IMPORTANT NOTES ON ASSESSMENT PROCEDURE UNDER INCOME TAX ACT-1961

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12/29/2015

INDEX

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THE INCOME TAX ACT -1961

TIME LIMIT FOR NOTICE AND PASSING ASSESSMENT ORDER

Section	Topic	Time Limit
139(4)	Belated Return	**<u>If ROI not filed</u>**, then assessee can file ROI at any time before the expiry of ***one year from the end of <u>relevant assessment year</u> OR before the completion of assessment.*** (whichever is earlier) Note- Belated Return cannot be revised.
139(5)	Revised Return	**<u>If ROI filed</u>**, then assessee can revised the ROI at any time before the expiry of ***one year from the end of <u>relevant assessment year</u> OR before the completion of assessment.*** (whichever is earlier)
142(1)(i)	Notice to call for ROI	There is **NO** time limit prescribed in law to issue this notice.
142(1)(ii)	Notice to call for Books of accounts	
143(1)	Intimation OR Deemed Intimation	On or before the expiry of ***one year from the end of <u>FINANCIAL YEAR</u> in which ROI filed***.
143(2)	Notice for making scrutiny assessment	Notice **<u>MUST BE</u>** served to assessee:- ON or before the expiry of 6 months from the end of ***<u>FINANCIAL YEAR</u>*** in which ROI filed. Note- For Scrutiny Assessment ROI MUST be filed even u/s 139(1) or 142(1)(i)
144	Best Judgment Assessment (SHOW CAUSE NOTICE)	There is no time limit prescribed in law to issue this notice. If an assessment U/S 144 is made without giving SCN, then assessment ***<u>is VOID –AB-INITIO.</u>*** **However, if notice U/S 142(1) (i) issued then SCN is not mandatory for making assessment U/S 144 hence for this case it is valid**. Note-Assessee cannot move to CIT(A) against order issued u/s 144
153(1)	TIME LIMIT TO PASS AN ORDER UNDER SECTION 143(3) & 144	PASS (MADE/SIGN) AN ORDER OF ASSESSMENT ON OR BEFORE THE EXPIRY OF 2 YEARS FROM THE END OF RELEVENT ASSESSMENT YEAR.
148	SERVICE OF NOTICE WHERE <u>INCOME HAS ESCAPED ASSESSMENT</u>	**Notice <u>MUST BE</u> served to assesse:-** Call for furnish the ROI within the time limit specified in notice. **[TIME LIMIT TO ISSUE THE NOTICE IS SPECIFIED IN SECTION 149(1)]** **NOTE :** **FOR A RETURN FILED IN RESPONSE TO NOTICE U/S 148, THE NOTICE U/S 143(2) MUST BE SERVED TO ASSESSEE WITHIN *<u>6 MONTHS FROM THE END OF FINANCIAL YEAR IN WHICH RETURN FILEF U/S 148</u>* OTHERWISE, ASSESSMENT/ RE-ASSESSMENT BECOMES VOID.**

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THE INCOME TAX ACT -1961

<table>
<tr>
<td>149(1)</td>
<td>TIME LIMIT FOR ISSUE OF NOTICE U/S 148</td>
<td>Notice u/s 148 SHALL be ISSUED for the relevant assessment year :
<table>
<tr><th>TIME</th><th>INCOME BASIS</th></tr>
<tr><td>Within 4 years from the end of relevant A/Y.</td><td>For ANY income which has escaped assessment for the relevant A/Y (up to Rs-100000/-)</td></tr>
<tr><td>After 4 years but up to 6 years from the end of relevant A/Y.</td><td>For income has escaped assessment Rs-1,00,000/- or more for any relevant A/Y.</td></tr>
<tr><td colspan="2">After expiry of 6 years from the end of relevant A/Y whatever may be the income, notice u/s 148 CANNOT be issued</td></tr>
<tr><td>Within 16 years from the end of relevant A/Y.</td><td>Income in relation to any asset OR financial interest located outside India HAS ESCAPED ASSESSMENT</td></tr>
</table>
</td>
</tr>
<tr>
<td>153(2)</td>
<td>TIME LIMIT TO PASS AN ORDER UNDER SECTION 147</td>
<td>PASS AN ORDER OF ASSESSMENT ON OR BEFORE THE EXPIRY OF 1 YEAR FROM THE END OF FINANCIAL YEAR IN WHICH NOTICE U/S 148 WAS <u>SERVED</u> TO ASSESSEE.</td>
</tr>
<tr>
<td>150</td>
<td>NO TIME LIMIT FOR ISSUE OF NOTICE OF SECTION 148</td>
<td>BY OVER- RULLING THE TIME LIMIT SPECIFIED IN SECTION 149
A NOTICE U/S 148 MAY BE ISSUED AT ANY TIME

<u>FOR THE PURPOSES OF MAKING AN ASSESSMENT OR REASSESSMENT IN CONSEQUENCE OF OR IN ORDER TO GIVE EFFECT TO THE FINDING,</u> OR

