

- a. his income; or  
 b. the income of any other person in respect of which he is assessable ; or  
 c. the loss sustained by him or such other person ; or  
 d. the amount of refund due to him or to such other person.
- Every Person who is deemed to be assessee under any provision of this Act. (Trustee of Trust are representative assessee  
 - Every person who is deemed to be an assessee-in-default under any provision.

### General Tax Rates for A.Y. 2022-23

#	Individual, HUF, AOP, BOI, Artificial Juridical Person	Tax Rate
<b>A.</b>	<b>For Individual, HUF, AOP, BOI, AJP (Resident or Non-resident)</b>	
	Total income upto ₹2,50,000 (Basic Exemption Limit)	Nil
	> ₹2,50,000 upto ₹5,00,000	5%
	> ₹5,00,000 upto ₹10,00,000	20%
	> ₹10,00,000	30%
<b>B.</b>	<b>For Senior Citizen ( Resident Individual age 60 years or more in P.Y.)</b>	
	Total income upto ₹3,00,000 (Basic Exemption Limit)	Nil
	> ₹3,00,000 upto ₹5,00,000	5%
	> ₹5,00,000 upto ₹10,00,000	20%
	> ₹10,00,000	30%
<b>C.</b>	<b>For Super Senior Citizen ( Resident Individual age 80 years or more in P.Y.)</b>	
	Total income upto ₹5,00,000 (Basic Exemption Limit)	Nil
	> ₹5,00,000 upto ₹10,00,000	20%
	> ₹10,00,000	30%

# Circular No 28/2016 dt 27.07.2016

Any Resident Individual whose 60th/80th birthday falls on 1st April 2022 shall be treated as having completed the age of 60/80 years on 31st March 2022 i.e. PY 2021-22 (AY 2022-23) and hence would be eligible for the higher basic exemption limit of ₹3,00,000 & ₹5,00,000.

#	Surcharge for Assessee being Individual, HUF, AOP, BOI and AJP:		
	Condition		Surcharge - % of tax on
(i)	Total Income	upto 50 Lakhs	Total Income Nil
(ii)	Total Income	> 50 Lakhs but upto 1Cr.	Total Income 10%
(iii)	Total Income	> 1 Cr. but upto 2Cr.	Total Income 15%
(iv)	Dividend, Capital gain u/s 111A & 112A	> 2 Cr.	Dividend, Capital gain u/s 111A & 112A 15%
(v)	Remaining Total Income (Total Income excluding Dividend, Capital gain u/s 111A & 112A)	> 2 Cr. but upto 5 Cr.	Dividend, Capital gain u/s 111A & 112A Remaining Total Income 25%
(vi)	Remaining Total Income (Total Income excluding Dividend, Capital gain u/s 111A & 112A)	> 5 Cr.	Dividend, Capital gain u/s 111A & 112A Remaining Total Income 37%

# In other words:

- In any case, surcharge on Dividend and Capital gain u/s 111A & 112A shall not exceed 15%.
- Assessee will never be hit with surcharge of 25% merely because such dividend & capital gains push his total income into "exceeding ₹2 Crores but upto ₹5 Crores" brackets but the remaining total income is less than ₹2 Crores.  
Assessee will be hit with surcharge of 25% on his remaining total income only if the remaining total income exceeds ₹2 Crores.
- Likewise, Assessee will never be hit with surcharge of 37% merely because such dividend & capital gains push his total income into "exceeding ₹5 Crores" brackets but the remaining total income is less than ₹5 Crores.
- Assessee will be hit with surcharge of 37% on his remaining total income only if the remaining total income exceeds ₹5 Crores.

→	Examples		" ₹ in Lakhs"		
	Total Income excluding Specified Income	Specified Income (CG u/s 111A / 112A & Dividend)	Total Income	Surcharge applicable on Tax Calculated on	
				Specified Income	Other Income
1	20	25	45	NIL	NIL
2	45	50	95	10%	10%
3	45	70	115	15%	15%
4	45	300	345	15%	15%
5	45	600	645	15%	15%
6	60	30	90	10%	10%
7	60	70	130	15%	15%
8	60	300	360	15%	15%
9	60	700	760	15%	15%
10	150	45	195	15%	15%
11	150	250	400	15%	15%
12	150	500	650	15%	15%
13	300	100	400	15%	25%
14	300	250	550	15%	25%
15	600	100	700	15%	37%
#	For Company				
A.	Domestic Company				
	(1) Total Turnover or Gross Receipt of P.Y. 2019-20			Tax Rates	
	upto ₹ 400 Crore			25%	
	(ii) Otherwise			30%	
B.	Foreign Company				
	Surcharge:		Domestic Co.	Foreign Co.	
	Total Income (NTI)				
	> ₹ 1 Crore but upto ₹ 10 Crore		7%	2%	
	> ₹ 10 Crore		12%	5%	
#	For Partnership Firm / LLP / Local Authority				
	Tax Rate : 30%				
	Surcharge: @ 12% of Tax if NTI > ₹ 1 Crore				

# Agents having independent status are not included in Business Connection:  
Business connection, however, shall not be established, where the non-resident carries on business through a broker, general commission agent or any other agent having an independent status, if such a person is acting in the ordinary course of his business.  
A broker, general commission agent or any other agent shall be deemed to have an independent status where he does not work mainly or wholly for the non-resident.  
He will, however, not be considered to have an independent status in the three situations explained above, where he is employed by such a non-resident.  
Where a business is carried on in India through a person referred to in (a), (b) or (c) of (i) above, (other than SIP) only so much of income as is attributable to the operations carried out in India shall be deemed to accrue or arise in India [Expl. 3 to section 9(1)(i)].

