

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

LOK SABHA
UNSTARRED QUESTION NO. 1431

TO BE ANSWERED ON MONDAY 1st JULY, 2019 ASHADHA 10, 1941 [SAKA]

TAX ON CASH WITHDRAWAL

1431. SHRI KALYAN BANERJEE

Will the Minister of FINANCE be pleased to state:-

- (a) whether the Government proposes to introduce tax on withdrawal of Rs. 10 lakh cash in a year;
- (b) if so, the details thereof and the reasons therefor along with the benefits likely to accrue as a result thereof;
- (c) whether the Government has failed to introduce digital payments for all types of transactions and if so, the details thereof;
- (d) whether cash withdrawal transaction over ₹ 10 lakh per annum has been recorded for 2012-16 October and November 2016- March 2019; and
- (e) if so, the details thereof, periodwise?

ANSWER

FINANCE MINISTER

(SMT. NIRMALA SITHARAMAN)

(a)&(b): Various Proposals/ Representations/ Suggestions relating to the amendments in tax laws are examined at the time of the preparation of the Finance Bill and the outcome of the same is reflected in the Finance Bill tabled before the Parliament.

(c) No sir. The Government is promoting Digital payments. Details of growth of Digital transactions for all modes from October, 2016 to March 2019 is placed below:

	Number of transactions (in crore)	Total amount involved in transactions (in rupees crore)
Oct' 16	79.67	10,870,118.41
Nov'16	91.83	11,227,138.54
Dec'16	132.93	12,457,246.25
Jan'17	125.60	11,393,702.05
Feb'17	111.37	10,798,480.98
Mar'17	130.64	17,261,132.04

April'17	159.74	14,843,153.06
May'17	156.76	15,144,963.27
June'17	152.90	15,443,478.97
July'17	156.57	14,575,915.46
Aug'17	158.02	15,114,700.97
Sep'17	158.34	16,919,903.46
Oct'17	168.79	15,644,160.29
Nov'17	174.31	16,506,429.41
Dec'17	193.60	16,944,318.67
Jan'18	198.36	18,204,042.10
Feb'18	190.79	15,215,306.29
Mar'18	202.20	21,685,766.24
Apr'18	209.72	17,376,498.40
May'18	219.77	21,408,291.00
Jun'18	223.37	21,439,453.73
Jul'18	231.74	20,631,310.34
Aug'18	244.79	20,326,521.49
Sep'18	248.06	19,466,713.12
Oct'18	270.71	20,248,932.67
Nov'18	267.62	18,610,174.13
Dec'18	292.12	20,296,898.01
Jan'19	303.22	21,769,287.08
Feb'19	290.12	20,723,773.17
Mar'19	332.34	25,802,322.77

Source: RBI and NPCI.

(d)& (e) The Statement of Financial Transactions (SFT) data, containing details of cash withdrawal above a threshold in a year and with respect to specified accounts, is received by the Income Tax Department starting from financial year 2016-17. Since the records are aggregated for a Financial Year, hence, the data for the period from April, 2016 to October, 2016 and from November, 2016 to March, 2019 is not segregated. Data is also collected by the Financial Intelligence Unit-India (FIU-IND) which is aggregate of both cash deposits and withdrawal, hence cash withdrawal is not segregated.
