



PROVISIONS RELATING TO PAYMENT OF ADVANCE TAX

Liability to pay advance tax

As per section 208, every person whose estimated tax liability for the year is Rs. 10,000 or more, shall pay his tax in advance, in the form of “advance tax”. In this part you can gain knowledge on various provisions relating to payment of advance tax by a taxpayer.

Person not liable to pay advance tax

As discussed above, every person whose estimated tax liability for the year is Rs. 10,000 or more is liable to pay advance tax. However, following persons are not liable to pay advance tax even if their tax liability is Rs. 10,000 or more:

Person not liable to pay advance tax

- A taxpayer opting for the presumptive taxation scheme of section 44AD will not be liable to pay advance tax in respect of business for which the presumptive taxation scheme of section 44AD is adopted.
- A resident senior citizen (i.e., an individual of the age of 60 years or above during the relevant financial year) not having any income from business or profession is not liable to pay advance tax.

Illustration

Mr. Kumar is running a provision store. The turnover of the store for the financial year 2014-15 amounted to Rs. 84,00,000. He wants to declare income under section 44AD at 8% of the turnover. He does not have any other source of income. Will he be liable to pay advance tax?

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Mr. Kumar satisfies the criteria of section 44AD in respect of provision store business and, hence, he can adopt the provisions of section 44AD and declare income at 8% of the turnover.

A taxpayer opting for the presumptive taxation scheme of section 44AD will not be liable to pay advance tax in respect of business covered under section 44AD. Thus, if Mr. Kumar adopts the provisions of section 44AD, he will not be liable to pay advance tax in respect of income generated from provision store business.

Illustration

Mr. Rajat (age 29 years) is running a provision store. The turnover of the store for the financial year 2014-15 amounted to Rs. 84,00,000. He has not adopted the provisions of section 44AD and has maintained the books of account of the store. The accounts revealed a net profit of Rs. 5,25,200. Will he be liable to pay advance tax?

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In this case Mr. Rajat has not adopted the provisions of section 44AD and, hence, he will be liable to pay advance tax in respect of income generated from provision store business if his estimated tax liability for the financial year comes out to Rs. 10,000 or more

The taxable income of Mr. Rajat is Rs. 5,25,200. Tax on Rs. 5,25,200 will be Rs. 30,941 (*) which is more than Rs. 10,000, hence, Mr. Rajat will be liable to pay advance tax.

(*) The normal tax rates for the financial year 2014-15 applicable to an individual below the age of 60 years are as follows:

- Nil up to income of Rs. 2,50,000
- 10% for income above Rs. 2,50,000 but up to Rs. 5,00,000
- 20% for income above Rs. 5,00,000 but up to Rs. 10,00,000
- 30% for income above Rs. 10,00,000.

Apart from above, education cess at 2% and secondary and higher education cess at 1% will be levied on the amount of tax. Surcharge at 10% of income-tax shall also be levied if net income during the year exceeds Rs. 1 crore (subject to marginal relief)

Illustration

Mr. Vipul (age 39 years) is running a medical store. The turnover of the store for the financial year 2014-15 amounted to Rs. 40,00,000. He has not adopted the provisions of section 44AD and has maintained the regular books of account of the store as per the provisions of section 44AA. The accounts revealed a net profit of Rs. 2,84,000. Will he be liable to pay advance tax?

In this case, Mr. Vipul has not adopted the provisions of section 44AD and, hence, he will be liable to pay advance tax in respect of income generated from medical store business if his estimated tax liability for the financial year comes out Rs. 10,000 or more. The taxable income of Mr. Vipul is Rs. 2,84,000. Tax on Rs. 2,84,000 will be Rs. 1,442 (*) which is less than Rs. 10,000, hence, Mr. Vipul is not liable to pay advance tax.

(*) The normal tax rates for the financial year 2014-15 applicable to an individual below the age of 60 years are as follows:

- Nil upto income of Rs. 2,50,000
- 10% for income above Rs. 2,50,000 but upto Rs. 5,00,000
- 20% for income above Rs. 5,00,000 but upto Rs. 10,00,000
- 30% for income above Rs. 10,00,000.

However in case of taxpayer, being an Individual resident in India, rebate under section 87A of Rs. 2,000 or 100% of tax, whichever is lower, would be provided if his total income does not exceed Rs. 5,00,000.