# Significant economic presence [Explanation 2A to section 9(1)(i)]  
Significant economic presence of a non-resident in India shall also constitute business connection in India

Significant economic presence means-

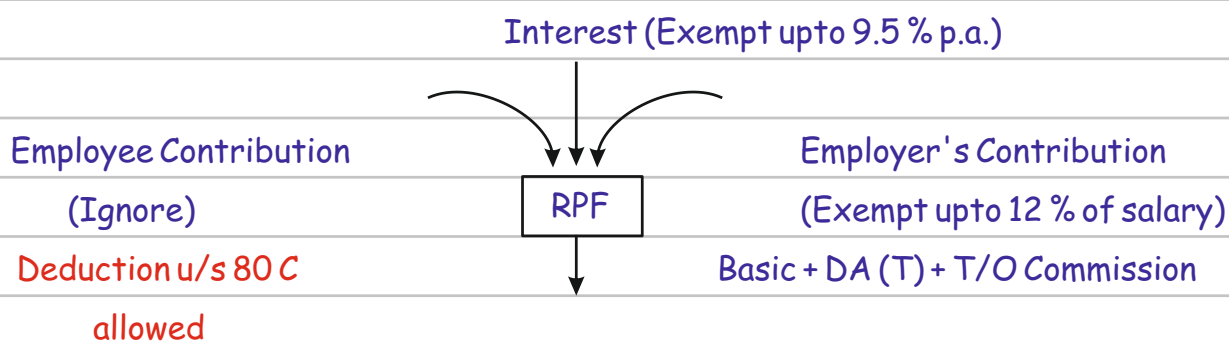
No.	Nature of Transaction	Condition
1.	Transaction in respect of any goods, services or property carried out by a non-resident with any person in India including provision of download of data or software in India,	Aggregate of payments arising from such transaction or transactions during the previous year exceeds 2 crores.
2.	Systematic and continuous soliciting of business activities or engaging in interaction with users in India	The users should be atleast 3 Lakhs.

Further, the above transactions or activities shall constitute significant economic presence in India, whether or not-

- (i) The agreement for such transactions or activities is entered in India;
- (ii) The non-resident has a residence or place of business in India; or
- (iii) The non-resident renders services in India:

However, where a business connection is established by reason of significant economic presence in India, only so much of income as is attributable to the transactions or activities referred to in (a) or (b) above shall be deemed to accrue or arise in India.

b. Recognised provident Fund (RPF)



Lumpsum amount received by Employee  
on retirement

↓

Exempt u/s 10 (12)

**Note:** Lumpsum amount received from RPF is exempt u/s 10(12) if employee has rendered service of 5 years or more, If employee rendered service less than 5 years then exemption allowed in respect of employer's contribution and interest shall be withdrawn. However in the following 3 cases exemption shall not be withdrawn even though service is less than 5 years:

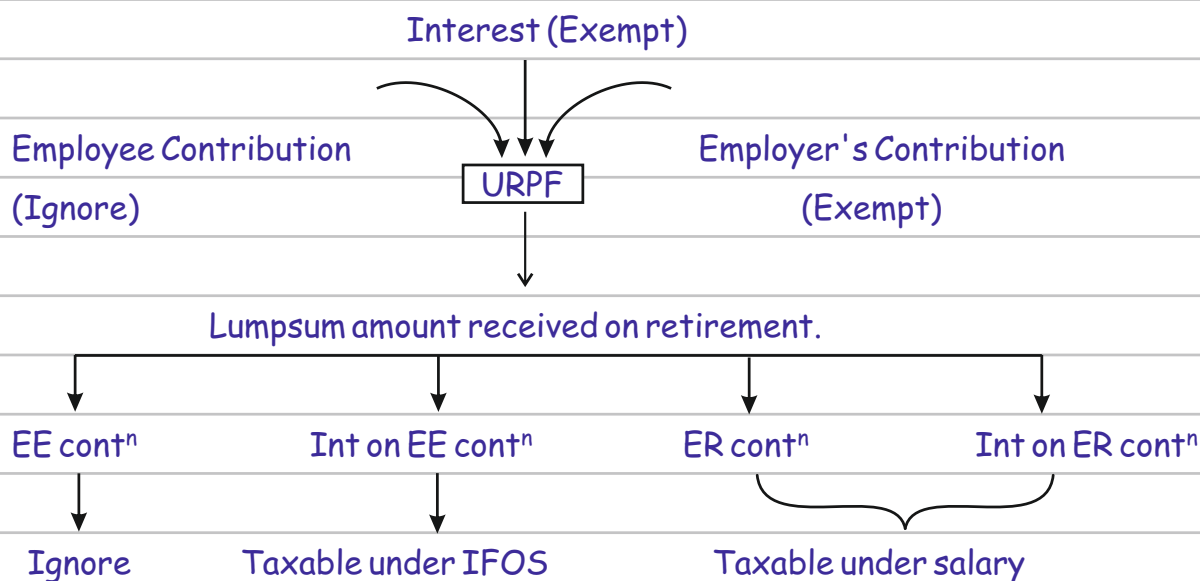
1. Employee retired due to ill health
2. Employee retired due to shut down of employer's business.
3. Employee has retired with the instruction that his balance in RPF should be transferred to new employer, or to NPS A/C referred u/s 80CC D

Amendment by FA-21 : Interest on EE's Contribution towards SPF/RPF

- Exemption u/s 10(11) or 10(12) not available for interest accrued during the PY to the extent it relates to the contribution made by that person/employee exceeding ₹ 2,50,000 in any PY in that fund, on or after 01/04/21.
- If in that fund employer not made any contribution, then, a higher limit of ₹ 5,00,000 would be applicable.
- It may be noted that interest accrued on contribution to such funds upto 31/03/21 would be exempt without any limit, even if the accrual of income is after that date.