<u>DIRECTION CONTAINED IN AN ORDER U/S 250,254,260A, 262,263,264 OF INCOME TAX ACT-1961,</u> OR

<u>THE ORDER OF A COURT UNDER ANY OTHER LAW.</u></td>
</tr>
<tr>
<td>153(3)(b)</td>
<td>NO TIME LIMIT FOR COMPLETION OF AN ASSESSMENT OR RE-ASSESSMENT</td>
<td>BY OVER- RULLING THE TIME LIMIT SPECIFIED IN SECTION 153(1),153(2)
<u>BUT DOESN'T OVER-RULE THE SECTION 153(2A)</u>

WHERE IN CASE OF A FIRM, AN ASSESSMENT IS MADE ON THE PARTER OF THE FIRM IN CONSEQUENCE OF AN ASSESSMENT OR REASSESSMENT MADE ON THE FIRM U/S147.</td>
</tr>
</table>

THE INCOME TAX ACT -1961

EXPLANATION ON SECTION 153(3)(b)-:

ASSESSMENT/RE-ASSESSMENT ON THE PARTNER CAN BE MADE AT ANY TIME IN CONSEQUENCE OF ASSESSMENT/ RE ASSESSMENT OF FIRM U/S 147.
HOWEVER NOTICE U/S 148 CAN BE ISSUED TO THE PARTNER AS PER THE TIME LIMIT SPECIFIED U/S 149(1).
PRACTICALLY, THE NOTICE U/S 148 IS ISSUED TO FIRM AND PARTNERS SIMULTANOUSLY.

153(3)(a)	NO TIME LIMIT FOR COMPLETION OF AN ASSESSMENT OR RE-ASSESSMENT	**BY OVER- RULLING THE TIME LIMIT SPECIFIED IN SECTION 153(1),153(2)** **BUT DOESN'T OVER-RULE THE SECTION 153(2A)** WHERE AN ASSESSMENT OR RE-ASSESSMENT IS MADE IN CONSEQUENCE OF **OR** IN ORDER TO GIVE EFFECT TO THE FINDING, **OR** DIRECTION CONTAINED IN AN ORDER U/S 250,254,260A, 262,263,264 OF INCOME TAX ACT-1961, **OR** **THE ORDER OF A COURT UNDER ANY OTHER LAW.**
153(2A)	TIME LIMIT FOR COMPLETION OF ASSESSMENT WHERE THE ASSESSMENT IS CANCELLED OR SET ASIDE U/S 254,263 OR 264	1 YEAR FROM THE END OF THE FINANCIAL YEAR IN WHICH ***ORDER U/S 254 IS RECEIVED BY THE CIT OR ORDER U/S 263*** **OR** ***264 WAS PASSED BY THE CIT.***

COMAPRISON BETWEEN SECTION 153(3)(a) AND 153(2A)

CASES	APPLICABILITY OF SECTION 153(3)(a)	APPLICABILITY OF SECTION 153(2A)
ASSESSMENT IS CANCELLED/SET-ASIDE AND DIRECTION FOR FRESH ASSESSMENT BY ORDER U/S 254 OR U/S 263/264		ORDER OF ITAT & CIT SECTION 153(2A) APPLY AND COMPLETE FRESH ASSESSMENT WITHIN 1 YEAR.
ASSESSMENT IS NOT CANCELLED/ SET-ASIDE BUT A DIRECTION IS GIVEN U/S 250,254,263 OR 264 AND FRESH ASSESSEMENT IS NOT ORDERED	ORDER OF CIT(A),ITAT & CIT SECTION 153(3)(a) APPLY AND THERE IS NO TIME LIMIT TO COMPLETE ASSESSMENT.	
ASSESSMENT IS CANCELLED/SET-ASIDE AND DIRECTION FOR FRESH ASSESSMENT BY ORDER OF HIGH COURT OR SUPREME COURT U/S 260A/262	ORDER OF HIGH COURT & SUPREME COURT SECTION 153(3)(a) APPLY AND THERE IS NO TIME LIMIT TO COMPLETE ASSESSMENT.	

149(3)	NOTICE ISSUED TO AGENT OF NON – RESIDENT	NOTICE U/S 148 SHALL BE ISSUED ON OR BEFORE THE EXPIRY OF **6 YEARS FROM THE END OF THE RELEVENT ASSESSMENT YEAR.**

