

# CBDT clarifies on cash curb, Aadhaar



FE BUREAU  
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**AMONG SEVERAL CHANGES** made in the Finance Bill, 2017 to discourage cash transactions, the government has cut the presumptive taxation rate to 6% from 8% for the amount of turnover realised through cheque and digital mode, the Central Board of Direct Taxes (CBDT) said in a statement. Additionally, the Finance Bill prohibits businesses from claiming depreciation allowance or investment-linked deduction if the capital expenditure in cash exceeds ₹10,000, while halving the limit for revenue expenditure in cash to ₹10,000.

The legislative provisions are directed at small taxpayers including those that avail presumptive taxation scheme. While a regular business is required to maintain books of account, the small taxpayers under the presumptive taxation scheme are exempt from the

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same, and are taxed on a declared income at a prescribed rate.

Further, CBDT reiterated that a person cannot receive more than ₹2 lakh in cash and a contravention will attract penalty of a sum equal to the amount of such receipt. However, it clarified that the restriction was not applicable to any receipt by government, banking company, post office savings bank or co-operative bank. The restrictions will also not apply to withdrawal of

## No Aadhaar rule for those who are not residents

ON THE ISSUE of taxpayers having to mandatorily quote Aadhaar for filing return on income, the CBDT clarified that it will not apply for those individuals who are not a resident of the country as per the Aadhaar Act. Resident as per the Aadhaar Act, 2016 means an individual who has resided in India for a period or periods amounting in all to 182 days or more in the 12 months immediately preceding the date of application for enrolment. "A welcome move...but will be beneficial if the exception could be extended even to those individuals, generally expatriates who come to India for a duration of two to three years), as they are required to apply for a Permanent Account Number (PAN) for deposit of taxes in any case," Amarpal Chadha, tax partner & India mobility leader, EY India, said.

cash from a bank, cooperative bank or a post office savings bank. The CBDT will issue necessary notification for the same.

"Restriction on receipt of cash donation up to ₹2,000 has been provided on political parties for availing exemption from Income-tax. Further, it has also mandated that any donation in cash exceeding ₹2,000 to a charitable institution shall not be allowed as a deduction under the Income-tax Act," CBDT said in a statement.