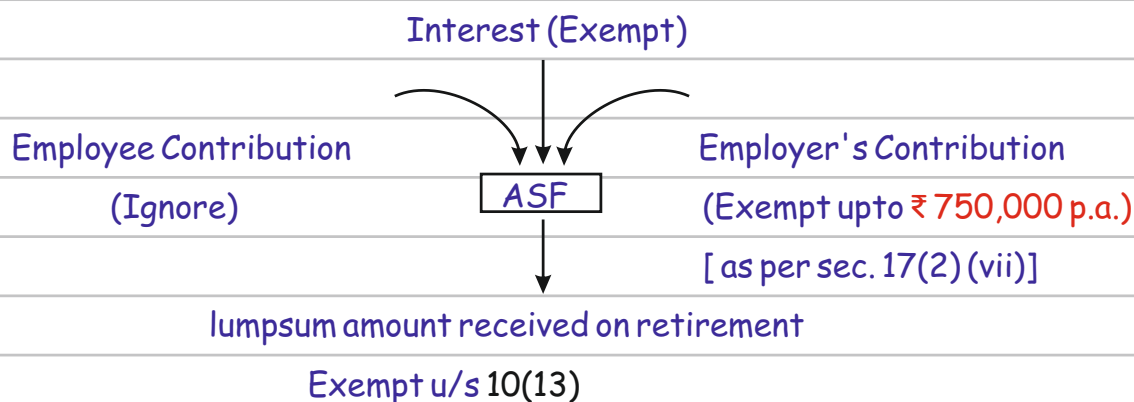
(Also refer rule 9D at the end of topic)

C. Unrecognised Provident Fund (URPF).



# Note 12: Super annuation Fund

a. Approved super annuation fund



b. Unapproved super annuation fund - Treatment same as URPF.

# Note 14: Perquisites sec 17(2)

It means extra benefit offered by employer to employee. It may be monetary or non-monetary.

Difference between allowance & perquisites.

a. Allowance - It means monthly fixed amount received by employee from employer whether actual expenditure is incurred or not. It is part of salary, e.g. HRA, Medical Allowance etc.

b. Perquisites - It means benefits or facility provided by employer. It is received when actual expenditure is incurred e.g. Medical facility, car facility etc.

4. Gift
- a. Gift in cash = Taxable
- b. Gift in kind = if FMV of Gift is less than ₹5000 p.a. then it is **fully exempt** otherwise **fully taxable**.
5. ESOP: Employee stock option plan
- It means Company offers shares to employee at concessional rates.
- Taxable amount: - FMV of shares - Issue price
- FMV should be taken on the date on which option is exercised by employee.
6. Use of Moveable asset
- a. Computer / Laptop - **Fully exempt**
- b. Other asset (TV, AC, etc)
- |                              |  |
|------------------------------|--|
| Owned by Employer            | Hired by Employer                              |
| Taxable amount = 10% of cost | Taxable amount = Hire charges paid by Employer |
7. Transfer of Movable Assets
- |   |   |   |
|---|---|---|
| Computer / Laptop                       | Car                                     | Any other asset                         |
| ↓                                       | ↓                                       | ↓                                       |
| Taxable amount<br>= WDV - Consideration | Taxable amount<br>= WDV - Consideration | Taxable amount<br>= WDV - Consideration |
| ↓                                       | ↓                                       | ↓                                       |
| Dep <sup>n</sup> @ 50% on<br>WDV Method | Dep <sup>n</sup> @ 20% on<br>WDV Method | Dep <sup>n</sup> @ 10% on<br>SLM Method |
- Note: Dep<sup>n</sup> should be computed for every completed for year.
8. Lunch Facility
- It is exempt upto ₹50 per meal, if lunch is provided in office premises or through Paid voucher.
- NOTE: (i) Tea, coffee, or breakfast provided in office - Not taxable.
- (ii) Lunch is provided in remote area is Not taxable



9. Sec 17(2)(vii): Employer contribution towards Recognized Provided Fund (RPF), New Pension Scheme (NPS) referred u/s 80CCD, Approved Super annulation Fund (ASF) in excess of 7,50,000 is treated as perquisite in hands of EE and Taxable.

10. Sec 17(2)(viiia): Annual Accretion by way of Interest/dividend/similar amount on contribution of more than 7,50,000 by ER also treated as perquisite in hands of EE and Taxable. (Added by FA-20 w.e.f. AY 21-22)

Calculation of Annual Accretion of Interest, dividend etc in PY

$$TP = (PC/2)*R + (PC1 + TP1)*R$$

TP : Taxable perquisite under section 17(2)(viiia) for the current PY.

PC : Amount or aggregate of amounts of ER's contribution in excess of ₹ 7.5 lakh to RPF, NPS and ASF during the PY.

PC1 : Amount or aggregate of amounts of ER's contribution in excess of ₹ 7.5 lakh to RPF, NPS and ASF for the PY or years commencing on or after 01/04/20 other than the current PY.

TP1: Aggregate of taxable perquisite u/s 17(2)(viiia) for the PY or years commencing on or after 01/04/20 other than the current PY.

R :  $I / Favg$

I : Amount or aggregate of amounts of income accrued during the current PY in RPF, NPS and ASF.

Favg : (Amount or aggregate of amounts of balance to the credit of RPF, NPS and ASF on 01/04/21 + Amount or aggregate of amounts of balance to the credit of RPF, NPS and ASF on 31/03/22)/2

Note : Where the amount or aggregate of amounts of TP1 and PC1 exceeds the amount or aggregate of amounts of balance to the credit of the specified fund or scheme on 01/04/21, then, the amount in excess of the amount or aggregate of amounts of the said balance shall be ignored for the purpose of computing the amount or aggregate of amounts of TP1 and Pc1.

Example: Mr. Bala is appointed as a CFO of ABC Ltd. in Mumbai from 1.5.2020. His basic salary is ₹ 5,50,000 p.m. He is paid 10% as D.A. He contributes 11% of his pay and D.A. towards his RPF and the company contributes the same amount. The accumulated balance



in RPF as on 1.4.2021 and 31.3.2022 is ₹15,35,000 and ₹33,55,000. Compute the perquisite value chargeable in the hands of Mr. Bala u/s 17(2)(vii) and 17(2)(viia) for the P.Y. 2021-22.

