

INCOME TAX AMENDMENT FOR NOVEMBER 2013 EXAM
AY 2013-14
CA-IPCC/ CS-EXECUTIVE/ CWA-INTER

TAX SLAB

1. For Resident Very Senior Citizen i.e. 80 years or more at any time during PY [Born before April 1, 1933]

Income	Tax Rate
0 – 5,00,000	Nil
5,00,001 - 10,00,000	20%
More than 10,00,000	30%

2. For Resident Senior Citizen i.e. 60 years or more but less than 80 years at any time during PY [Born during April 1, 1933 and March 31, 1953]

Income	Tax Rate
0 - 2,50,000	Nil
2,50,001 - 5,00,000	10%
5,00,001 - 10,00,000	20%
More than 10,00,000	30%

3. For Other Individual & HUF

Income	Tax Rate
0 - 2,00,000	Nil
2,00,001 - 5,00,000	10%
5,00,001 - 10,00,000	20%
More than 10,00,000	30%

Other Individuals mean:

1. A male or female whether resident or non- resident below 60 years.
2. Non-resident very senior or senior citizen.

PGBP

Circular No. 5/2012 dated 01.08.2012

Inadmissibility of expenses incurred in providing freebies to medical practitioner by pharmaceutical and allied health sector industry

CBDT has clarified that the claim of any expense incurred in providing freebies to medical practitioner is in violation of the provisions of Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002, the expenditure so incurred shall be inadmissible u/s 37(1), being an expense prohibited by the law. The disallowance shall be made in the hands of such pharmaceutical or allied health sector industry or other assessee which has provided aforesaid freebies.

This circular also clarified that a sum equivalent to value of freebies enjoyed by the aforesaid medical practitioner or professional associations is also taxable as business income or income from other sources, as the case may be.

Audit of Account is Compulsory [Sec. 44AB]

The following persons are required to get their accounts compulsorily audited by a chartered accountant-

Different taxpayers	When they are covered by the provision of compulsory audit under section 44AB
A person carrying business	If the total sales, turnover or gross receipt in business for the relevant year exceeds ₹ 1 Crore.
A Person Carrying on Profession	If his gross receipts [#] in profession for the relevant year exceeds ₹ 25 lakh. # Out of Pocket Expense & Advance Receipt not included
A person covered under section 44AD, 44AE	If such person claims that the profits and gains from the business are lower than the profits and gains computed under these sections (irrespective of his turnover).

TDS

Point of time when TDS has to be deducted at source

1. At the time of payment

In the following cases, tax is deductible at the time of payment –

- Salary [Sec. 192]
- Deemed dividend under section 2(22)(e) [Sec. 194]
- Winnings from lottery/ crossword puzzle [Sec. 194B]
- Winnings from horse race [Sec. 194BB]

2. At the time of payment or at the time of giving credit to the recipient in the books of the payer, whichever is earlier

In the following cases, tax is deductible either at the time of payment or at the time of passing credit entry or book entry in the books of the payer, whichever is earlier-

- Interest on securities [Sec. 193]
- Interest other than interest on securities [Sec. 194A]
- Payment to contractors [Sec. 194C]
- Insurance commission [Sec. 194D]
- Commission or Brokerage [Sec. 194H]
- Rent [Sec. 194-I]
- Fees for professional / technical services / royalty [Sec. 194J]

Person liable to deduct TDS

The person responsible for making payment (or passing book entry) shall deduct tax at source under the aforesaid sections whether the payment is for business or personal purposes. However, if

- **Payer** is an individual/ HUF whose books of account are not required to be audited in the immediately preceding financial year, TDS need not be deducted.
- **Payer** is an individual /HUF and payment/credit is of **professional fees for personal purposes** of the payer [Sec. 194J] then TDS is not deductible whether books of account liable for audit or not during immediately preceding FY.
- **Payee** is Government, TDS is not deductible.

