



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA  
(Set up by an Act of Parliament)

PUNE BRANCH OF WIRC OF ICAI

Issue No. 10

NEWSLETTER

October 2022



HAPPY  
**Diwali**

FESTIVAL OF LIGHTS



(Subscribers copy not for sale)

## Due Date Calender for the Month October 2022

<b>SR. NO.</b>	<b>DATE</b>	<b>TAXATION UPDATES</b>
1.	7th October, 2022	TDS/TCS Payment Sept 22
2.	10th October, 2022	GSTR 7/8 Sept 22
3.	11th October, 2022	GSTR 1 Sept 22 Monthly
4.	13th October, 2022	GSTR 1 Q2 22-23 QRMP GSTR 6 Sept 22
5.	15th October, 2022	TCS Return Q2 22-23 PF/ESIC Payment Sept 2022
6.	18th October, 2022	CMP 08 Q2 22-23
7.	20th October, 2022	GSTR 3B, GSTR 5/5A Sept 22 Monthly
8.	22nd October, 2022	GSTR 3B Q2 22-23 GROUP A
9.	24th October, 2022	GSTR 3B Q4 22-23 GROUP B
10.	30th October, 2022	TCS Certificate Q2 22-23
11.	31st October, 2022	TDS Return Q2 22-23 ITR (Audit) AY 22-23 Transfer Pricing Audit AY 22-23

*Pune ICAI condoles the sad demise of our member  
CA. Madhukar Purushottam Marathe (M. No: 004562)*

## Chairman's Communique

**Dear Professional Colleagues,**

**Greetings of the Season!**

**Wish you all the very Happy Diwali!**

October started with the grateful tribute to father of nation Mahatma Gandhiji and the stalwart leader and past prime minister of India Shri. Lal Bahadur Shastri.



CA. Kashinath Pathare  
Chairman  
Pune Branch of WIRC of ICAI

For students, from November-2022 exam preparation points various seminars on topics like Accounting Standards, GST DRILL- Let's makes GST easy and motivation speech Role of "Spirituality in Practical World", "RANKER'S TALK" was organized. Series of Career Counseling programmes. continue in various schools and colleges.

Now the Branch is gearing up for the forthcoming period and planning various CPE and other events, the details of which are published elsewhere in the Newsletter.

As usual my perennial request to please keep visiting our website [www.puneicai.org](http://www.puneicai.org) from time to time and also, while concluding this message I take the opportunity to extend my best wishes for Dussera and Deepawali.

May these festivities bring in fresh ray of hope and confidence & refreshing breeze of happiness, health, peace and prosperity to you, your family members and friends.

With warm regards,

CA. Kashinath Pathare,  
Chairman  
Pune Branch of WIRC of ICAI



Contributed by :- CA. Pushp Kumar Sahu

Email :- [capushpkumarsahu@gmail.com](mailto:capushpkumarsahu@gmail.com)

INTRODUCTION: Why Section 68 was introduced under Income Tax Act, 1961.

There was a great need and importance for introducing the provisions of section 68 under the income tax act, 1961 to safeguard and protect the interest of revenue, as assessee was engaged in harmful tax practices to evade tax in the form of fake cash credit entries in the books of account, after introduction of this section many amendments have been taken place from time to time to enhance its applicability and to curb the menace and unearthing of Black Money , Accommodation Entries, Cash Credit Entries etc.

Assessee used to hide its Income or suppress income by diverting its cash receipts and showing it as "Unsecured Loan" or in any other form in the books of accounts, thereby avoiding payment of tax on business receipts. It is a tax evasion device or tool used by large number of assesses across the nation to evade tax and thereby resulting in tax revenue loss to the Government of India.

To curb such malpractices and tax evasion tactics, section 68 came into light with timely amendments in it,

**SECTION 68.** *Where any sum is found credited in the books of an assessee maintained for any previous year, and the assessee offers no explanation about the nature and source thereof or the explanation offered by him is not, in the opinion of the [Assessing] Officer, satisfactory, the sum so credited may be charged to income-tax as the income of the assessee of that previous year :*

*[Provided that where the assessee is a company (not being a company in which the public are substantially interested), and the sum so credited consists of share application money, share capital, share premium or any such amount by whatever name called, any explanation offered by such assessee-company shall be deemed to be not satisfactory, unless—*