Solution:

1. Perquisite value taxable u/s 17(2)(vii) = ₹7,98,600, being employer's contribution to RPF during the P.Y. 2021-22 - ₹7,50,000 = ₹48,600

2. Annual accretion on perquisite taxable u/s 17(2)(vii) =  $(PC/2)*R + (PC1 + TP1)*R$   
 $= (48,600/2)*0.091 + 0 = ₹2,211$

PC : ABC Ltd.'s contribution in excess of ₹ 7.5 lakh to RPF during P.Y. 2021-22 = ₹ 48,600

PC1 : Nil since employer's contribution is less than ₹ 7.5 lakh to RPF in P.Y. 2020-21.

TP1 : Nil

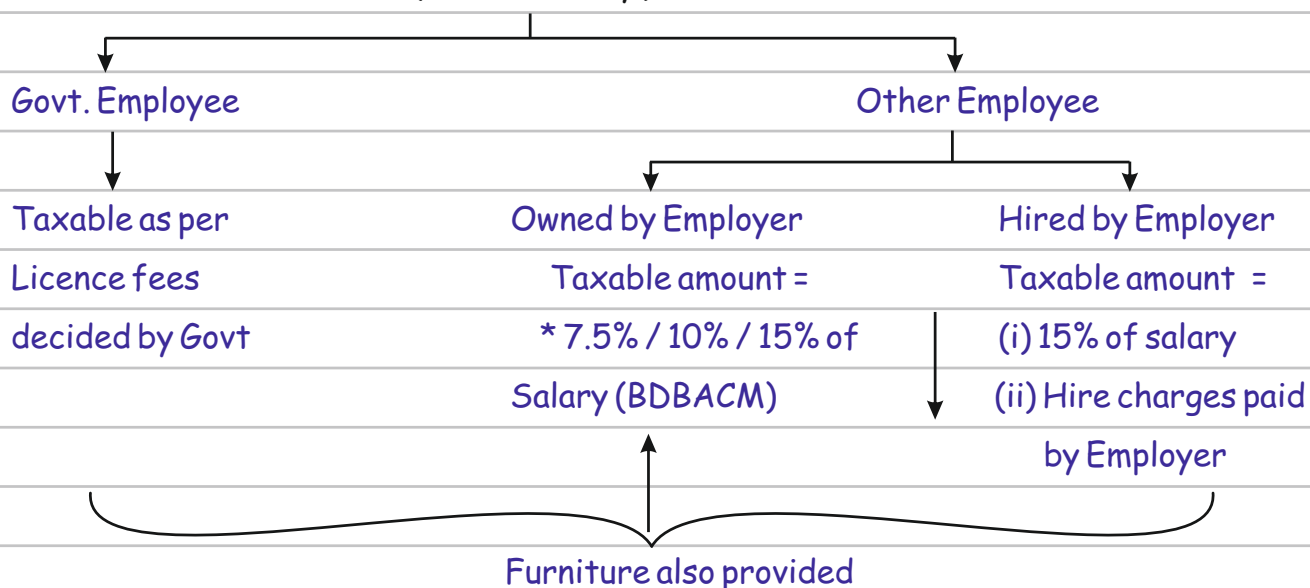
R :  $I/Favg = 2,22,800/24,45,000 = 0.091$

I : RPF balance as on 31.3.2022 - employee's and employer's contribution during the year - RPF balance as on 1.4.2021 = ₹2,22,800 (₹33,55,000 - ₹7,98,600 - ₹7,98,600 - ₹15,35,000)

Favg : Balance to the credit of RPF as on 1 April, 2021 + Balance to the credit of RPF as on 31 March, 2022)/2 =  $(₹15,35,000 + ₹33,55,000)/2 = ₹24,45,000$

Note - Since the employee's contribution to RPF exceeds ₹2,50,000 in the P.Y. 2021-22, interest on ₹5,48,600 (i.e., ₹7,98,600 - ₹2,50,000) will also be chargeable to tax.

#### 10. Rent Free Accommodation (House Facility)



#	Depreciation on Goodwill of Business and Profession (Amendment by FA, 21 w.e.f. AY 21-22)																								
1.	Goodwill of a business or profession is not eligible for depreciation from PY 20-21.																								
2.	If value of a Intangible block of assets on 1st April, 2020 includes goodwill of a business or profession (on which depreciation was obtained by the assessee in upto PY19-20), then depreciated value of goodwill shall be reduced from the value of the Intangible block of assets. For this purpose, depreciated value of goodwill shall be calculated as if goodwill was the only asset in the relevant block of assets.																								
3.	Sec -55: If goodwill of business or profession (on which depreciation claimed till PY 19-20) is transferred during PY 20-21 or thereafter then Cost of acquisition of goodwill for the purpose of Capital Gain shall be actual cost minus depreciation claimed.																								
4.	<p>Rule 8AC - Computation of STCG on goodwill and WDV of Intangible assets block for PY 20-21 : This Rule provides that where the goodwill of the business or profession was the only asset or one of the assets in the block of asset "intangible" for which the assessee obtained depreciation upto PY 19-20, the WDV of this block of an asset for the PY20-21 shall be determined as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">₹</th> </tr> </thead> <tbody> <tr> <td>Opening WDV of a Intangible block of assets as on 01-04-2020</td> <td style="text-align: right;">xxx</td> </tr> <tr> <td>Add: Actual cost of the asset (other than goodwill) acquired during the PY</td> <td style="text-align: right;">xxx</td> </tr> <tr> <td></td> <td style="text-align: right;">xxx</td> </tr> <tr> <td>Less: Money Recd. (Sale Value)</td> <td style="text-align: right;">xxx</td> </tr> <tr> <td>Less: WDV of Goodwill (calculated on the assumption that goodwill is only asset in block of asset)</td> <td style="text-align: right;">xxx</td> </tr> <tr> <td style="text-align: right;">WDV for Depreciation</td> <td style="text-align: right;">xxx</td> </tr> <tr> <td>Less: Depreciation actually allowed</td> <td style="text-align: right;">xxx</td> </tr> <tr> <td style="text-align: right;">Closing WDV</td> <td style="text-align: right;">xxx</td> </tr> </tbody> </table> <p>Example:1</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>WDV of 'Intangible assets' block as on 01-04-2020 (Includes patents &amp; goodwill)</td> <td style="text-align: right;">₹70,00,000</td> </tr> <tr> <td>Goodwill Purchased on 14-02-2019</td> <td style="text-align: right;">₹40,00,000</td> </tr> <tr> <td>Compute WDV of Block as on 01.04.22 and Depreciation allowed for PY 20-21 and PY 21-22.</td> <td></td> </tr> </tbody> </table>		₹	Opening WDV of a Intangible block of assets as on 01-04-2020	xxx	Add: Actual cost of the asset (other than goodwill) acquired during the PY	xxx		xxx	Less: Money Recd. (Sale Value)	xxx	Less: WDV of Goodwill (calculated on the assumption that goodwill is only asset in block of asset)	xxx	WDV for Depreciation	xxx	Less: Depreciation actually allowed	xxx	Closing WDV	xxx	WDV of 'Intangible assets' block as on 01-04-2020 (Includes patents & goodwill)	₹70,00,000	Goodwill Purchased on 14-02-2019	₹40,00,000	Compute WDV of Block as on 01.04.22 and Depreciation allowed for PY 20-21 and PY 21-22.	
	₹																								
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Compute WDV of Block as on 01.04.22 and Depreciation allowed for PY 20-21 and PY 21-22.																									