TDS Rates

Section	Nature of Payment	Threshold limit to deduct tax	In case recipient is an Individual/ HUF	In case recipient is other than Individual / HUF
192(1)	Salary	Basic exemption limit	Slab Rate	NA
193	Interest on securities (Listed)	₹ 2,500 p.a.	10%	10%
	Zero Coupon Bond / Government Securities	--	--	--
	8% Saving (Taxable) Bond 2003	₹ 10,000 p.a.	10%	10%
	Interest on Securities (Unlisted)	--	10%	10%
	Interest on Securities (Listed/ Unlisted)	₹ 5,000 p.a. w.e.f. 1.7.12	10%	10%
194	Dividend u/s 2(22)(e)	2,500	20%	20%

194 A	Interest from Banking Company / Co-operative Society engaged in banking/ deposit with Post office	₹ 10,000 p.a.	10%	20%
	Interest other than from Banking company & Security (Unsecured Loan)	₹ 5,000 p.a.	10%	20%
194 B	Winning from lottery, Cross word puzzle or other game	₹ 10,000	30%	30%
194 BB	Winning from horse Race	₹ 5,000	30%	30%
194 C	Payment to contractor/ sub contractor	₹ 30,000 per single contract or ₹ 75,000 in aggregate	1%	2%
	Payment to Transport contractor.	--	Nil	Nil
194 D	Insurance Commission	₹ 20,000 p.a.	10%	10% (20% for Company)
194 H	Payment of commission or Brokerage	₹ 5,000 p.a.	10%	10%
194 I	Payment of Rent for land, building whether or not owned by payee.	₹ 1,80,000 p.a.	10%	10%
	Payment of Rent for use of Plant, Machinery or equipment, furniture or fitting whether or not owned by payee.	₹ 1,80,000 p.a.	2%	2%
194 J	Payment of Professional/ Technical services/ Non compete fee	₹ 30,000 p.a.	10%	10%
194 LA	Payment of compensation on compulsory acquisition of immovable property (other than agricultural land)	₹ 1 Lakh ₹ 2 lakh w.e.f. 1-7-12	10%	10%
194 LAA	Payment on transfer of immovable Property (other than agricultural land) [w.e.f. 1-10-12]	₹ 50 lakh (if property is situated in specified area) ₹ 20 lakh (in other area)	1%	1%
194 LC	Payment of interest to non resident or foreign company on money borrowed after July 1 2012	—	5%	5%

Note:

1. Surcharge and Education Cess is not applicable for TDS.
 - Surcharge applicable only when the recipient is a foreign company and the payment exceeds ₹ 1 crore. Rate of surcharge : 2% of TDS.
 - EC and SHEC applicable for TDS on payment of Salary or other sum to a non-resident or a foreign company.
2. The Rate of TDS will be 20% in all cases, if PAN is not quoted by the deductee.
3. TDS needs to be deducted if the amount is above the limits given.
4. Interest @ 1% p.m. or part of the month from the date TDS was deductible to the date tax is deducted (i.e. on late deduction).
5. Interest @ 1.5% p.m. or part of the month from the date tax was deducted to the date tax is actually paid (i.e. on late deposit).
6. W.e.f. July 1, 2012 Professional or Technical Services would include any fees, commission or remuneration by whatever name called, paid or payable to a director of a company other than Salary income. No threshold limit is provided. Tax will be deductible even if the Payment / Credit during a FY is less than ₹ 30,000.
7. For the purpose of Sec. 194 LAA if the value adopted/assessed/assessable for the stamp duty purposes is more than the actual consideration paid/payable, then such value shall be considered for the purpose of deduction of tax at source. The registering officer shall not register the document unless the transferee furnishes the proof of deduction and payment of such tax. It is not mandatory for the purchaser to obtain a TAN. For reducing the compliance burden on the purchaser, it is stated that a simple one page challan for payment of TDS would be prescribed to include PAN and other details of seller, purchaser and the property transferred. Though the Memorandum states that the purchaser would not be required to furnish TDS Statement for such transaction, no amendment to that effect is brought in section 200.
8. **“Specified area” shall mean an area comprising-**
 - (i) Greater Mumbai urban agglomeration
 - (ii) Delhi urban agglomeration
 - (iii) Kolkata urban agglomeration
 - (iv) Chennai urban agglomeration
 - (v) Hyderabad urban agglomeration
 - (vi) Bangaluru urban agglomeration
 - (vii) Ahmedabad urban agglomeration
 - (viii) District of Faridabad
 - (ix) District of Gurgaon
 - (x) District of Gautam Budh Nagar
 - (xi) District of Ghaziabad
 - (xii) District of Gandhinagar and
 - (xiii) City of Secunderabad

9. The area comprising an urban agglomeration shall be the area included in such urban agglomeration on the basis of the 2001 census.