154	RECTIFICATION OF MISTAKE	WITH VIEW TO RECTIFY ANY MISTAK APPARENT FROM RECORD, AN INCOME TAX AUTHORITY REFERRED TO IN SECTION 116 MAY- • AMEND ANY ORDER PASSED BY IT • AMEND ANY INTIMATION OR DEEMED INTIMATION U/S 143(1) • AMEND ANY INTIMATION PASSED UNDER SECTION 200A i.e. TDS INTIMATION NOTE-: RECTIFICATION IS NOT POSSIBLE ON THE BASIS OF HIGH COURT JUDGMENTS BUT RECTIFICATION IS POSSIBLE ON THE BASIS OF SUPREME COURT JUDGMENTS ONLY. INTIMATION U/S 143(1) CAN ALSO RECTIFY U/S 154. BUT INTIMATION U/S 143(1) CAN NOT RECTIFY U/S 263/264.
154(7)	TIME LIMIT TO AMEND THE ORDER	AMENDMENT SHALL BE MADE UNDER THIS SECTION ***ON OR BEFORE THE COMPLETION 4 YEARS FROM THE END OF THE FINANCIAL YEAR IN WHICH THE ORDER WAS PASSED.*** **CBDT CIRCULAR:-** IF ASSESSEE HAS MADE THE RECTIFICATION APPLICATION WITHIN THE PRESCRIBED PERIOD OF 4 YEARS AND CONCERNED INCOME TAX AUTHORITY ***COULD NOT PASS*** THE RECTIFICATION ORDER WITHIN THE SAID PERIOD OF 4 YEARS, THEN IT IS PERMITTED THAT THE INCOME TAX AUTHORITY CAN MAKE A BELATED RECTIFICATION (AFTER 4 YEARS) ***TO THE ADVANTAGE OF ASSESSEE***.
154(8)	TIME LIMIT FOR PASSING TO AMEND THE ORDER OR REFUSE THE APPLICATION OF ASSESSEE (AS THE CASE MAY BE)	**WITHOUT EFFECTING THE PROVISIONS OF SECTION 154(7),** WHERE AN APPLICATION FOR AMENDMENT UNDER THIS SECTION IS **MADE BY THE ASSESSEE** TO AN INCOME TAX AUTHORITY, THEN INCOME TAX AUTHORITY **SHALL PASS** AN ORDER ***WITHIN 6 MONTHS FRPM THE END OF THE MONTH IN WHICH THE APPLICATION IS RECEIVED BY INCOME TAX AUTHORITY***- a. MAKING THE AMENDMENT OR b. REFUSING TO ALLOW THE CLAIM. **IF ORDER U/S 154 IS NOT PASSED WITHIN 6 MONTHS AS SAID ABOVE MAKING THE AMENDMENT OR REFUSING TO ALLOW THE CLAIM, THEN THE RECTIFICATION APPLICATION OF ASSESSEE SHALL BE AMEND TO BE ALLOWED IN FAVOUR OF THE ASSESSEE.**

THE INCOME TAX ACT -1961

EXAMPLE -

A/Y 2008-09 ORDER U/S 143(3) PASSED ON 31.03.2010, MISTAKE APPERANT FROM RECORD IN THE ORDER PASSED U/S 143(3).THE ASSESSEE FILED APPLICATION U/S 154 ON 20.07.2012

THE ANSWER IS: - RECTIFICATION ORDER U/S 154 SHALL BE PASSES BY 31.01.2013 (FROM 01.08.2012 TO 31.01.2013) (i.e.; 6 MONTHS FROM THE END OF THE MONTH IN WHICH APPLICATION RECECIVED BY INCOME TAX AUTHORITY.

NOTE:-

- AO RECTIFY THOSE MATTERS U/S 154 WHICH HAVE NOT GONE IN AN APPEAL/REVISION.
- IF THERE IS RETROSPECTIVE AMENDEMNET IN LAW THEN THE SAME CAN NE GIVEN EFFECT TO BY PASSING A RECTIFICATION ORDER U/S 154, HOWEVER THE PERIOD OF LIMITATION OF 4 YEARS SHALL APPLY.

156	NOTICE OF DEMAND	AO SHALL SERVE UPON THE ASSESSEE A NOTIVE OF DEMAND SPECIFYING THE SUM SO PAYABLE. FURTHER- INTIMATION U/S143(1) AND 200A(1) SHALL BE DEEMED AS NOTICE OF DEMAND FOR TAX PAYABLE.
153A	NOTICE FO MAKING ASSESSMENT IN CASE OF SEARCH	**NOTWITHSTANDING ANYTHING CONTAINED IN SECTION 139/147/148/149/151/153** IN CASE OF ANY PERSON WHERE SEARCH IS STARTED U/S132, THEN AO SHALL ISSUE A NOTICE TO SUCH PERSON (NOTICE U/S 153A) REQUIRING HIM TO FURNISH, WITHIN SUCH PERIOD AS MAY BE DPECIFIED IN THE NOTICE, THE ROI IN RESPECT OF EACH A/Y FALLING UNDER THE SPECIFIED PERIOD. **MEANING OF SECIFIED PERIOD:-** **6 A/Y IMMEDIATELY PRECEDING THE A/Y RELEVANT TO THE PREVIOUS YEAR IN WHICH SEARCH IS STARTED/INITIATED.**

NOTE:-

- IF ON DATE OF SEARCH INITIATED ANY ASSESSMENT U/S 143(3)/144/147 PENDING TEN IT COMES TO AN END AND MAKE ASSESSMENT U/S153A ONLY.
- IF ON DATE OF SEARCH INITIATED, ANY MATTER IS PENDING IN APPEAL,REVISION, RECTIFICATION THEN IT SHALL NOT BE COMES TO AN END.
- AN APPLEAL AGAINST THE ORDER U/S153A LIES TO CIT(A) ONLY.
- ALL PROVISIONS OF INCOME TAX ACT 1961 APPLY TO ASSESSMENT/RE-ASSESSMENT U/S 153A LIKE PENALITY, PROSECUTION,INTEREST
  (BUT THIS SECTIONS WILL NOT APPLIED IN ASSESMENT U/S 153A-----→ 139/147/148/149/151/153)
- THOSE ASSESSMENT WHICH ARE COMES TO AN END SHALL BE STAND REVIVED IF ASSESSMENT U/S 153A DECLARED VOID IN AN APPEAL.
- ASSESSMENT(S) SHALL STAND REVIVED FROM THE DATE OF RECEIVED OF SUCH ANNULMENT ORDER.