Solution:

Calculation of Depreciation

Particular	₹
Opening WDV as on 1st April, 2020	70,00,000
Add: Actual cost of assets acquired during PY	Nil
Less: Money Recd.	Nil
Less: WDV of Goodwill	(26,25,000)
WDV for Depreciation	43,75,000
Less: Depreciation actually allowed for PY 20-21	10,93,750
Opening WDV as on 1st April, 2021	32,81,250
Add: Actual cost of Asset acquired during PY	Nil
Less: Money Recd.	Nil
WDV for Depreciation	32,81,250
Less: Depreciation actually allowed for PY 21-22	8,20,313
Opening WDV as on 1st April, 2022	24,60,937

Calculation of WDV of Goodwill assuming that goodwill is only asset in Block of Asset

Particular	₹
Opening WDV as on 1st April, 2018	Nil
Add: Actual cost of Goodwill acquired during PY	40,00,000
Less: Money Recd.	Nil
WDV for Depreciation	40,00,000
Less: Depreciation actually allowed for PY 18-19 @12.5%	5,00,000
Opening WDV as on 1st April, 2019	35,00,000
Add: Actual cost of Asset acquired during PY	Nil
Less: Money Recd.	Nil
WDV for Depreciation	35,00,000
Less: Depreciation actually allowed for PY 19-20 @ 25%	(8,75,000)
WDV of Goodwill as on 1st April, 2020	26,25,000

#	Sec. 36(1)(iv)/(v) Employer's contribution for the benefit of the Employee.
	<div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p>-Statutory Provident fund(SPF)</p> <p>-Recognized Provident fund(RPF)</p> <p>-Approved Super annuation fund(ASF)</p> <p>-Approved Gratuity fund(AGF)</p> <p>-Any other fund as per law</p> <p>↓</p> <p>Allowed as deduction [Subject to Sec. 43B]</p> </div> <div style="width: 45%;"> <p>-Unrecognized Provident fund (URPF)</p> <p>-Unapproved Super annuation fund (UASF)</p> <p>-Unapproved Gratuity fund (UAGF)</p> <p>-Any other fund</p> <p>↓</p> <p>Not allowed</p> </div> </div>
#	Sec. 36(1)(iva) : Employer contribution towards Pension scheme referred us 80CCD Deduction allowed to employer [subject to sec 43B] ↓ (i) Actual contribution ↓ (ii) 10% of salary [Basic +DA (Terms)] whichever is lower
#	Sec. 36(1)(va): Employees contribution towards welfare fund. Any sum received by Employer from Employee as contribution to PF, super annuation fund, ESI etc. is deemed to be PGBP if such sum is not deposited in respective fund up to the due date to such fund.
	Notes
	1. PF due date is 15th of next month.
	2. If any amount deposited after due date of fund, then it will be treated as PGBP income of employer and never be allowed to employer.
	3. As clarified by FA 21, here due date means due date of Fund & not a due date of ROI as per section 43B.

# Sec. 44AB: Compulsory audit of books of accounts

Following persons are required to furnish audit report by specified date in a prescribed form (3CA/3CB/3CD):

A	B	C
Specified profession	Business	Special Cases
G.R > ₹ 50 Lac	T.O./G.R. > ₹ 1 crore	<ul style="list-style-type: none"> <li>Assessee claiming lower income u/s 44AD or 44ADA and NTI &gt; Basic exemption</li> <li>Assessee claiming lower income u/s 44AE</li> </ul>
	Amendment by FA-21 w.e.f. AY 21-22 In case of business, T.O. Limit shall be ₹ <del>10</del> 10 crores instead of ₹ 1 crore if: <ul style="list-style-type: none"> <li>Cash receipts out of total receipts is upto 5% during the PY and</li> <li>Cash payment out of total payments is upto 5% during the PY.</li> </ul>	

Non-applicability of Sec 44AB:

→ Person declaring income u/s 44AD & his turnover/ gross receipts is upto 2 crore.

Specified Date : One month before the due date of filing ROI u/s 139(1).

Penalty u/s 271B : if assessee fails to get accounts audited:

(i) 0.5% of T.O. or G.R. or

(ii) ₹ 1,50,000

Whichever is lower.