*(a) the person, being a resident in whose name such credit is recorded in the books of such company also offers an explanation about the nature and source of such sum so credited; and*

*(b) such explanation in the opinion of the Assessing Officer aforesaid has been found to be satisfactory:*

**Provided further** *that nothing contained in the first proviso shall apply if the person, in whose name the sum referred to therein is recorded, is a venture capital fund or a venture capital company as referred to in clause (23FB) of section 10.]*

Let us understand this section critically and in easy way;

1. **Applicability:** This Section is only applicable and can only be invoked when assessee is maintaining books of account and there is any sum which is found credited in the books of an assessee maintained for any previous year and assessee offers no explanation with regard to such cash credits or explanation offered by assessee was not satisfactory, then assessee will be held guilty under this section and thereby as a result, provisions of this section will trigger. All credit entries appearing in the books of accounts of the assessee are covered under this section.

**Reliance can be placed Smt. Shanta Devi Vs. CIT [ 1988] 171 ITR 532 ( Punjab & Harayana High Court ). In the abovementioned Case Law, it was held that on perusal of section 68 of the act shows that in relation to the expression 'Books' the emphasis is on the word ' assesse' meaning thereby that such books have to be the books of the assessee himself and not of any other assessee.**

**2. Onus to prove:** The burden lies on the assessee to prove that any sum which is found credited in books was a genuine transaction; nature and source of such entry should be proved by assessee, otherwise it would be treated as income of the assessee. But Assessee was not required to prove "**Source of Source**" , means assessee was not required to prove the source of income of the person from whom he has received the amount. The only thing which assessee was required to do is to prove the genuineness of the transactions as well as the creditworthiness of the person providing credit along with documentary evidences, it is not the business of the assessee to find out the source of money of the person providing loan or any other credit in any form. Once assessee furnishes sufficient documents and explanations, it is on the onus of department to verify the same and act accordingly.

**3. Taxability:** Unexplained Cash Credits are chargeable to tax u/s 115BBE of the Income Tax Act, 1961 at the rate of 60% plus surcharge plus Cess that comes to overall 78% that too without deduction of any expenses. The real and main purpose of introducing this provision is to charge the tax at higher rates than the normal rates, so that assessee would avoid concealing and hiding its income. The logic behind increasing tax rate from 30% to 60% was to make sure assessee who is hiding and concealing its income will not be treated at par with other tax payers i.e. both disclosed and undisclosed income will be taxed at roughly 30%, to penalise the tax evaders, tax rate was increased.



### Seminar on "Tax Audit"



Shri. Ganesh Rakh, Dy CIT, Income Tax  
Speaker



CA. Rohit Ranade  
Speaker



CA. Meera Joisher  
Speaker



Participants

## Teachers' Day Celebration "गौरव गुरु जनांचा !!"



### Pune Branch of WIRC of ICAI

Plot No.8, Parshwanath Nagar, CST No. 333,  
Sr.No.573, Munjeri, Opp. Kale hospital,  
Near Mahavir Electronics, Bibwewadi, Pune 411037  
Tel: (020) 24212251 / 52  
Web: www.puneicai.org  
Email: admin@puneicai.org

### ADVERTISEMENT TARIFF

FOR PUNE BRANCH NEWSLETTER WEF NOVEMBER 2015

1) Back Page (19x15) Color	: ₹ 16,500/-
2) Inner Page of Front/Back Page (A4) Color	: ₹ 16,000/-
3) Full Page (A4) Color	: ₹ 15,000/-
4) Half Page	: ₹ 8,000/-
5) Quarter Page	: ₹ 4,500/-

**Discount:** \*3 to 6 Insertions - 10%  
\*7 to 12 Insertions - 15%  
\*Adissional GST - 18%

**Disclaimer:** The ICAI and the Pune Branch of WIRC of ICAI is not in any way responsible for the result of any action taken on the basis of advertisement published in the newsletter. The members, however, may bear in mind the provision of the Code of Ethics while responding to the advertisements. The views and opinion expressed or implied in the Newsletter are those of the authors / contributors and do not necessarily reflect of Pune branch. Unsolicited matters are sent at the owners risk and the publisher accepts no liability for loss or damage. Material in this publication may not be reproduced, Whether in part or in whole without the consent of Pune branch. Members are requested to kindly send material of professional interest to editor@puneicai.org the same may be published in the newsletter subject availability of space and editorial editing.