

**A BRIEF NOTE ON AFFECTED TRANSACTIONS BY SECTION 269 ST OF INCOME TAX ACT  
1961 INSERTED BY FINANCE ACT OF 2017**

269ST. No person shall receive an amount of two lakh rupees or more—

(a) in aggregate from a person in a day; or

(b) in respect of a single transaction; or

(c) in respect of transactions relating to one event or occasion

from a person, otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account:

**Provided that the provisions of this section shall not apply to—**

(i) any receipt by—

(a) Government;

(b) any banking company, post office savings bank or co-operative bank;

**(ii) transactions of the nature referred to in section 269SS;**

(iii) such other persons or class of persons or receipts, which the Central Government may, by notification in the Official Gazette, specify.

Explanation.—For the purposes of this section,—

(a) “banking company” shall have the same meaning as assigned to it in clause (i) of the Explanation to section 269SS;

(b) “co-operative bank” shall have the same meaning as assigned to it in clause (ii) of the Explanation to section 269SS.’

As mentioned in the Finance Bill 2017, transactions of the nature referred to in section 269SS are proposed to be excluded from the scope of the said section. Section 269 SS is applicable only for *receipt of deposits and loans*. Section 269 ST inserted by Finance Act of 2017 does not affect the *transaction of the nature referred to in Section 269SS* i.e. deposits & loans. Therefore Section 269 ST is applicable only for *receipts other than deposits and loans*.

**In a nutshell –**

***Receipt/payment by way of Deposit/loans by persons (other than Banks) if it amounts to Rs. 20,000/- or more, then 269SS/269T is applicable.***

***Receipt/payment other than Deposit/loans by persons (other than Banks) if it amounts to Rs. 2 Lakh or more, then 269 ST is applicable.***

For further details visit:-

[http://www.sahakari.net/z\\_uploads/rule\\_files/file\\_14.pdf](http://www.sahakari.net/z_uploads/rule_files/file_14.pdf)

<http://www.caclubindia.com/articles/affected-transaction-by-cash-deposit-limit-under-269st-29169.asp>