

F. No. 385/17/2016-IT(B)
Government of India
Ministry of Finance
Central Board of Direct Taxes

New Delhi, Dated: 27.12.2016

To,

All Principal Chief Commissioners and Principal Directors General of Income-tax

Madam/ Sir,

Subject:- Acceptance of demonetized currency for making payments towards tax, penalty, surcharge and deposit under the Pradhan Mantri Garib Kalyan Yojana-2016.

Kindly refer to the Press Release dated 22.12.2016 of CBDT on the captioned subject where it was clarified that up to 30.12.2016, payment towards tax, surcharge, penalty and deposit under the Pradhan Mantri Garib Kalyan Yojana (PMGKY) can be made in old Bank Notes of Rupees 500 and Rupees 1000 denomination issued by the RBI.

2. It has been reported by some Charges that since the Reserve Bank of India (RBI) had not issued FAQs or directions to the banks to accept old demonetized notes for payments under PMGKY, some of the banks were not clear about the acceptability of the old notes for the purposes of PMGKY.

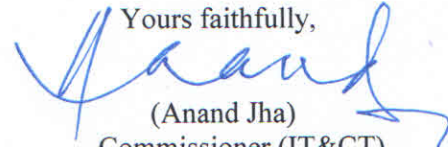
3. In this regard it is stated that RBI has issued revised FAQs today (available at www.rbi.org.in) and *inter alia* incorporated Question No. 29 to deal with the issue, which is reproduced as under:

"29. Can payments towards tax, penalty, surcharge and deposit under PMGKY be made in SBNs?"

The Central Government has decided that up to 30.12.2016, the payment towards tax, surcharge, penalty and deposit under the Pradhan Mantri Garib Kalyan Yojana (PMGKY), can be made in Old Bank Notes of ₹ 500 and ₹ 1,000 denomination issued by the RBI. The Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana (PMGKY), 2016 has commenced on 17th December, 2016 and is open for declarations upto 31st March, 2017. The payment of tax, surcharge and penalty under the Scheme is to be made through challan ITNS-287 and the deposits are to be made in the Pradhan Mantri Garib Kalyan Deposit Scheme, 2016. The notifications relating to PMGKY are available on the website www.incometaxindia.gov.in"

4. It is requested that the above clarification issued by RBI may kindly be urgently brought to the notice of the taxpayers and the banks in your Region so that payments under PMGKY in old demonetized currencies are accepted by the banks without any difficulty to the taxpayers.

Yours faithfully,



(Anand Jha)

Commissioner (IT&CT)

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27.12.16

Copy to : Chairman and All Members of CBDT for information.