TDS Certificates

Certificate for TDS shall be given by deductor/ payer

Income	Form No.	Due Date
Salary	Form 16	Annually by 31 st May of following FY
Other Income	Form 16A	Quarterly within 15 days of furnishing the statement of TDS

Due Dates for deposit of TDS

1. If deductor/payer is other than Govt.

Deduction date	Due Dates
If amount credited on March 31 st	April 30 th
If amount deductible in March except above case	April 7 th
If amount deductible in April to Feb.	7 th of next month

2. If deductor/payer is Government

Amount deposited without challan	On the same day of deduction
Amount deposited with challan	On the 7 th day of next month

Due dates for deposit of Statements of TDS

Quarter ending	Due dates	
	If Deductor is Government	If Deductor is other than Government
June	July 31 st	July 15 th
September	October 31 st	October 15 th
December	January 31 st	January 15 th
March	May 15 th	May 15 th

Credit for tax deducted at source [Sec. 199]

The whole or any part of the income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, credit for the whole or any part of the tax deducted at source, as the case may be, shall be given to the other person and not to the deductee.

TCS

TCS RATES

S. No.	Nature of Goods/ Contract	% of Purchase Price
1.	Alcoholic Liquor for human consumption	1%
2.	Tendu leaves	5%
3.	Timber or any other forest produce not being tendu leaves	2.5%
4.	Scrap	1%
5.	Parking lot, Toll Plaza, Mining and quarrying (shall not include mining & quarrying of mineral oil i.e. petroleum and natural gas)	2%
6.	Sale of minerals being coal or lignite or iron ore if the same was not purchased by buyer for personal consumption or for manufacturing, processing or producing article or things or Generation of power.	1% w.e.f 1-7-12
7.	Sale of Bullion (excluding any coin weighing 10 gm or less) exceeding ₹ 2 lac in cash	1% w.e.f 1-7-12
8.	Sale of Jewellery exceeding ₹ 5 lakh in cash (excluding any article weighing 10 gm or less)	1% w.e.f 1-7-12

Note:

1. Surcharge and Education Cess is not applicable for TCS.
2. Every seller shall, at the time debiting of the amount to the account of the buyer, or at the time of receipt whichever is earlier collect from the buyer a sum equal to the following percentage of the purchase price as income tax.
3. Surcharge, EC & SHEC applicable if the purchaser is a foreign company & the amount subject to TCS exceeds ₹ 1 crore.
4. TCS @ 1% of Sale Consideration will be collected if any amount is received in cash on sale of bullion or jewellery irrespective of fact whether the buyer is a manufacturer, trader or consumer.

Explanation:

1. Suppose a Jeweller sells jewellery of ₹ 8,00,000 to Mr X. Mr X pays ₹ 10,000 in cash & ₹ 7,90,000 by transfer of old jewellery. TCS would be 1% of 8,00,000 i.e. ₹ 8,000.
2. Suppose jewellery of ₹ 4,00,000 & ₹ 2,00,000 is sold to a buyer on two different dates via two different bills and buyer pays ₹ 6 Lac together on a single day. TCS provision shall not apply.

Fee and penalty for delay in furnishing of TDS/TCS Statement and penalty for incorrect information in TDS/TCS Statement [Sec. 272A] [W.e.f. 1.7.2012]

In order to provide effective deterrence against delay in furnishing of TDS statement, it is provided that-

- (i) To levy fee of ₹ 200 per day for late furnishing of TDS statement from the due date of furnishing of TDS statement to the date of furnishing of TDS statement. However, the total amount of

fee shall not exceed the total amount of tax deductible during the period for which the TDS statement is delayed, and

- (ii) To provide that in addition to said fee, a penalty ranging from ₹ 10,000 to ₹ 1,00,000 shall also be levied for not furnishing TDS statement within the prescribed time.

In view of the levy of fee for late furnishing of TDS statement, it is also provided that no penalty shall be levied for delay in furnishing of TDS Statement if the TDS statement is furnished within one year of the prescribed due date after payment of tax deducted along with applicable interest and fee.

In order to discourage the deductors to furnish incorrect information in TDS statement, it is provided that a penalty ranging from ₹ 10,000 to ₹ 1,00,000 shall be levied for furnishing incorrect information in the TDS statement.

On the similar lines levy of fee and penalty for delay in furnishing of TCS statement and furnishing of incorrect information in the TCS statement are also proposed to be made.