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Apart from above, education cess at 2% and secondary and higher education cess @ 1% will be levied on the amount of tax.

Due dates for payment of advance tax

Advance tax is to be paid in different instalments. The due dates for payment of different instalments of advance tax are as follows:

Status	By 15th June	By 15th Sept.	By 15th Dec.	By 15th March
Non-corporate taxpayers	Nil	Up to 30% of advance tax	Up to 60% of advance tax	Up to 100% of advance tax
Corporate taxpayers	Up to 15% of advance tax	Up to 45% of advance tax	Up to 75% of advance tax	Up to 100% of advance tax

Note 1: Any tax paid till 31st March will be treated as advance tax.

Note 2: If the last day for payment of any instalment of advance tax is a day on which the banks are closed, then the taxpayer should pay the advance tax on the immediately following working day [Circular No. 676, dated 14-1-1994].

Illustration

Mr. Kumar is a doctor. His estimated tax liability for the financial year 2014-15 amounted to Rs. 1,00,000. By which dates he should pay advance tax and how much?

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If the estimated tax liability of the taxpayer is Rs. 10,000 or more, then he has to discharge his tax liability in the form of advance tax. Advance tax is to be paid in different instalments. The due dates for payment of different instalments of advance tax in case of a non-corporate taxpayer are as follows:

Status	By 15th June	By 15th Sept.	By 15th Dec.	By 15th March
Non-corporate taxpayers	Nil	Up to 30% of advance tax	Up to 60% of advance tax	Up to 100% of advance tax

Considering the above due dates, the advance tax to be paid by Mr. Kumar on different dates will be as follows:

- His first instalment of advance tax will fall due on 15th September, 2014. His estimated tax liability for the year is Rs. 1,00,000. By 15th September, he should





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pay 30% of his tax liability in advance, hence, he should pay Rs. 30,000 on account of advance tax by 15th September, 2014.

- His second instalment of advance tax will fall due on 15th December, 2014. His estimated tax liability for the year is Rs. 1,00,000. By 15th December, he should pay 60% of his liability in advance, i.e., Rs. 60,000. Assuming that he has already paid Rs. 30,000 as advance tax by 15th September, he should pay balance of Rs. 30,000 on account of advance tax by 15th December, 2014. Thus, total payment of advance tax till 15th December will amount to Rs. 60,000.
- His third and final instalment of advance tax will fall due on 15th March, 2015. His estimated tax liability for the year is Rs. 1,00,000. By 15th March, he should pay 100% of his liability in advance, i.e., Rs. 1,00,000. Assuming that he has already paid Rs. 60,000 as advance tax till 15th December, he should pay balance of Rs. 40,000 on account of advance tax by 15th March, 2015. Thus, total payment of advance tax till 15th March, 2014 will amount to Rs. 1,00,000.

Mode of payment of advance tax

As per Rule 125 of the Income-tax Rules, 1962 a corporate taxpayer (i.e., a company) shall pay taxes through the electronic payment mode using the internet banking facility of the authorised banks.

Taxpayers other than a company, who are required to get their accounts audited, shall pay taxes through the electronic payment mode using the internet banking facility of the authorised banks.

Any other taxpayer can pay tax either by electronic mode or by physical mode i.e. by depositing the challan at the receiving bank.

Payment of advance tax

Advance tax can be paid by the taxpayer either on his own account or in pursuance of an order of the Assessing Officer.

The taxpayer who is liable to pay advance tax is required to estimate his current income and pay advance tax on his own account. In such a case, he is not required to submit any estimate or statement of income to the tax authorities.

After making payment of first or second instalment of advance tax (as the case may be), if there is a change in the tax liability, then the taxpayer can revise the quantum of advance tax in the remaining instalment(s) and pay the tax as per revised estimates.

Tax can be computed on the current income (estimated by the taxpayer) at the rates in force during the financial year. From the tax so computed, tax deducted or collected at source will be deducted and the balance tax payable will be used to compute the advance tax liability. Also, relief of tax allowed under section 90 or section 90A or any deduction under section 91 or any tax credit allowed to be set off as per section 115JAA or section 115JD shall also be deducted while computing the advance tax liability.





Illustration

Mr. Raja is an architect. His estimated tax liability for the year amounts to Rs. 1,00,000. He has paid advance tax of Rs. 30,000 by 15th September. In the month of November one of his clients paid fee of Rs. 1,80,000 after deducting tax at source of Rs. 20,000 (Such fees of Rs. 1,80,000 was considered at earlier occasion for estimating the tax liability of taxpayer). In this case how much of advance tax he is required to pay in the remaining instalments?

