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101. TOTAL INCOME.

**101: Total Income**

102. UNEXPLAINED CREDITS.

**102(1): Unexplained Credits**

**102(2): Conditions for Accepting Explanation of Loan or Borrowing Credits**

**102(3): Unexplained Share Capital or Related Credits in Closely Held Companies**

**102(4): Exception for Venture Capital Funds and Companies**

103. UNEXPLAINED INVESTMENT.

**103: Unexplained Investment**

104. UNEXPLAINED ASSET.

**104(1): Unexplained Asset**

**104(2): Definition of “Asset”**

105. UNEXPLAINED EXPENDITURE.

**105(1): Unexplained Expenditure**

**105(2): Disallowance of Deduction for Unexplained Expenditure**

106. AMOUNT BORROWED OR REPAID THROUGH NEGOTIABLE INSTRUMENT, HUNDI, ETC.

**106(1): Borrowing or Repayment Through Non-Account-Payee Instruments**

**106(2): Prevention of Double Assessment on Borrowed Amounts**

107. CHARGE OF TAX.

**107: Charge of Tax on Unexplained or Deemed Income**

**101. TOTAL INCOME.**

**101: Total Income**

**In computing the total income of an assessee, there shall be included all income on which no income-tax is payable under Chapter XVII-A4.**

**102. UNEXPLAINED CREDITS.**

**102(1): Unexplained Credits**

**Where any sum is found credited in the books of an assessee maintained for any tax year, and—**

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**(a) the assessee offers no explanation about the nature and source of such credit; or**

**(b) the explanation offered about the nature and source of such credit by assessee is not satisfactory in the opinion of the Assessing Officer,**

**then, the sum so credited shall be charged to income-tax as income of the assessee of that tax year.**

**102(2): Conditions for Accepting Explanation of Loan or Borrowing Credits**

**For the purposes of sub-section (1), where the sum so credited consists of loan or borrowing or any such amount, by whatever name called, the explanation offered by such assessee shall be deemed to be not satisfactory, unless,—**

**(a) the person in whose name such credit is recorded in the books of such assessee 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 has been found to be satisfactory.**

**102(3): Unexplained Share Capital or Related Credits in Closely Held Companies**

**For the purposes of sub-section (1), 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, the explanation offered by such assessee company shall be deemed to be not satisfactory, unless—**

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(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 has been found to be satisfactory.

**102(4): Exception for Venture Capital Funds and Companies**

Nothing contained in sub-section (2) or (3) shall apply if the person, in whose name the sum referred to in those sub-sections is recorded, is a venture capital fund or a venture capital company as referred to in Schedule V (Table: Sl. No. 6).

**103. UNEXPLAINED INVESTMENT.**

**103: Unexplained Investment**

Where in any tax year, any investment has been made by the assessee which is not recorded in the books of account, if any, maintained by such assessee for any source of income, or, the Assessing Officer finds that the amount of such investment exceeds the amount recorded in such books of account and—

(a) the assessee offers no explanation about the nature and source of such investment, or such excess amount, as the case may be; or

(b) the explanation offered about the nature and source of such investment by the assessee, is not satisfactory in the opinion of the Assessing Officer,

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then, the value of such investment, or such excess amount, as the case may be, shall be deemed to be the income of the assessee of that tax year.

## **104. UNEXPLAINED ASSET.**

### **104(1): Unexplained Asset**

Where in any tax year, any asset has been found to be owned by or belonging to the assessee which is not recorded in the books of account, if any, maintained by such assessee for any source of income, or the Assessing Officer finds that the amount expended in acquiring such asset exceeds the amount recorded in such books of account and—

(a) the assessee offers no explanation about the nature and source of acquisition of such asset, or such excess amount, as the case may be; or

(b) the explanation offered about the nature and source of acquisition of such asset by the assessee, is not satisfactory in the opinion of the Assessing Officer, then, the value of such asset, or such excess amount, as the case may be, shall be deemed to be the income of the assessee of the tax year in which such asset has been found to be owned by, or belonging to, the assessee.

### **104(2): Definition of “Asset”**

For the purposes of this section, “asset” includes money, bullion, jewellery, virtual digital asset or other valuable article.

## **105. UNEXPLAINED EXPENDITURE.**

### **105(1): Unexplained Expenditure**

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Where any expenditure has been incurred by the assessee in any tax year, and—

(a) the assessee offers no explanation about the source of such expenditure or part thereof; or

(b) the explanation offered about the source of such expenditure by the assessee is not satisfactory in the opinion of the Assessing Officer, then, the amount covered by such expenditure or part thereof, shall be deemed to be the income of the assessee for that tax year.

**105(2): Disallowance of Deduction for Unexplained Expenditure**

Irrespective of any other provision of this Act, the amount deemed as income in sub-section (1) shall not be allowed as a deduction under this Act.

**106. AMOUNT BORROWED OR REPAYED THROUGH NEGOTIABLE INSTRUMENT, HUNDI, ETC**

**106(1): Borrowing or Repayment Through Non-Account-Payee Instruments**

Where any amount (including interest thereof) is borrowed or repaid through a negotiable instrument or on a hundi, otherwise than an account payee cheque, or through any mode as specified by the Board in this behalf, the amount so borrowed or repaid (including interest paid on the borrowed amount) shall be deemed to be the income of the person borrowing or repaying, as the case may be, for the tax year in which the amount was borrowed or repaid.

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**106(2): Prevention of Double Assessment on Borrowed Amounts**

Where the amount borrowed under sub-section (1) has been deemed to be the income of any person, such person shall not be liable to be assessed again in respect of such amount under that sub-section on repayment of such amount.

**107. CHARGE OF TAX.**

**107: Charge of Tax on Unexplained or Deemed Income**

Income referred to in sections 102, 103, 104, 105 and 106 shall be charged to tax as per the provisions of section 195.

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