# Example:

XY & Co. (a partnership firm engaged in manufacturing and trading of silk yarn) gives the following information pertaining to the previous year ending March 31, 2021 -

(₹ in lakh)

Particular	Receipts				Payment			
	Cash	Other than cash	Total	Cash as % of total	Cash	Other than cash	Total	Cash as % of total
Purchase of raw material	-	-	-		2	310	312	
Purchase of FG	-	-	-		2	149	151	
Sales of Goods	38	630	668		-	-	-	

Sale/Purchase of Car	-	48	48		-	23	23	
Sale/Purchase of P&M	-	115	115		5	41	46	
Sale/purchase of Land	1	96	97		-	-	-	
Income-Tax refunds	-	11	11		-	-	-	
Other receipt/payments	6	38	44		-	26	26	
Total	45	938	983	4.58	9	549	558	1.61

For the AY 2021-22, XY & Co. has long-term capital loss of ₹ 20.5 lakh. It wants to know whether it requires audit under section 44AB for the AY 2021-22. What are tax consequences if the firm gets its account audited under section 44AB for the AY 2021-22 and submits audit report/return of income during September 2021?

**Solution:**

Total receipts is ₹ 983 lakhs, out of which cash receipts is less than 5%. Moreover, out of the total payment of ₹ 558 lakh, cash payment is less than 5%. Turnover of the firm is more than ₹ 1 crore but not more than ₹ 10 crore. Consequently, tax audit under section 44AB is not required. Due date of submission of return of income is 31st July, 2021. If return is submitted after 31st July, 2021, it will be belated return and long-term capital loss of ₹ 20.5 lakh cannot be carried forward. In this case, even if the firm gets its account audited under section 44AB, the due date of submission of return of income will be 31st July, 2021.

gross receipts of ₹ 1.80 crore & ₹ 1.90 crore respectively. However, for A.Y. 2019-20, he offers income of only ₹ 10 lakh on turnover of ₹ 2 crore, which amounts to 5% of his gross receipts. He has to maintain books of accounts u/s 44AA & gets the same audited u/s 44AB. Since he has not offered income in accordance with the provisions of Sec. 44AD, for five consecutive A.Y. after A.Y. 2017-18, he will not be eligible to claim the benefit of Sec. 44AD for next five AY succeeding A.Y. 2019-20 i.e. from A.Y. 2020-21 to 2024-25.

# Sec. 44ADA : PGBP on presumptive basis for professional

- a) Eligible Assessee: Resident Individual or resident firm (excluding LLP) engaged in profession as referred in Sec.44AA
- b) This section is applicable if Gross Receipt is upto ₹ 50lakhs.
- c) PGBP Income = Gross receipt × 50%.
- d) If assessee declares income as per Section 44ADA or higher then, he is not required to maintain books of accounts & get it audited.
- e) If assessee declares income lower than 50% & his NTI is more than basic exemption he is required to maintain books of A/cs & get it audited.

→ Common notes for 44AD and 44ADA

1. Deduction u/s 30-38 shall not be allowed (Assume its deemed to be already allowed).
2. WDV is to be calculated considering notional dep every PY.
3. Partners' remuneration & interest are not allowed from deemed PGBP.
4. 100% Advance Tax can be paid by 15th march of PY.

# Sec. 44AE: Presumptive Taxation for Transporters

IF assessee engaged in the business of plying, hiring, leasing such goods carriage then PGBP will be-

Heavy goods Vehicle : ₹ 1,000 per ton of gross vehicle weight or unladen weight, as the case may be, for every month or part of a month

Other Vehicle: ₹ 7,500 for every month or part of a month

The assessee can also declare a higher amount in his return of income. In such case, the latter will be considered to be his income



- # Second proviso (exception) to section 48: Indexation  
# in case of LTCA (long term capital asset), COA & COI should be indexed.

(a) **ICOA**

COA X  $\frac{\text{CII for the year of transfer}}{\text{CII for the first year in which asset was held by assessee or for the year 2001-02, whichever is later}}$

(b) **ICOI**

COI X  $\frac{\text{CII for the year of transfer}}{\text{CII for the year in which the improvement to the asset took place}}$

**Cost Inflation Index (CII)**

F.Y.	CII	F.Y.	CII	FY	CII
01-02	100	02-03	105	03-04	109
04-05	113	05-06	117	06-07	122
07-08	129	08-09	137	09-10	148
10-11	167	11-12	184	12-13	200
13-14	220	14-15	240	15-16	254
16-17	264	17-18	272	18-19	280
19-20	289	20-21	301	21-22	317

(c) **Asset acquired before 1/4/2001**

COA = Actual cost or FMV as on 1/4/01, whichever is higher

(d) **improvement done before 1/4/2001-** Should be ignored.

# First proviso to section 48: Capital Gain in case of Non-Resident

In case of -

-Assessee who is a Non Resident (includes foreign company)

-Asset should be shares or debentures of Indian company, &

-Such asset was acquired in foreign currency by way of purchase or re-investment

then capital gain shall be calculated in foreign currency & after that it shall be reconverted into Indian currency

#	Seventh proviso to Section 48: Security Transactions Tax (STT) not Allowed	
	STT paid on sale/ purchase of shares/unit shall not be allowed under capital gain	
	if it is paid at the time of Sale - not treated as transfer expense	
	if it is paid at the time of Purchase - not added to the cost of acquisition	
#	Section 55: Cost of Acquisition and improvement	
	<b>Cost Of Acquisition (COA)</b>	
1.	In case of	
	-Goodwill of Business or Profession,	
	-Trademark or Brand name associates with a business or profession	
	-Right to manufacture, produce, process any article or things (patent & copyright),	
	- Right to carry on any Business or Profession,	
	-Tenancy right,	
	- Loom hours,	
	-Route permits.	
	Cost of Acquisition	a) Self - Generated = Nil
		b) Purchased = Purchase Price
	Notes	
	1. Benefit of FMV as on 01/04/2001 NOT available in case of above assets.	
	2. Capital gain on transfer of self-generated goodwill of a profession or self-generated trade mark/ brand name associated with a profession, is not chargeable to tax up to the AY 20-21.	
	3. In case of goodwill of a business or profession, in respect of which depreciation u/s 32(1) has been obtained by the assessee in any PY (upto P.Y.19-20), the cost of acquisition of such goodwill would be the amount of the purchase price as reduced by the total amount of depreciation (upto P.Y.19-20) obtained by the assessee u/s 32(1).	
2.	Bonus Shares / Security	
	If acquired before 01/04/2001	If acquired on or after 01/04/2001
	FMV as on 01/04/2001	Nil
	POH Case of Shares / Securities - from allotment date to transfer date	