If the estimated tax liability of the taxpayer is Rs. 10,000 or more, then he has to discharge his tax liability in the form of advance tax. Advance tax is to be paid in different instalments. The due dates for payment of different instalments of advance tax in case of non-corporate taxpayers are as follows:

<i>Status</i>	<i>By 15th June</i>	<i>By 15th Sept.</i>	<i>By 15th Dec.</i>	<i>By 15th March</i>
Non-corporate taxpayers	Nil	Up to 30% of advance tax	Up to 60% of advance tax	Up to 100% of advance tax

Considering the above dates, Mr. Raja has to pay 30% of his estimated tax liability by 15th September. Hence, he has to pay Rs. 30,000 on account of advance tax by 15th September.

While computing the advance tax liability, the taxpayer can deduct the tax at source from his income. In this case, at the time of estimate of first instalment there was no TDS credit with Mr. Raja. His estimated tax liability without TDS amounted to Rs. 1,00,000. In the month of November he received Rs. 1,80,000 after deduction of tax of Rs. 20,000, hence, he got a TDS credit of Rs. 20,000. His tax liability after granting of credit of TDS will come to Rs. 80,000.

In second instalment, i.e., by 15th December he should pay up to 60% of his revised tax liability. Thus, he should pay up to Rs. 48,000 (i.e., 60% of Rs. 80,000) by 15th December. He has already paid Rs. 30,000 by 15th September and, hence, he should pay balance of Rs. 18,000 by 15th December.

In third instalment, i.e., by 15th March he should pay 100% of his estimated tax liability. Thus, he should pay Rs. 80,000 by 15th March. He has already paid Rs. 48,000 till 15th December and, hence, he should pay balance of Rs. 32,000 by 15th March (i.e., Rs. 80,000 – Rs. 48,000).

Illustration

Mr. Rana is an engineer. His estimated tax liability for the year amounts to Rs. 2,00,000. He has paid advance tax of Rs. 60,000 by 15th September. In the month of November he got a contract from a multinational company. After incorporating the receipts of the new





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contract, his revised tax liability for the year amounts to Rs. 3,00,000. In this case, how much advance tax he is required to pay in each instalment?

If the estimated tax liability of the taxpayer is Rs. 10,000 or more, then he has to discharge his tax liability in the form of advance tax. Advance tax is to be paid in different instalments. The due dates for payment of different instalments of advance tax in case of a non-corporate taxpayer are as follows:

<i>Status</i>	<i>By 15th June</i>	<i>By 15th Sept.</i>	<i>By 15th Dec.</i>	<i>By 15th March</i>
Non-corporate taxpayers	Nil	Up to 30% of advance tax	Up to 60% of advance tax	Up to 100% of advance tax

Considering the above dates, Mr. Rana has to pay 30% of his estimated tax liability by 15th September. Hence, he has to pay Rs. 60,000 on account of advance tax by 15th September (in September he was not aware of the contract and, hence, Rs. 60,000 will be payable in first installment of advance tax liability).

After making payment of first/second instalment of advance tax, if there is a change in the tax liability, the taxpayer can revise the quantum of advance tax in the remaining instalment(s) and pay the tax as per revised estimate.

In this case, after payment of first instalment, he got the contract from the multinational company and his revised estimated tax liability came to Rs. 3,00,000, hence, he has to pay advance tax considering the revised liability of Rs. 3,00,000

In second instalment, i.e., by 15th December, he should pay up to 60% of his revised liability. Thus, he should pay up to Rs. 1,80,000 (i.e., 60% of Rs. 3,00,000) by 15th December. He has already paid Rs. 60,000 by 15th September and, hence, he should pay balance of Rs. 1,20,000 by 15th December.

In third instalment, i.e., by 15th March he should pay 100% of his estimated tax liability. Thus, he should pay up to Rs. 3,00,000 by 15th March. He has already paid Rs. 1,80,000 till 15th December and, hence, he should pay balance of Rs. 1,20,000 by 15th March (i.e., Rs. 3,00,000 – Rs. 1,80,000).