CAPITAL GAIN

Exemptions available in computation of capital gain

Sec.	Assessee to whom allowed	Conditions to be satisfied	Quantum of exemption
54GB	Individual /HUF	1. Residential Property (being house or plot of land) should have been transferred. 2. Net consideration is utilized for subscribing to more than 50% equity shares of an eligible company before due date of Filing ROI. 3. Eligible company has been defined to be a small or medium enterprise engaged in manufacture or production of article or thing during the PY, in which the Capital Gain arises 4. The company invests the amount received in new plant & machinery within 1 year from the date of subscription to the shares.	$\text{LTCG} \times \frac{\text{Amount invested}}{\text{Net Sale consideration}}$

Note:

1. Capital gain Scheme: If the new asset is not acquired under section 54, 54B, 54D, 54F, 54G, 54GA and **54GB** or the full amount could not be invested upto the due date of furnishing the return of income, the assessee can deposit the desired amount under the Capital Gain Scheme on or before the due

date of return and thus can acquire the asset within the stipulated time out of money withdrawn from such scheme at a later date. In the case of section 54EC the Capital Gain Scheme is not applicable.

2. Capital Gain exempt u/s 54GB earlier would be taxed if:

- Assessee transfers his shareholding in the eligible company within a period of 5 year from the date of acquisition.
- The said company does not invest the amount in new Plant & Machinery within 1 year of receipt of money.
- The said company transfers the Plant & Machinery acquired within a period of 5 year from the date of acquisition.

Tax incidence on LTCG [Sec. 112]

LTCG is taxable @ 20%. However if the following conditions are satisfied, then tax on long-term capital gain will be computed under option 1 or option 2 given below –

Conditions: The following conditions should be satisfied-

Condition 1	The taxpayer is an individual, HUF, company or any other person (may be resident or nonresident).
Condition 2	LTCG arises on transfer of- a. A security listed in any recognized stock exchange in India; or b. A unit of UTI or a mutual fund; or c. Zero coupon bonds.

OR

Condition 1	The taxpayer is a non-resident (not being a company) or a foreign company
Condition 2	LTCG arises on transfer of Unlisted securities
Condition 3	LTCG is calculated without giving effect to the first proviso to section 48.

Tax computation: If the capital asset which is transferred is equity shares or units of equity-oriented mutual fund and the transaction is subject to securities transaction tax, the long-term capital gain is not chargeable to tax. In other cases, if the above noted three conditions are satisfied, tax shall be computed as follows (i.e., under Option 1 or Option 2, whichever is lower)-

Option 1	Option 2
1. Find out sale consideration	1. Find out sale consideration
2. Deduct: Indexed cost of acquisition/ improvement and expenses on transfer	2. Deduct : Cost of acquisition/ improvement and expenses on transfer
3. The balancing amount [i.e., (1)-(2)] is long-term capital gain	3. The balancing amount [i.e., (1)-(2)] is long-term capital gain
4. 20% of (3)+ SC + EC + SHEC is the amount of tax liability	4. 10% of (3) + SC + EC + SHEC is the amount of tax liability

INCOME FROM OTHER SOURCES

Tax on Dividend Received from Foreign Companies [Sec. 115BBD]

Dividend received by an Indian Company from a foreign company in which it has shareholding of 26% or more is taxable at the rate of 15%.

Receipt of share premium by a company treated as income [Sec. 56(2)(viib)]

Where a closely held company issues shares to a resident for amount exceeding the face value of the shares, then the amount received in excess of the fair market value of the shares is deemed to be the income of the company. The fair market value for this purpose is the higher of the value arrived at on the basis of the method to be prescribed and value as substantiated by the company to the satisfaction of the Assessing Officer. The company can substantiate the value based on the value of the tangible and intangible assets and various types of commercial rights.

The provision does not apply to amounts received by a venture capital undertaking from a venture capital fund or a venture capital company.

