

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:532
ANSWERED ON:25.11.2005
INSTRUCTIONS BY LT. DEPARTMENT
Khandelwal Shri Vijay Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Income Tax Department has issued instructions to banks to keep a track on transactions in individual PAN card holders bank accounts where huge transactions are taking place;
- (b) if so, the details thereof ;
- (c) whether this had led to a situation where by several account holders have started closing their bank accounts; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

- (a)&(b): Under the Banking Cash Transaction Tax Rules, 2005, every branch of a scheduled bank is required to maintain the particulars of taxable banking transactions entered into that branch. The scheduled banks are also required to furnish periodically to the Income Tax Department details of the taxable banking transactions in the manner prescribed under the Rules.Under Section 285BA of the Income-tax, Act, 1961 arid Rules made thereunder, banks are required to furnish an Annual Information Return in respect of cash deposits of Rs.10 lacs or more in a year in any savings account of a person maintained in that bank.
- (c): No such instance has come to the notice of the Government.
- (d) : Not applicable, in view of reply to part (c) above.