Payment of advance tax in pursuance of an order of the Assessing Officer

If taxpayer fails to pay advance tax (or advance tax paid is lower than the required amount) and he has already been assessed by way of regular assessment in respect of the total income of any previous year, then the Assessing Officer may pass an order under section 210(3) requiring him to pay advance tax on his current year's income (specifying the amount of instalments in which tax should be paid). Such an order may be passed during the financial year, but not later than the last day of February.





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On receipt of the notice from the Assessing Officer to pay advance tax, if the taxpayer's estimate is lower than the estimate of the Assessing Officer, then the taxpayer can submit his own estimate of current income/advance tax and pay tax accordingly. In such a case, he has to send intimation in Form No. 28A to the Assessing Officer.

Alternatively, if the advance tax on current income as per own estimate of the taxpayer is likely to be higher than the amount estimated by the Assessing Officer, the taxpayer shall pay such higher amount as advance tax in accordance with his own calculation. In such a case, no intimation to the Assessing Officer is required.

The Assessing Officer can revise his order issued to the taxpayer to pay advance tax (as discussed above) under section 210(4). Such revision can be done, if subsequent to the passing of an order to pay advance tax but before 1st March of the relevant financial year a return of income in respect of any later year has been furnished by the taxpayer or any assessment for any later year has been completed at a higher figure. On receipt of such order, the procedure to be followed by the taxpayer will be same as discussed earlier.

Illustration

Compute the amount of advance tax to be paid by Mr. Raja (age 32 years) from the following details provided by him (for the year 2014-15):

- Taxable business income of Rs. 3,84,000.
- Interest on debenture Rs. 9,000 (after deduction tax at source of Rs. 1,000).
- Investment in NSC during the year Rs. 80,000.
- Investment in PPF Rs. 20,000.

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Computation of taxable income and tax liability of Mr. Raja for the year 2014-15 :

<i>Particulars</i>	<i>Rs.</i>
<u>Profits and gains of business or profession</u> Taxable income from business	3,84,000
<u>Income from other source</u> Debenture interest (Rs. 9,000 net interest + TDS of Rs. 1,000)	<u>10,000</u>
<i>Gross total income</i>	3,94,000
<i>Less: Deduction under section 80C (NSC and PPF)</i>	1,00,000
<i>Total Income (i.e. Taxable Income)</i>	2,94,000





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<i>Tax on Rs. 2,94,000 (*)</i>	4,400
<i>Less: Rebate under section 87A (lower of 100% of tax or Rs. 2,000)</i>	2,000
<i>Tax liability after rebate under section 87A</i>	2,400
<i>Add: Education cess @ 2%</i>	48
<i>Add: Secondary and Higher Education cess @ 1%</i>	24
<i>Tax liability before TDS</i>	2,472
<i>Less: Tax deducted at source</i>	1,000
<i>Tax liability after TDS</i>	1,472

(*) The normal tax rates for the financial year 2014-15 applicable to an individual below the age of 60 years are as follows:

- Nil up to income of Rs. 2,50,000
- 10% for income above Rs. 2,50,000 but upto Rs. 5,00,000
- 20% for income above Rs. 5,00,000 but upto Rs. 10,00,000
- 30% for income above Rs. 10,00,000.

However in case of taxpayer, being an Individual resident in India, rebate under section 87A of Rs. 2,000 or 100% of tax, whichever is lower, would be provided if his total income does not exceeds Rs. 5,00,000.

Apart from above, education cess at 2% and secondary and higher education cess at 1% will be levied on the amount of tax.

As per section 208, every person whose estimated tax liability for the year is Rs. 10,000 or more, shall pay his tax in advance in the form of “advance tax”. In this case, the tax liability amounts to Rs. 1,472 (i.e., less than Rs. 10,000) and, hence, Mr. Raja is not liable to pay advance tax.

Illustration

Compute the amount of advance tax to be paid by Mr. Kapoor (age 35 years) from the following details provided by him (for the year 2014-15):

- Taxable business income Rs. 10,84,000.
- Interest on debenture Rs. 9,000 (after deduction of tax at source of Rs. 1,000).





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- Investment in NSC during the year Rs. 80,000.
- He has paid tuition fees of his son of Rs. 1333.

