

Black money

†1001. SHRI LAL SINH VADODIA: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government is considering to rein in black money through cheques and cards;
- (b) if so, whether Government has taken any steps in this direction; and
- (c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) to (c) As per the existing provisions of the Income-tax Act, acceptance or repayment of any loan or deposit of an amount of ₹ 20,000 or more otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account is prohibited. Violation of these provisions attracts penalty of an amount equal to the amount of such loan or deposit. Further, subject to certain exceptions, any expenditure for which payment or aggregate of payments in a day exceeding ₹ 20,000 is made otherwise than by an account payee cheque or an account payee bank draft is not allowable as a deduction while computing the income from business or profession of an assessee.

Further, in order to obtain trail of transactions, rule 114B of the Income Tax Rules, 1962 requires mandatory quoting of PAN in respect of certain specified transactions such as sale or purchase of any immovable property valued at five lakh rupees or more, sale or purchase of a motor vehicle, payment to hotels and restaurants for an amount exceeding twenty-five thousand rupees at any one time etc.

In order to curb generation of black money in real estate transactions, Finance Bill, 2015 proposes to prohibit acceptance of any payment, or repayment of advance, of ₹ 20,000/- or more otherwise than by an account payee cheque or account payee bank draft or by electronic clearing system through a bank account, in relation to transfer of an immovable property by providing penalty of an equivalent amount.

Availability of black money in the country

†1002. DR. SANJAY SINH: Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware of the availability of black money in the country;

† Original notice of the question was received in Hindi.