

ANNOUNCEMENT

The Reserve Bank of India has announced that cash deposits exceeding ₹10 lakh in savings accounts within a year or ₹50,000 in a single day will now require the submission of PAN card details and information about the source of the deposited funds.

CONSEQUENCES OF EXCEEDING THE LIMIT

- The Income tax Department may request details on the source of Income.
- Failure to furnish the sources of Income could result in the department issuing notice under section 68 of Income Tax Act, 1961.
- If the assessee cannot provide valid documentation, the department may treat it as unexplained tax credit and impose a tax rate of 78%, inclusive of surcharge and cess.

OTHER CLARIFICATION RELATED TO CASH DEPOSIT

It has been clarified by the RBI the threshold limit of 10 Lacs as cash deposit is not applicable to current a/c and fixed deposit maintained by the assessee.

GOVERNMENT VISSION & MOTTO

- This measure helps the government combat money laundering and related fraud.
- It also enhances transparency in the accounting of transactions.
- By implementing this, the government can significantly restrict the circulation of unaccounted income.