## TAXATION OF ULIP (Applicable from AY 21-22)

Sec. 2(14) : Capital Asset Meaning:

"Capital asset" means—

- any unit linked insurance policy to which exemption under section 10(10D) does not apply on account of the applicability of the fourth and fifth provisos thereof,

Sec 10(10D) : Exemption on maturity of Life Insurance Policy

Any sum received under a LIP, including the sum allocated by way of bonus is Exempt from Tax.

Following sums are taxable:

- (i) received under a Keyman insurance policy.
- (ii) received where premium paid is more than prescribed limit (20%,10%,15%) given under 80C section. (If it is received on death then its exempt)

Fourth & Fifth proviso:

Exemption u/s 10 (10D) Not available in case of ULIP's if policy issued on or after 1st February, 2021 and ;

- premium payable more than ₹ 2,50,000 for any of the PY during the term of such policy; or
- the aggregate amount of premium exceeding ₹ 2,50,000 in any of the previous years during the term of any such ULIP(s), in a case where premium is payable by a person for more than one ULIP issued on or after 1.2.2021.

Note : Exemption is available if sum received from ULIP's on the death of person.

Sec. 45(1B): Capital Gain on ULIP's

Where any person receives, at any time during any PY, any amount, under a ULIP issued on or after 1.2.2021, to which exemption u/s 10(10D) does not apply on account of -

- (i) premium payable exceeding ₹ 2,50,000 for any of the PY's during the term of such policy; or
- (ii) the aggregate amount of premium exceeding ₹ 2,50,000 in any of the previous years during the term of any such ULIP(s), in a case where premium is payable by a person for more than one ULIP issued on or after 1.2.2021,

then, any profits or gains arising from receipt of such amount by such person shall be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of the such person for the PY in which such amount was received. The income taxable shall be calculated in such manner as may be prescribed.

Example-1 : BB takes a ULIP on March 16, 2021 (information pertaining to sum assured and annual insurance premium is given in table). He wants to know whether exemption will be available under section 10(10D) at the time of maturity of ULIP. He does not have any other policy and does not intend to take any other ULIP in future

Particular	"₹ in Lakhs"	
	Situation 1	Situation 2
Sum assured	30	30
Annual insurance premium	2.40	2.6

Solution :

Situation-1 : As the annual insurance premium does not exceed 10% of sum assured and annual insurance premium is not more than ₹2,50,000, 10(10D) exemption will be available at the time of maturity of ULIP.

Situation-2: Annual insurance premium does not exceed 10% of sum assured. Exemption cannot be denied because of operation of section 10(10D)(d). However, annual insurance premium is more than ₹ 2,50,000. Consequently, by virtue of fourth and fifth proviso to section 10(10D), X cannot claim exemption. Capital gain will be taxable under section 45(1B) and tax will be computed within the parameters of section 112A.

Capital gain applicable on transfer of such property

Computation of capital gain	PY 2021-22	AY 2022-23
[POH 2001-02 to 15/02/22]		₹
FVOC		83,00,000
(-) Transfer expenses		-
		<u>83,00,000</u>
(-) ICOA Sec. 49 (1)		
	$300000 \times \frac{317}{100}$	[21-22] [01-02]
		(9,51,000)
LTCG		<u>73,49,000</u>

# Section 43CA : SDV shall be treated as sales consideration

In case of immovable property held as stock - in trade, if sales consideration is less than SDV then such SDV shall be deemed to be sales consideration for computing PGBP. However, where the SDV does not more than 110% of sale consideration, then sale consideration shall be treated as FVOC.

If assessee not satisfied with SDV then his case may be transferred to a valuation officer (same as Sec. 50C)

→ Amendment by FA.- 2021

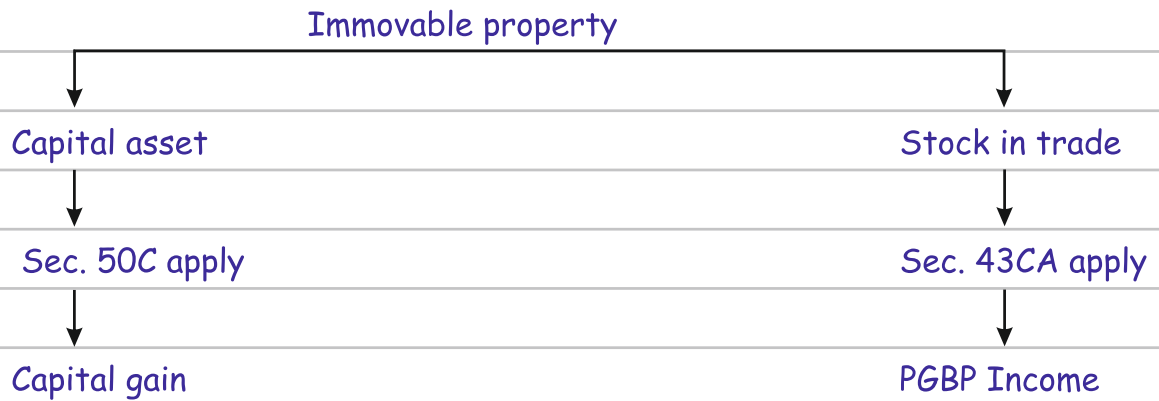
If following conditions are satisfied then allowed tolerance band 20% allowed instead of 10%:-

- the transfer of residential unit takes place during the 12th Nov., 2020 to 30th June, 2021,
- such transfer is by way of first time allotment of the residential unit to any person; and
- the consideration received or accruing as a result of such transfer upto 2 crore rupees.