DEDUCTION

Chapter VI–A (Deduction)

Sec.	Available to	Condition	Deduction
80CCG	Resident Individual	Amount invested in listed Equity share, Exchange Traded Fund & Mutual Fund • GTI of individual does not exceed 10 lac. • New Retail investor. • Lock- in-period of 3 years from date of acquisition • If deduction is claimed by Taxpayer in any year, he shall not be entitled for any deduction under this section for any Subsequent year. • Blanket lock-in-period of 1 year and the level of investment to be maintained for another 2 year.	50% of Amount invested or ₹ 25,000 whichever is less

80D	Individual /HUF	Mediclaim Policy of GIC paid by any mode other than cash or Central Government Health Scheme. Insurance can be taken on the health of Self, Spouse and Dependent Children	Up to ₹ 15,000 Up to ₹ 20,000 (if any one is Senior Citizen)										
		Insurance can be taken on the health of Parents (Father & Mother whether dependent or not)	Up to ₹ 15,000 Up to ₹ 20,000 (if any one is Senior Citizen i.e. 60 years or more)										
		Preventive health check up of Self, Spouse, Parents & dependent children paid by any mode (cash payment allowed)	Upto ₹ 5,000. However the overall qualifying limit given above remains unchanged										
80G	Any assessee	Donation (any sum of money) Available in respect of fund set up for Charitable purpose not religious purpose <table><tr><td>GTI</td><td>xx</td></tr><tr><td>Less: LTCG, STCG U/S 111A</td><td>xx</td></tr><tr><td>Less: Exempted Income</td><td>xx</td></tr><tr><td>Less: All deduction u/s 80C to 80U except 80G</td><td><u>xx</u></td></tr><tr><td>Adjusted GTI</td><td><u>xx</u></td></tr></table> <i>Any payment exceeding ₹ 10,000 shall only be allowed as deduction if such Sum is paid in any mode other than cash.</i>	GTI	xx	Less: LTCG, STCG U/S 111A	xx	Less: Exempted Income	xx	Less: All deduction u/s 80C to 80U except 80G	<u>xx</u>	Adjusted GTI	<u>xx</u>	See Note after the Chart
GTI	xx												
Less: LTCG, STCG U/S 111A	xx												
Less: Exempted Income	xx												
Less: All deduction u/s 80C to 80U except 80G	<u>xx</u>												
Adjusted GTI	<u>xx</u>												

80GG	Individuals	Rent Paid in case of non-receipt of HRA Least of the following amount is deductible: • Rent Paid (-) 10% of Adjusted Total Income • ₹ 2,000 per month • 25% of Adjusted GTI Condition: • The person should not own any residential house at the place of business or employment • The assessee should not own any residential house at any other place and claim benefit of SOP.	Lower of the 3
80GGA	Assessee not having PGBP income	Sum paid to following institutions:- • Approved scientific research association, university, college or other institution to be used for scientific research. (similar to sec. 35) • Approved research association who has as its object the undertaking of research in social science or statistical research or to a university, college or other institution for research in social science or statistical research. (similar to sec. 35) <i>Any payment exceeding ₹ 10,000 shall only be allowed as deduction if such Sum is paid in any mode other than cash.</i>	100% of the sum paid
80TTA	Individual/ HUF	Interest on Saving Account with a Scheduled Bank, or a Co-operative Bank or Post office	Upto ₹ 10,000

Note:

Deduction under section 80G

(A) Donations eligible for deduction without any limit:

1. 100% Deduction will be allowed if donations are given to-

- Prime Minister's National Relief Fund
- Armenia Earthquake Relief fund
- Africa (Public contribution-India) fund
- National foundation for Communal Harmony
- National illness Assistance Fund
- National Cultural Fund set up by government
- Gujarat Govt.'s Earthquake Relief fund
- National Defence Fund set up by government
- National sports Fund set up by Govt
- Zila Sakaharta Samiti

- (k) An approved University or other educational institution of national eminence
 - (l) Maharashtra Chief Minister's Earthquake Relief Fund
 - (m) The National Blood Transfusion Council or any State Blood Transfusion Council
 - (n) Any fund set up by a State Government to provide medical relief to the poor
 - (o) Central Welfare fund for Army or Air Force or Indian Naval Benevolent Fund
 - (p) Andhra Pradesh Chief ministers Cyclone Relief Fund
 - (q) Fund for Technology Development and Application set up by Government
 - (r) Chief Ministers Relief fund or Lieutenant governor's Relief Fund of any State or Union Territory
 - (s) Welfare trust for persons with Autism, Cerebral Palsy and Multiple Disabilities
- 2. 50% deduction will be allowed if donations made to-**
- (a) Jawaharlal Nehru Memorial Fund
 - (b) Rajiv Gandhi Foundation
 - (c) Indira Gandhi Memorial Trust
 - (d) National Children's Fund
 - (e) Prime Minister's Drought Relief Fund

(B) Donations eligible for deduction subject to Qualifying limit (i.e. 10% of Adjusted GTI):

