

Government warns banks over non-acceptance of PMGKY tax

The government has warned banks of "de-authorisation" of branches if they refuse to accept taxes under the amnesty scheme PMGKY, which ends on March 31.

The finance ministry, in a communication to heads of banks authorised to accept deposits under the Pradhan Mantri Garib Kalyan Yojana (PMGKY), has asked them to issue directions to all branches for making necessary changes in their system/software to accept the tax.

"Non-compliance of this order may be viewed seriously and may lead to de-authorisation of that branch in case of refusal to accept taxes," the ministry said.

Post demonetisation, the government came out with PMGKY under which people holding unaccounted cash can deposit them in bank accounts till March 31 by paying 50 % tax plus penalty. A quarter of the total sum will have to be parked in a non-interest bearing deposit for four years.

The scheme opened on December 1. There have been complaints that many banks were not accepting payments of tax under PMGKY due to lack of awareness of prescribed challan and certain technical reasons.

Accordingly, the matter was referred to principal chief controller of accounts, who issued an order directing banks to accept taxes under PMGKY or face action.

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