153B	TIME LIMIT TO COMPLETE AN ASSESSMENT U/S 153A	FOR 6 A/Y IMMEDIATELY PROCEEDING TO A/Y RELEVANT TO THE PY IN WHICH SEARCH IS STARTED.	**WITHIN 2 YEARS** FROM THE END OF FINANCIAL YEAR IN WHICH SEARCH IS COMPLETED.
		FOR A/Y RELEVANT TO THE P/Y IN WHICH SEARCH IS STARTED.	
263	Revision order passed by CIT (Section 263 beneficial to DEPT)	**WITHIN 2 YEARS** FROM THE END OF FINANCIAL YEAR IN WHICH SUCH ORDER SOUGHT TO BE REVISED WAS PASSED.	
264	Revision order passed by CIT (Section 264 beneficial to Assessee)	**WITHIN 1 YEAR** FROM TE END OF FINANCIAL YEAR OF FILING DATE OF APPLICATION BY ASSESSEE TO CIT.	

NOTES-:

1. As per Finance act 2014, If income (PGBP/IOS) **NOT** computed as per the **"Income Computation and Disclosure Standard"** then AO may make assessment u/s 144 of Income Tax Act-1961 (i.e.; Best Judgment Assessment).
   Further If assesses does not follow accounting principles regularly then AO may make assessment u/s 144 of Income Tax Act-1961 (i.e.; Best Judgment Assessment).
2. Reasons to make Self-Assessment U/s 144 of Income Tax Act-1961, IF ANY PERSON
   - Fails to furnish ROI u/s 139(1) and has not furnished ROI u/s 139(4) up to the date specified in notice issued u/s 144.
   - Fails to comply with terms of notice u/s 142(1)(i) and u/s 142(1)(i).
   - Fails to comply with direction issued u/s 142(2A).
   - Fails to comply all terms of notice issued u/s143(2).
3. The Assessee is required to file the ROI under section 148 even if he has filed the ROI earlier in the normal course. RETURN U/S 148 CANNOT BE REVISED.
4. 1st PROVISO TO SECTION 147
   Where an Assessment has been made earlier u/s 143(3) or 147 then the notice u/s 148 shall not be issued after expiry of 4 years from the date of end of relevant assessment year.
   If both the following conditions are satisfied-
   - Assessee has filed ROI which was required to furnish under the provisions of Income Tax Act 1961
     AND
   - Assessee has disclosed fully and truly all material facts necessary for assessment.

THE INCOME TAX ACT -1961

5. **Direction for SPECIAL AUDIT u/s 142(2A) of Income Tax Act 1961**

   Direction u/s 142(2A) can be issued if AO is of the opinion that it is necessary to get the accounts audited having regard to-

   - Complexities involved in accounts, OR
   - Volume of accounts, OR
   - Doubt about correctness of accounts, OR
   - Multiplicity of transaction in accounts, OR
   - Specialized nature of business activity of Assessee, AND
   - It is in the interest of revenue to get the special audit done.

Assessee CAN file a WRIT PETITION in HIGH COURT and HIGH COURT shall quash/cancel such direction issued u/s 142(2A).

Direction u/s 142(2A) can be issued ONLY when case is PENDING BEFORE AO in Assessment or Re-assessment.
Direction u/s 142(2A) issued with the prior approval of CCIT/CIT.
Direction u/s 142(2A) can be given even if the accounts have been audited under the Income Tax Act OR any other law.

6. **SELIANT FEATURES OF SECTION 142A (FINANCE ACT-2014, NEWLY INSERTED)**

   ESTIMATE BY VALUATION OFFICER IN CERTAIN CASES:-

   - The AO makes reference for the purpose of assessment/re-assessment to valuation officer to estimate the value and FMV of any Asset, Property or Investment.
   - AO make reference to valuation officer if he is not satisfied about correctness and completeness of accounts of assessee.
   - If assessee does not co-operate with valuation officer for valuation of Asset, Property or Investment then valuation officer MAY make a bet of his judgment.
   - Valuation officer shall submit his report to AO and Assessee **WITHIN 6 MONTHS** from the end of month in which reference is made by AO to valuation officer.