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Computation of taxable income and tax liability of Mr. Kapoor for the year 2014-15 :

<i>Particulars</i>	<i>Rs.</i>
<u>Profits and gains of business or profession</u> Taxable business income	10,84,000
<u>Income from other source</u> Debenture interest (Rs. 9,000 net interest + TDS of Rs. 1,000)	<u>10,000</u>
<i>Gross total income</i>	10,94,000
<i>Less: Deduction under section 80C (NSC and tuition fees)</i>	81,333
<i>Total Income (i.e. Taxable Income)</i>	10,12,667
<i>Tax on Rs. 10,12,667 (*)</i>	1,28,800
<i>Less: Rebate under section 87A (lower of 100% of tax or Rs. 2,000)</i>	Nil
<i>Tax liability after rebate under section 87A</i>	1,28,800
<i>Add: Education cess @ 2%</i>	2,576
<i>Add: Secondary and Higher Education cess @ 1%</i>	1,238
<i>Tax liability before TDS</i>	1,32,664
<i>Less: Tax deducted at source</i>	1,000





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<i>Tax liability after TDS</i>	1,31,664
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(*) The normal tax rates for the financial year 2014-15 applicable to an individual below the age of 60 years are as follows:

- Nil up to income of Rs. 2,50,000
- 10% for income above Rs. 2,50,000 but up to Rs. 5,00,000
- 20% for income above Rs. 5,00,000 but up to Rs. 10,00,000
- 30% for income above Rs. 10,00,000.

Apart from above, education cess at 2% and secondary and higher education cess at 1% will be levied on the amount of tax.

As per section 208, every person whose estimated tax liability for the year is Rs. 10,000 or more, shall pay his tax in advance, in the form of “advance tax”. In this case, the tax liability amounts to Rs. 1,31,664 and, hence, Mr. Kapoor is liable to pay advance tax.

Advance tax is to be paid in different instalments. The due dates for payment of different instalments of advance tax in case of a non-corporate taxpayer are as follows:

<i>Status</i>	<i>By 15th June</i>	<i>By 15th Sept.</i>	<i>By 15th Dec.</i>	<i>By 15th March</i>
Non-corporate taxpayers	Nil	Up to 30% of advance tax	Up to 60% of advance tax	Up to 100% of advance tax

Considering the above due dates, the advance tax to be paid by Mr. Kapoor on different dates will be as follows:

His first instalment of advance tax will fall due on 15th September, 2014. His estimated tax liability for the year is Rs. 1,31,664 (for easy computation, liability is rounded off to Rs. 1,31,660). By 15th September, he should pay 30% of his liability in advance, hence, he should pay Rs. 39,498 on account of advance tax by 15th September, 2014.

His second instalment of advance tax will fall due on 15th December, 2014. His estimated tax liability for the year is Rs. 1,31,664 which is rounded off to Rs. 1,31,660. By 15th December he should pay 60% of his tax liability in advance, i.e., Rs. 78,996. Assuming that he has already paid Rs. 39,498 as advance tax by 15th September, he should pay balance of Rs. 39,498 on account of advance tax by 15th December, 2014. Thus, total payment of advance tax till 15th December will amount to Rs. 78,996.

His third and final instalment of advance tax will fall due on 15th March, 2015. His estimated tax liability for the year is Rs. 1,31,664 which is rounded off to Rs. 1,31,660. By 15th March, he should pay 100% of his liability in advance, i.e., Rs. 1,31,660.





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Assuming that he has already paid Rs. 78,996 as advance tax by 15th December, he should pay balance of Rs. 52,664 on account of advance tax by 15th March, 2015. Thus, total payment of advance tax till 15th March will amount to Rs. 1,31,660.

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MCQ ON PROVISIONS RELATING TO PAYMENT OF ADVANCE TAX

Q1. As per section _____, every person whose estimated tax liability for the year is Rs. 10,000 or more, shall pay his tax in advance, in the form of “advance tax”.

- (a) 205 (b) 208
(c) 215 (d) 218

Correct answer : (b)

Justification of correct answer :

As per section 208, every person whose estimated tax liability for the year is Rs. 10,000 or more, shall pay his tax in advance, in the form of “advance tax”.

Thus, option (b) is the correct option.

Q2. A resident senior citizen (*i.e.*, an individual of the age of 60 years or above) not having any income from business or profession is not liable to pay advance tax.

- (a) True (b) False

Correct answer : (a)

Justification of correct answer :

A resident senior citizen (*i.e.*, an individual of the age of 60 years or above) not having any income from business or profession is not liable to pay advance tax.

Thus, the statement given in the question is true and hence, option (a) is the correct option.

