the Government's thrust on promoting the digital economy and the need to curb black money, which is generally transacted in cash, the proposed ceiling of rupees three lakh proposed in the Finance Bill, 2017 has been revised to rupees two lakh.

(c)& (d) Yes Madam, in order to enforce restriction on cash transactions, a new section 271DA has been inserted in the Income-tax Act, 1961 to provide that if a person contravenes the provisions of section 269ST, he shall be liable to pay penalty of a sum equal to the amount of such receipt.

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LOK SABHA

Un-starred Question No. 5698

To be answered on: **07.04.2017**

“Ceiling on Cash Transactions”

Question	Answer
<p>5698. SHRI BHAIRON PRASAD MISHRA: SHRI V. ELUMALAI: ADV. JOICE GEORGE:</p> <p>Will the Minister of FINANCE be pleased to state:</p> <p>(a) whether the Government is aware that Rs. 3 lakh ceiling on cash transactions proposed in the budget 2017-18 has been revised to Rs. 2 lakh;</p> <p>(b) if so, the details thereof and the reasons for the sudden changes affected;</p> <p>(c) whether the Government has imposed a fine equivalent to the amount of transaction for violating the aforesaid norms; and</p> <p>(d) if so, the details thereof and the reasons therefor?</p>	<p>(a)& (b) Yes Madam, the ceiling on cash transactions has been revised to rupees two Lakh through Finance Act, 2017. The provisions of section 269ST <i>inter-alia</i> restrict acceptance of cash of two lakh rupees or more in the circumstances specified therein, through modes other than an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account. In view of the Government's thrust on promoting the digital economy and the need to curb black money, which is generally transacted in cash, the proposed ceiling of rupees three lakh proposed in the Finance Bill, 2017 has been revised to rupees two lakh.</p> <p>(c)& (d) Yes Madam, in order to enforce restriction on cash transactions, a new section 271DA has been inserted in the Income-tax Act, 1961 to provide that if a person contravenes the provisions of section 269ST, he shall be liable to pay penalty of a sum equal to the amount of such receipt.</p>