THE INCOME TAX ACT -1961

TDS SECTION SUMMARY AND OTHER PROVISIONS

<table>
<tr><th>SECTION NO.</th><th>TOPIC</th><th colspan="2">RATE OF TDS</th><th colspan="2">LIMIT FOR DEDUCTING TDS</th></tr>
<tr><td>192</td><td>TDS ON SALARY</td><td colspan="2">AS PER SLAB RATE</td><td colspan="2">NO SPECIFIC LIMIT</td></tr>
<tr><td>193</td><td>TDS ON INTEREST ON SECURITIES</td><td colspan="2">10%</td><td colspan="2">NO SPECIFIC LIMIT</td></tr>
<tr><td>194</td><td>TDS ON DIVIDEND</td><td colspan="2">10%</td><td colspan="2">NO SPECIFIC LIMIT</td></tr>
<tr><td rowspan="5">194A</td><td rowspan="5">TDS ON INTEREST (OTHER THAN INTEREST ON SECURITIES)</td><td colspan="2" rowspan="5">10%</td><td>PAYER/DEDUCTOR</td><td>LIMIT</td></tr>
<tr><td>BANK</td><td>Rs-10,000/-</td></tr>
<tr><td>CO-OPERATIVE SOCIETY</td><td>Rs-10,000/-</td></tr>
<tr><td>POST OFFICE</td><td>Rs-10,000/-</td></tr>
<tr><td>ANY OTHER CASE</td><td>Rs-5000/-</td></tr>
<tr><td>194B</td><td>TDS ON WINING FROM LOTTERY OR CROSSWARD PUZZLE</td><td colspan="2">30%</td><td colspan="2">Rs-10,000/- IN FINANCIAL YEAR</td></tr>
<tr><td>194BB</td><td>TDS ON WINING FROM HORSE RACES</td><td colspan="2">30%</td><td colspan="2">Rs-5,000/- IN FINANCIAL YEAR</td></tr>
<tr><td rowspan="3">194C</td><td rowspan="3">TDS ON PAYMENT TO CONTRACTOR</td><td>RATE</td><td>CONTRACTOR</td><td colspan="2" rowspan="3">Rs-30,000/- FOR SINGLE BILL AMOUNT

Rs-75,000/- IN FINANCIAL YEAR</td></tr>
<tr><td>1%</td><td>INDIVIDUAL/ HUF</td></tr>
<tr><td>2%</td><td>ANY OTHER</td></tr>
<tr><td>194D</td><td>TDS ON INSURANCE COMMISSION</td><td colspan="2">10%</td><td colspan="2">Rs-20,000/- IN FINANCIAL YEAR</td></tr>
<tr><td>194DA</td><td>TDS ON PAYMENT IN RESPECT OF LIFE INSURANCE POLICY</td><td colspan="2">2%</td><td colspan="2">Rs-1,00,000/-
(MATURITY AMOUNT)
IN FINANCIAL YEAR</td></tr>
<tr><td>194E</td><td>TDS ON PAYMENT TO NON-RESIDENT SPORTSMAN OR NON-RESIDENT ASSOCIATION OR NON-RESIDENT ENTERTAINER</td><td colspan="2">20%</td><td colspan="2">NO SPECIFIC LIMIT</td></tr>
<tr><td>194G</td><td>TDS ON COMMISSION ON SALE OF LOTTERY TICKETS</td><td colspan="2">10%</td><td colspan="2">Rs-1,000/- IN FINANCIAL YEAR</td></tr>
<tr><td>194H</td><td>TDS ON COMMISSION OR BROKERAGE</td><td colspan="2">10%</td><td colspan="2">Rs-5,000/- IN FINANCIAL YEAR</td></tr>
</table>

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THE INCOME TAX ACT -1961

194I	TDS ON RENT	2%	PLANT & MACHINARY	Rs-1,80,000/- IN FINANCIAL YEAR
		10%	BUILDING, LAND & FURNITURE	
194-IA	TDS ON PAYMENT ON TRANSFER OF CERTAIN IMMOVABLE PROPERTY	1% ON SALE CONSIDERATION		BUYER OF PROPERTY SHALL DEDUCT TDS ON SALE CONSIDERATION IF:- • CONSIDERATION MORE THAN Rs-50 LAKH • PROPERTY IS NOT A RURAL AGRICULTURAL LAND
194J	TDS ON PROFESSIONAL SERVICES PAYMENTS,FEES FOR TECHNICAL SERVICES,ROYALITY,NON COMPETE FEES, **DIRECTOR SITTING FEES**	10%		Rs-30,000/- IN FINANCIAL YEAR **HOWEVER, FOR DIRECTOR SITTING FEES, LIMIT OF Rs-30,000/- NOT APPLICABLE**
194LA	TDS ON PAYMENT OF COMPENSATION ON COMPULSORY ACQUISITION	10%		Rs-2,00,000/- IN FINANCIAL YAER
194LB	NON- RESIDENT/FOREIGN COMPANY EARNS INCOME BY WAY OF INTEREST FROM INFRASTRUCTURAL DEBT FUNDS	5%		SUCH INFRASTRUCTURAL DEBT FUND DEDUCT TDS @5%
194LC	NON- RESIDENT/FOREIGH COMPANY EARNS INCOME BY WAYOF INTEREST FROM LOAN AND LONG TERM BOND FROM INDIAN COMPANY	5%		SUCH SPECIFIED INDIAN CO. DEDUCT TDS @5%
194LD	QUALIFIED FOREIGN INVESTORS EARNS INOME BY WAY OF INTEREST ON CERTAIN BONDS AND GOVT SECURITIES FROM INDIAN COMPANY/GOVT	5%		INDIAN CO/GOVT DEDUCT TDS @5%
195	TDS ON ANY INTEREST OR ANY OTHRT SUM CHARGEABLE UNDER	RATE AS SPECIFIED IN IN COME TAX ACT 1961		NO SPECIFIC LIMIT

