

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 39**

TO BE ANSWERED ON MONDAY 18<sup>TH</sup> NOVEMBER, 2019 KARTIKA 27, 1941 (SAKA)

**PAN MANDATORY FOR TRANSACTIONS**

39. SHRI KOTHA PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has made it mandatory to quote PAN for all transactions in excess of Rs. 2 lakh, regardless of the mode of payment to curb the black money and if so, the details thereof;
- (b) whether the new rule will cover purchases of all goods or services such as gold jewellery or furniture and this includes all payments made through cash, cheques or debit or credit cards and the Government has raised the limit to quote PAN in the case of immovable property and if so, the details thereof; and
- (c) the details of the violations noticed by the Government, individual/company-wise and the action taken on such cases?

**ANSWER**

THE MINISTER OF STATE IN MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

- (a) & (b) Income-tax (Twenty-second Amendment) Rules, 2015 substituted Rule 114B of the Income-tax Rules, 1962 (the Rules) revising the nature of transactions and value of such transactions where every person is required to quote his permanent account number (PAN) in all documents pertaining to these transactions. The substituted Rule 114B became applicable from 1<sup>st</sup> January, 2016.

The substituted Rule 114B *inter-alia* provides a list of 17 transactions where quoting of PAN is mandatory in all documents pertaining to these transactions.

Further, the Rule also provides that every person is required to quote his PAN for sale or purchase of any goods or services of any nature other than said 17 specified transactions, if the value of transaction exceeds Rs. 2 Lakh per transaction. Hence, the substituted Rule 114B covers purchases of all goods or services such as gold jewellery or furniture for the purpose of quoting PAN and this includes transactions made through cash, cheques or debit or credit cards.

Prior to the substitution of Rule 114 B of the Rules by the Income-tax (Twenty-second Amendment) Rules, 2015, a person was required to quote his PAN in all documents pertaining to sale or purchase of any immovable property valued at Rs. 5 lakh or more. With the substitution, the value for such transaction has been raised to Rs. 10 lakh or more w.e.f. 01.01.2016.

(c) The Income Tax Department regularly conducts inspections and verifies the information obtained through Statement of Financial Transaction (SFT) filings to detect cash transactions in violation of Sec 269SS and 269ST of the Income Tax Act, 1961.

During F.Y. 2018-19, about 40039 cases of violation of section 269SS of Income Tax Act, 1961, involving an amount of approx. Rs. 8102 crores, and 1110 cases of violation of section 269ST of Income Tax Act, 1961 involving an amount of approx. Rs. 1015 crores have been detected.

During current F.Y. i.e. 2019-20, about 35620 cases of violation of section 269SS of Income Tax Act, 1961, involving an amount of approx. Rs. 6692 crores, and 1421 cases of violation of section 269ST of Income Tax Act, 1961 involving an amount of approx. Rs. 2101 crores have been detected so far.

Company-wise, individual-wise details of violations of Rules/ Sections under Income Tax Rules, 1962/Income-tax Act, 1961 are not maintained.

However, appropriate actions with regard to the violations of Income Tax Act/Rules are taken by the Income Tax Department. Such actions under direct tax law include searches, surveys, enquiries, assessment/ reassessment of income, levy of taxes, penalties, filing of prosecution complaints etc., wherever applicable.

-----