

## **Top 5 cash transactions that can attract IT notice**

### **Income tax: 5 cash transactions that can attract I-T notice**

The same is for your information purpose

One needs to remain alert while doing any kind of high value cash transaction because the Income Tax Department has become highly vigilant about the cash transactions. If a person invests in the stock market via demand draft using cash, the broker will report about the investment in its balance sheet.

### **The top 5 cash transactions that can attract income tax notice**

#### **1. Savings/Current account**

For an individual, the cash deposit limit in a savings account is Rs. 1 lakh. If a savings account holder deposits more than Rs. 1 lakh in one's savings account, then the income tax department may send income tax notice. Similarly, for current account holders, the limit is Rs. 50 lakh and on violation of this limit may also be liable for income tax notice.

#### **2. Credit Card bill payment**

While paying credit card bill, one should not cross the Rs. 1 lakh limit. Violation of this cash limit in credit card bill payment doesn't go well with the Income Tax Department.

#### **3. Bank FD (fixed deposit)**

Cash deposit in bank FD is allowed but it should not go beyond Rs. 10 lakh. Violation of this Rs. 10 lakh limit is also not advisable for a bank depositor making cash deposit in one's bank FD account.

#### **4. Mutual fund/stock market/bond/debenture**

People investing in mutual funds, stocks, bond or debenture must ensure that its cash infusion in the above mentioned investment options doesn't go beyond Rs. 10 lakh limit. Failing to maintain this cash infusion limit may lead to the income tax department checking your last Income Tax Return (ITR).

#### **5. Real estate**

While buying or selling a property, one must make sure that a cash transaction above Rs. 30 lakh is questionable as the income tax department discourages cash transactions beyond this limit in a real estate deal.

**Source : Caclub India**