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THE INCOME TAX ACT -1961

	INCOME TAX ACT 1961 PAYABLE TO NON RESIDENT/FOREIGN COMPANY(OTHER THAN SECTION 194LB/194194LC/194LD)	OR SPECIFIED IN DTAA (WHICHEVER IS BENEFICIAL TO ASSESSEE)	

INTEREST PROVISIONS ON TDS

SECTION NO.	TOPIC	PROVISION	INTEREST RATE	PERIOD
201(1)	**FAILURE TO DEDUCT** **OR** **FAIL TO PAY TDS**	ASSESSEE BECOMES ASSESSEE IN DEFAULT U/S 220 & U/S 221 FOR NOT DEDUCT TDS OR AFTER DEDUCTING FAILS TO PAY. ***PROVIDED IF ANY PERSON FAILS TO DEDUCT TDS ON ANY SUM TO RESIDENT PAYEE SHALL NOT NE DEEMED RO BE ASSESSEE IN DEFAULT IF RESIDENT PAYEE PAY TAX IN HIS RETURN OF INCOME. BUT DEDUCTOR LIABLE TO PAY INTEREST @1%P.M.***	1% P.M.	FROM THE DATE ON WHICH TAX DEDUCTIABLE TO THE DATE OF FURNISHING OF ROI BY RESIDENT PAYEE
201(1A)	**LATE DEDUCTION OF TDS**		1% P.M.	FROM THE DATE ON SUCH TAX DEDUCTIABLE TO DATE ON WHICH TAX IS DEDUCTED
	LATE PAYMENT OF TDS		1.5%P.M.	FROM THE DATE ON WHICH TAX DEDUCTED TO TAX ACTUALLY PAID

THE INCOME TAX ACT -1961

OTHER IMPORTANT PROVISIONS ON TDS

<table>
<tr><th>SECTION NO</th><th>TOPIC</th><th colspan="5">PROVISION</th></tr>
<tr><td rowspan="5">200</td><td rowspan="5">TIME LIMIT FOR PAYMENT OF TDS</td><td rowspan="5">Monthly PAY</td><td colspan="2">GOVTERNMENT</td><td colspan="2">OTHER THAN GOVERNMENT</td></tr>
<tr><td>CASES</td><td>DUE DATE</td><td>Month ENDED</td><td>DUE DATE</td></tr>
<tr><td>TDS IS DEPOSITED WITHOUT CHALLAN</td><td>SAME DAY</td><td>31ST MARCH</td><td>30TH APRIL</td></tr>
<tr><td>TDS IS DEPOSITED WITH CHALLAN</td><td>7TH DAY FROM THE END OF MONTH IN WHICH TDS DEDUCTED</td><td>ANY OTHER CASE</td><td>7TH DAY FROM THE END OF MONTH IN WHICH TDS DEDUCTED</td></tr>
<tr><td colspan="4"></td></tr>
<tr><td rowspan="6"></td><td rowspan="6">TIME LIMIT FOR FILING OF TDS/TCS RETURN</td><td rowspan="6">Qtrs. RETURN</td><td colspan="2">GOVTERNMENT</td><td colspan="2">OTHER THAN GOVERNMENT</td></tr>
<tr><td>Qtrs. ENDED</td><td>DUE DATE</td><td>Qtrs. ENDED</td><td>DUE DATE</td></tr>
<tr><td>30TH JUNE</td><td>31ST JULY</td><td>30TH JUNE</td><td>15TH JULY</td></tr>
<tr><td>30TH SEPT</td><td>31ST OCT</td><td>30TH SEPT</td><td>15TH OCT</td></tr>
<tr><td>31ST DEC</td><td>31ST JAN</td><td>31ST DEC</td><td>15TH JAN</td></tr>
<tr><td>31ST MARCH</td><td>15TH MAY</td><td>31ST MARCH</td><td>15TH MAY</td></tr>
<tr><td rowspan="4"></td><td rowspan="4">TIME LIMIT TO ISSUE OF TDS CERTIFICATE</td><td colspan="2">PARTICULARS</td><td>TDS ON SALARY</td><td colspan="2">TDS ON NON-SALARY</td></tr>
<tr><td colspan="2">FORM</td><td>FORM 16</td><td colspan="2">FORM 16A</td></tr>
<tr><td colspan="2">PERIODICITY</td><td>ANNUAL</td><td colspan="2">QUARTERLY</td></tr>
<tr><td colspan="2">DUE DATE UPTO WHICH TDS CERTIFICATE SHOULD BE ISSUED</td><td>31ST MAY OF THE FOLLOWING RELEVENT FINANCIAL YEAR</td><td colspan="2">15 DAYS FROM THE DUE DATE OF FURNISHING OF TDS RETURN (i.e., 30TH JULY, 30TH OCT, 30TH JAN, 30TH MAY)</td></tr>
</table>

