

PAYROLL



The **COMMUNIQUE**



Our CFO Speaks

70-hour work weeks!

Recently, we heard from Narayana Murthy, Infosys co-founder, making a statement saying, “Our Youngsters must say, ‘This is my country. I want to work 70 hours a week.’” He said so in the context of fostering our Indian economy and competing with fast-growing economies—comparing with what the Germans and Japanese did after World War II.

His remarks sparked controversy immediately in the business and online communities. While a few people are in favor of this, quite a few are not. While Narayana Murthy backs his comments, there are a few other companies, such as Motilal Oswal, which is adopting the ‘Switch off from work after shift’ policy, stating that greater productivity is delivered by stress-relieved minds.

70 hours of work per week has its own highlights and lowlights. Elongated hours of work sound good for the country in the short to medium term, in terms of higher productivity and economic growth. Coincidentally, from a long-term perspective, excessively stretching beyond normal working hours could cause burnout and health problems, eventually leading to poor productivity, creativity, and innovation.

All in all, it all comes down to living a balanced work life, both by prioritizing work and by focusing on personal well-being, which leads to better productivity, decision-making, and creativity—for a content life and a competent country.

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Never miss a date

December

7th

Due date for deposit of Tax deducted/collected for the month of November, 2023.

December

15th

Third instalment of advance tax for the assessment year 2024-25

December

15th

Due date for issue of TDS Certificate for tax deducted under Sections 194-IA, 194-IB, 194M and 194S in the month of October, 2023.

December

30th

Due date for furnishing of challan-cum-statement in respect of tax deducted under Sections 194-IA, 194-IB, 194M and 194S in the month of October, 2023.

December

30th

Filing of belated/revised return of income for the assessment year 2023-24 for all assessee (provided assessment has not been completed before December 31, 2023)

Happy to enhance our footprints

Trust at the core of every relationship



Feature Updates

FAMS™

Asset Management Made Easy

To empower you with enhanced performance, the below features have been upgraded for your convenience and benefit.

Service Desk

With this updated feature, you can now manage and track your IT queries online and view online progress.

Categorise upto 3-levels

This updated feature allows you to create categories up to 3-levels, and not only that, you can create groups and assign categories to groups created.

Repairs & maintenance

You can now schedule your maintenance activities, track the progress of work, create assignments and activities for groups, and using the mobile app, you can view them all.

Physical verification

Carry out physical verification, review and update the status of assets, scan using a barcode or QR code, and take pictures of assets—all with the help of the mobile app.

ALL YOU NEED TO KNOW - TAXATION OF CASH TRANSACTIONS

Introduction

It can be clearly understood from the recent amendments made to the Income Tax Rules that the Income Tax Department is discouraging cash transactions as much as possible by setting limits for them to monitor and regulate the flow of cash transactions, tax evasion, restricting money laundering possibilities, and other illegal financial activities. It is important for us to be aware of and have a better understanding of these limits before performing any cash transactions, as they can land us in serious trouble if performed wrongly.

In this write-up, we will understand the limits on cash deposits, withdrawals, and other cash transactions set by the department in detail.

Taxation of Cash Withdrawals

In case of withdrawal of cash from savings bank account, as per section 194N of Income Tax Act, 1961; TDS will be deducted as:

Cases	Amount of Withdrawal in excess of	Applicable TDS Rates* (% of the total amount withdrawn)
If no default is made in the filing of the return for all the three preceding A.Y.s	₹1 Crore	2%
If a person defaults in the filing of a return for all the three preceding A.Y.s	₹20 Lakh	2%
	₹1 Crore	5%

*Rate of deduction will be 20% if the deductee (account holder) does not furnish his PAN to the deductor.

While filing the income tax returns, the tax deducted at source under Section 194N can be used as credit, but the amount on which TDS was deducted is not to be treated as income.

Taxation of Cash Deposits

In to Savings Accounts

Any deposit of cash in excess of ₹10 lakh into the savings account will be reported to the Income Tax (IT) Department in a financial year.

In to Current Accounts

The applicable limit in the case of current accounts is ₹50 lakh in a financial year.

Though these deposits are not taxed immediately, the concerned bank is obliged under law to report these transactions exceeding the above limits to the IT Department as specified financial transactions (SFTs).

ALL YOU NEED TO KNOW - TAXATION OF CASH TRANSACTIONS

In such cases, the IT Department may issue a notice to the depositor as per Section 68, seeking an explanation of the source of the funds deposited. Failure to explain the source will attract a tax levy of 60% plus a surcharge of 25% and a higher education cess of 4%.

Also, it is worth noting that, as per Section 269ST, if the funds deposited are on account of the cash receipts exceeding ₹2 lakh per day, then such deposits attract the penalty as per Section 271DA and 271E which is equivalent to the amount deposited.

Besides, if such funds deposited were the unutilised withdrawals from bank accounts, then the above-mentioned rule does not apply. However, the TDS provisions of Section 194N would still be applicable for the withdrawals as discussed above.

If a person is covered under section 44AD/44ADA for presumptive scheme of taxation, such person is exempt from maintaining books of account and they cannot be punished for such deposits up to the turnover declared in their income tax return, However, the department can ask the source of the deposits which are not connected with the business.

Taxation of Cash Receipts and Cash Payments

As per **Section 269SS**, no person is allowed to accept any loans or deposits from any other person ₹20,000 or more in the mode of cash. Also, as per **Section 269T**, no person is allowed to pay a sum of ₹20,000 or more in cash towards the repayment of loans or deposits previously accepted. The Act has put the bars on both loan receipts and repayments in cash.

Further, as per **Section 269ST**, no person is allowed to receive ₹2 lakh or more in cash from a person in a day or in respect of any single transaction or in respect of transactions relating to one event or occasion from a person.

Conclusion:

Both individuals and businesses should be cognizant of the above-discussed rules before performing any cash deposits or withdrawals, because having a better understanding of them can help avoid severe penalties and legal consequences.





Automation applied to an efficient operation will magnify the efficiency.
— Bill Gates

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PO Module

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