- 1. 100% deduction shall be allowed subject to the qualifying amount if donations are made:**
- (a) To government or any approved local authority, institution or association to be utilized for promoting family planning;
 - (b) By company to Indian Olympic Association or other notified association / institution in India for development of infrastructure for sports and games, or sponsorship thereof in India.
- 2. 50% deduction shall be allowed subject to the qualifying amount if donations are made:**
- (a) To Government or any approved local authority, for charitable purpose except promoting family planning.
 - (b) To approved charitable institution, which satisfies the conditions of section 80G(5).
 - (c) For renovation or repair of any temple, mosque, gurudwara, church or other place notified to be of historic / archaeological artistic importance or as a place of public worship of renown.
 - (d) To housing development authority or city / town / village development authority constituted in India by or under any law.
 - (e) Corporation for promoting interests of minority community as given under section 10(26BB).
 - (f) Chartered Accountants Benevolent Fund.

RETURN OF INCOME

Section	Content	
139(1)	Statutory filing of Return - For Firm & Company mandatory - For other if Taxable Income before deduction u/s 10A, 10AA or under chapter VI A > Maximum amount not chargeable to tax Individuals having total income up to ₹ 5 Lac, after allowable deductions, consisting of salary from a single employer and interest from SB A/c up to ₹ 10,000 are not required to file their income tax return. Such individuals must report their PAN and the entire income from bank interest to their employer, pay the entire tax by way of TDS and obtain a certificate of tax deduction in Form No.16. Exemption withdrawn for AY 2013-14. Any resident who is otherwise not required to furnish a return of Income, will be required to furnish a return if he has any asset located outside India including any financial interest in any entity, or has signing authority in any account located outside India.	
	Different Situations	Due date of submission of return
	1. Where the assessee is a company	September 30
	2. Where the assessee is a person other than a company 2.1 In case where accounts of the assessee are required to be audited under any law 2.2 Where the assessee is a "working partner" in a firm whose accounts are required to be audited under any law	September 30
	3. Assesses required to file Transfer Pricing Report under Sec. 92E Pertaining to International Transaction 4. In any other case	November 30 July 31
	Note: Where the last day for filing return is a day on which the office is closed, the assessee can file the return on the next day afterwards on which the office is open and, in such cases, the return will be considered to have been filed within the specified time limit.	

139C	Annexure Less Return The Central Board of Direct Taxes has notified the following forms:	
	New ITR Forms	Subject
	ITR – 1 “SAHAJ”	For individuals having income from salary, interest & HP income from only 1 house.
	ITR – 2	For individuals and HUFs not having business/professional income
	ITR – 3	For individuals/HUFs being partners in firms and not carrying out business or profession under any proprietorship
	ITR – 4	For individuals and HUFs having income from a proprietary business or profession
	ITR – 4S “SUGAM”	Individual & HUF having income computed on presumptive basis u/s 44AD & 44AE
	ITR – 5	For Firms, AOPs and BOIs
	ITR – 6	For Companies
	ITR – 7	For persons including companies required to furnish return under section 139(4A)/ (4B)/ (4C)/ (4D)
	ITR – V	Where the return of income in Forms ITR–1, ITR–2, ITR–3, ITR–4, ITR–4S, ITR–5 , is transmitted electronically without digital signature
139D	e-return • ITR–7 can be submitted only in paper format. • ITR-4 & ITR-5 (in the case of a individual/ HUF/ firm which is subject to audit under section 44AB) and ITR-6 (in the case of any company) can only be e-filed with digital signature. • Individual / HUF having taxable income exceeding ₹ 10 or having assets located outside India shall submit e-return with or without digital signature. • In other remaining cases, return can be submitted in paper format or electronically.	

ASSESSMENT PROCEDURE

140A	Self Assessment If self assessment tax not paid before filing return then assessee is ‘assessee in default’ from the day next to date of filing return.
142(1)(i)	Notice to call Return Notice to furnish return of income within the time specified in notice, if the assessee has not