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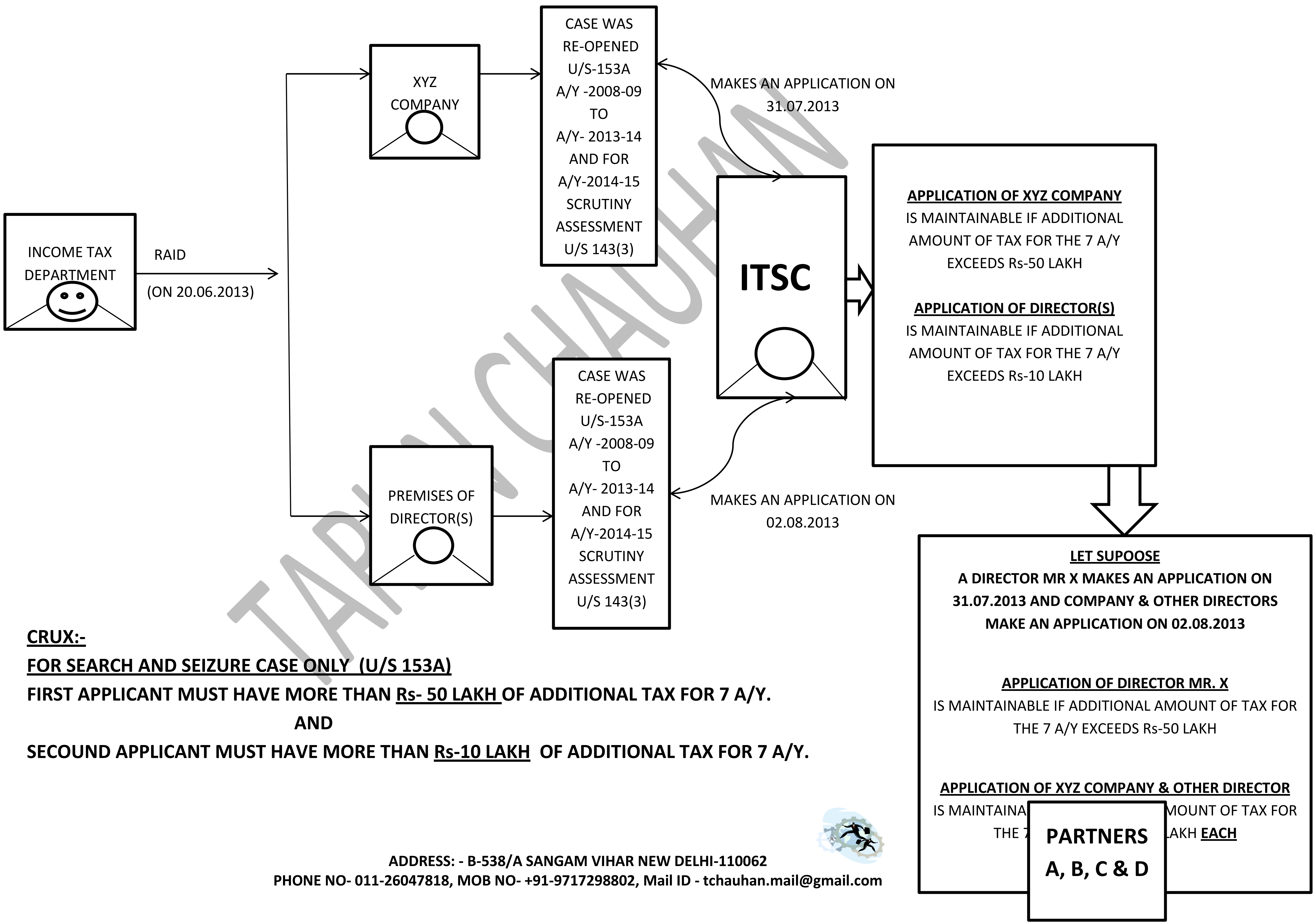
234E	**PENALITY IN RESPECT OF LATE FILING OF RETURN**	LOWER OF THE FOLLOWING:- • AMOUNT OF TDS, OR • Rs-200/- FOR EVERY DAY
271H	**ADDITIONAL PENALITY**	SECTION 271H APPLY • IF DELAY IN FILE TDS/TCS RETURN • FURNISH INCORRECT INFORMATION IN RETURN OF TDS/TCS PENALTY----→MAXIMUM - Rs-1,00,000/- --→MIMIMUM - Rs-10,000/- HOWEVER, PENALTY U/S271H WILL NOT BE LEVIED IF SUCH PERSON PROVES THAT • HE HAS FILED THE RETURN WITHIN 1YEAR FROM THE DUE DATE OF RETURN, AND • PAY TDS AND PENALY U/S 234E ALONGWITH INTEREST AMOUNT

NOTE:-

1. As per Finance Act-2014, Order u/s 201(1) for interest and penalty SHALL be passes within 7 years from the end of financial year in which payment made to RESIDENT PAYEE.
   BUT in following cases there is NO TIME LIMIT of 7 years:-
   - Deductor deducted TDS but not deposited because of defalcation of government dues.
   - Payee (Deductee) is NON-RESIDENT as it is not possible to recover tax from NON-RESIDENT.