Q3. Non-corporate taxpayers are required to pay up to 30% of advance tax by _____.

- (a) 15th June (b) 30th June
(c) 15th September (d) 30th September

Correct answer : (c)

Justification of correct answer :

Non-corporate taxpayers are required to pay up to 30% of advance tax by 15th September.

Thus, option (c) is the correct option.

Q4. Corporate taxpayers are required to pay up to _____ of advance tax by 15th June.

- (a) 15% (b) 30%
(c) 45% (d) 75%

Correct answer : (a)





Justification of correct answer :

Corporate taxpayers are required to pay up to 15% of advance tax by 15th June.

Thus, option (a) is the correct option.

Q5. Taxpayers other than a company, who are required to get their accounts audited, have to pay tax by physical mode *i.e.* by depositing the challan at the receiving bank.

(a) True

(b) False

Correct answer : (b)

Justification of correct answer :

Taxpayers other than a company, who are required to get their accounts audited, have to pay tax through the electronic payment mode using the internet banking facility of the authorised banks. Any other taxpayer can pay tax either by electronic mode or by physical mode *i.e.* by depositing the challan at the receiving bank.

Thus, the statement given in the question is false and hence, option (b) is the correct option.

Q6. While computing the advance tax liability, only TDS/TCS will be deducted, however, any relief of tax allowed under section 90 or 90A or 91 or any tax credit allowed to be set off as per section 115JAA or section 115JD will not be deducted.

(a) True

(b) False

Correct answer : (b)

Justification of correct answer :

Tax can be computed on the current income (estimated by the taxpayer) at the rates in force during the financial year. From the tax so computed, tax deducted or collected at source will be deducted and the balance tax payable will be used to compute the advance tax liability. Also, relief of tax allowed under section 90 or section 90A or any deduction under section 91 or any tax credit allowed to be set off as per section 115JAA or section 115JD shall also be deducted while computing the advance tax liability.

Thus, the statement given in the question is false and hence, option (b) is the correct option.

Q7. The order of the Assessing Officer under section 210(3) requiring the taxpayer to pay advance tax on his current year's income may be passed during the financial year, but not later than _____.

(a) 15th March

(b) Last day of January

(c) Last day of February

(d) 15th September

Correct answer : (c)

Justification of correct answer :





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If taxpayer fails to pay advance tax (or advance tax paid is lower than the required amount) and he has already been assessed by way of regular assessment in respect of the total income of any previous year then the Assessing Officer may pass an order under section 210(3) requiring him to pay advance tax on his current year's income (specifying the amount of instalments in which tax should be paid). Such an order may be passed during the financial year, but not later than the last day of February.

Thus, option (c) is the correct option.

Q8. After making payment of first/second instalment of advance tax, if there is a change in the tax liability, then the taxpayer can revise the quantum of advance tax in the remaining instalment(s) and pay the tax as per revised estimates.

(a) True

(b) False

Correct answer : (a)

Justification of correct answer :

After making payment of first/second instalment of advance tax, if there is a change in the tax liability, then the taxpayer can revise the quantum of advance tax in the remaining instalment(s) and pay the tax as per revised estimates.

Thus, the statement given in the question is true and hence, option (a) is the correct option.

Q9. On receipt of the notice from the Assessing Officer to pay advance tax, if the taxpayer's estimate is lower than the estimate of the Assessing Officer, then he has to send intimation in Form No. _____ to the Assessing Officer.

(a) 35

(b) 34C

(c) 34D

(d) 28A

Correct answer : (d)

Justification of correct answer :

On receipt of the notice from the Assessing Officer to pay advance tax, if the taxpayer's estimate is lower than the estimate of the Assessing Officer, then the taxpayer can submit his own estimate of current income/advance tax and pay tax accordingly. In such a case, he has to send intimation in Form No. 28A to the Assessing Officer.

Thus, option (d) is the correct option.

Q10. The order passed by the Assessing Officer to pay advance tax cannot be revised by him.

(a) True

(b) False

Correct answer : (b)

Justification of correct answer :



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The order passed by the Assessing Officer to pay advance tax can be revised by him under section 210(4). Such revision can be done, if subsequent to the passing of an order to pay advance tax but before 1st March of the relevant financial year a return of income in respect of any later year has been furnished by the taxpayer or any assessment for any later year has been completed at a higher figure.

Thus, the statement given in the question is false and hence, option (b) is the correct option.

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