	furnished the return of income within the time specified u/s 139(1). If assessee does not comply no need to send show cause notice for 144.
142(1)(ii)	Notice to Call Account, document or information Account, document or information cannot be called for more than 3 years prior to previous year. Physical Presence of assessee cannot be demanded by this notice.
142(2A)	Special Audit For Audit Report (Time Allowed + Extension) ≤ 180 days
142A	Reference to Valuation office by AO (for Capital Gain or for invoking Sec. 69/69A/69B)
143(1)	Intimation • Issued within 1 year from end of FY in which return is filed • Issued only when tax / interest is receivable / payable otherwise acknowledgement is deemed intimation • Is also deemed notice of demand • Assessee can go for Sec. 154 but not for appeal • It will not be necessary to process return u/s 143(1) if it has been selected for Scrutiny.
143(2)	Scrutiny Notice • Served not after the expiry of 6 month from the end of the FY in which return is furnished • To attend his office/ to produce evidence in Support of return
143(3)	Scrutiny / Regular Assessment Assessment should be completed within 24 months or 36 month (in case where a reference is made to the Transfer Pricing officer) from the end of AY.
144	Best Judgment Assessment Assessment should be completed within 24 months or 36 month (in case where a reference is made to the Transfer Pricing officer) from the end of AY.
144A	Power of JC to issue direction
145	Method of Accounting • PGBP & Other Sources - Accrual/ Cash • Other heads – Accrual
147	Assessment or Reassessment of Income escaped Assessment • Where a person has failed to furnish Transfer Pricing Report u/s 92E in respect of any international transaction, income shall be deemed to have escaped. • Done only when time limit for 143(3) / 144 expired • For assessment u/s 147, approval of Finance Ministry is required & the assessment is monitored by Finance Ministry.

	• AO must have reason to believe (recorded prior to giving notice u/s 148) • Assessment should be completed within 12 months from the end of FY in which notice is issued.
148	Notice to furnish ROI When income has escaped assessment *143(2) shall be served within 6 month from the end of FY in which ROI in response to notice u/s 148 was filed by assessee
149(1)	Time limit for issue of notice u/s 148 • 4 years from end of relevant AY • 6 years from end of relevant AY where income likely to escap $\geq$ 1 lac • 16 years from end of relevant AY where the assessee is found to have any asset located outside India or financial interest in any entity outside India. • 143(3) / 147 already done & assessee truly discloses all material fact then 4 years instead of 6 years

ADVANCE TAX

When a person becomes liable to pay advance tax

Every person is liable to pay advance tax if advance tax payable is ₹ 10,000 or more. All items of income are liable for payment of advance tax.

Following are not liable to pay advance tax:

1. An assessee, who has opted for the scheme of computing business income under section 44AD on presumptive basis at the rate of 8% of turnover, shall be exempted from payment of advance tax related to such business.
2. **An individual, who is of the age of 60 years or more at any time during the previous year and who does not have any income chargeable under the head 'Profits and gains of business or profession' is not required to pay advance tax. [Sec. 207]**

Interest on recovery of refund granted earlier [Sec. 234D]

Simple interest at the rate of $\frac{1}{2}$ % for every month or part thereof on the excess amount of refund granted under section 143(1) if on regular assessment, it is found to be excessive. Interest is payable for the period starting from the date of refund to the date of regular assessment.

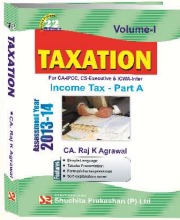
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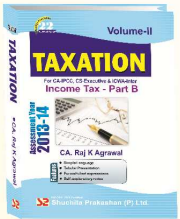
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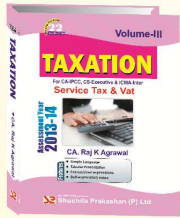
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Tax is felt as one of the toughest concept to understand and work out in practical. An attempt has been made to make it simple in such a way that one understands it easily and works out practical problems with ease. In order to make it simple, flowcharts and tables have been used to explain intricate tax provisions.

The book also contains solved problems from key professional and academic examinations. These will help students to maintain a meaningful focus on examination requirements.

The book is intended to serve as a standard text for students pursuing their CA-IPCC, CS-Executive, ICWA-Inter, B.Com, B.Com (Hons) and many more Professional Courses.

The following are the main features of the book:

- Simple Language
- Tabular Presentation
- Format/ Chart expressions

About The Author

Raj K Agrawal, qualified Chartered Accountancy with **all India 27th rank in CA Final and all India 29th rank in CA PE-I**. He has been consistent school and college topper. He is endowed with the passion of winning as evinced through demonstrated excellence in Academics and Teaching Career. His distinguished teaching style to face the challenges of tough professional exams has made him famous and favourite amongst the students. He has authored several books for professional courses.

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