SETTLEMENT COMMISSION



CRUX:-

FOR SEARCH AND SEIZURE CASE ONLY (U/S 153A)

FIRST APPLICANT MUST HAVE MORE THAN Rs- 50 LAKH OF ADDITIONAL TAX FOR 7 A/Y.

AND

SECOUND APPLICANT MUST HAVE MORE THAN Rs-10 LAKH OF ADDITIONAL TAX FOR 7 A/Y.

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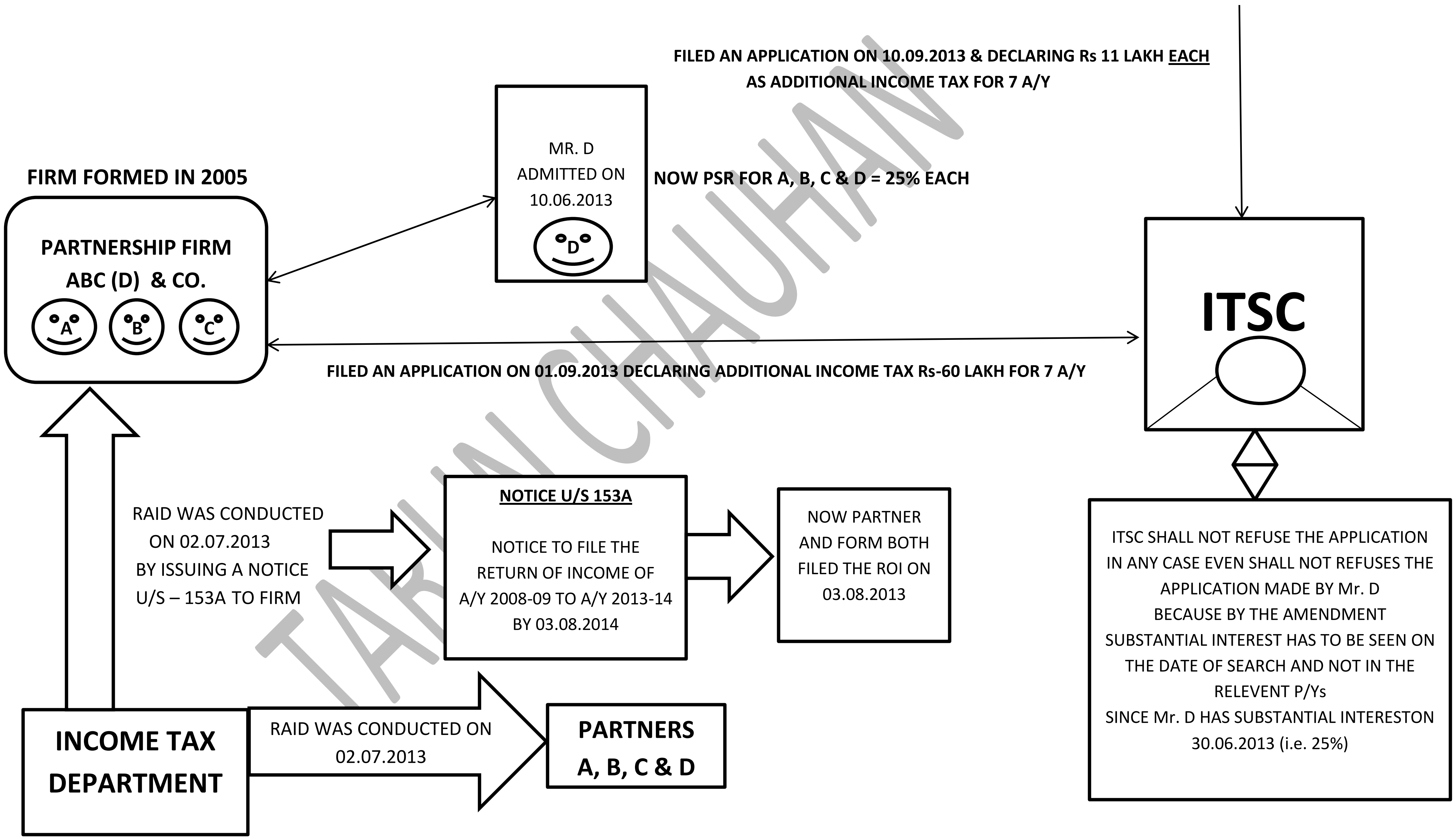
THE INCOME TAX ACT -1961



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