→ Meaning of residential unit - An independent housing unit with separate facilities for living, cooking and sanitary requirement, distinctly separated from other residential units within the building, which is directly accessible from an outer door or through an interior door in a shared hallway and not by walking through the living space of another household.

→ Important Note :

Similar amendment is also made under section 56(2)(x) so if buyer buys capital asset (immovable property) for low consideration and above 3 conditions are satisfied then in the last part of chart of sec. 56(2)(x), 120% consider instead of 110%.

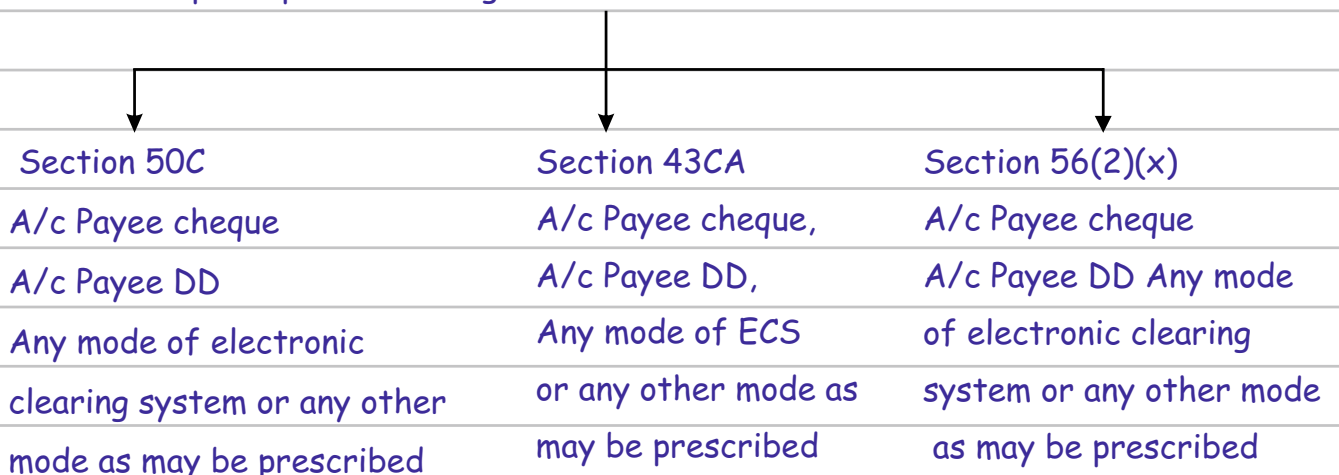


Note : If date of agreement & registration are not same, SDV on the date of agreement can be considered u/s 50C/43CA/56(2)(x), if full or part consideration received or paid by A/c Payee cheque, A/c Payee DD or any mode of electronic clearing system, through bank account or any other electronic modes as may be prescribed.

# SDV - Date of Agreement or Registration ?

Section	SDV Date
50C/43CA/56(2)(x)	Date of Registration or Agreement

SDV on date of agreement can be considered, if full or part consideration received / paid upto date of agreement in



Example: 1

DLF Builders transfer a residential house to Mr. Jay on 14/04/21 for ₹1.9 Cr.

SDV on the date of transfer is ₹ 2.15Cr. DLF transfer a unit to Jay as a first-time allotment. Discuss tax treatment in hands of DLF and Mr. JAY.

**Solution:**

In above example conditions mentioned in amendment are satisfied so allowed difference (SDV and consideration) 20% applicable instead of 10%.

**In hands of DLF:**

As per section 43CA since SDV is not more than 120% of consideration so consideration of ₹ 1.9 Cr treated as FVOC for PGBP.

**In hands of Jay:**

Difference between SDV and consideration is more than ₹ 50,000 but SDV is not more than 120% of consideration so sec 56(2)(x) NOT applicable in this case.

Example: 2

Suppose in above example date of transfer is 10/12/21 instead of 14/04/21.

**Solution:**

**In hands of DLF:**

As per section 43CA since SDV is more than 110% of consideration so SDV of ₹ 2.15 Cr treated as FVOC for PGBP.

**In hands of Jay:**

Difference between SDV and consideration is more than ₹ 50,000 & SDV is more than 110% of consideration so difference between SDV and consideration of ₹ 25 Lakhs taxable u/s 56(2)(x). For the purpose of section 49(4) ₹ 2.15 Cr is treated as COA of Jay.

# Section 56(2)(viib) : Shares issued on Premium

If any **closely held company** issues shares to any **resident share holder** on premium then - [Issue price of share - FMV of such shares]  
shall be taxable in hands of company under IFOS

Example : Mr. Ramesh acquired a house property on 16/7/20 for ₹40,00,000. He entered into an agreement to sell on 14/02/21 with Mr. Suresh for ₹70 lakhs & SDV on that date is ₹80 lakh. Suresh paid ₹7,00,000 by cheque on 14/02/21 & the cheque was



#	Section 80EEA : Deduction in respect of interest on housing loan
a.	Eligible Assessee : Individual (other than covered in 80EE)
b.	Amount of Deduction : Max. ₹1,50,000
c.	Conditions:
	i. Loan should be taken from banks or financial institutions for acquisition of residential house property.
	ii. Stamp Duty Value of house property should be upto ₹45 lakhs.
	iii. Loan should be sanctioned between 1/4/2019 to 31/3/2022.
	iv. Assessee does not own any residential house property on the date of sanction of loan.
	v. Where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.
	vi. First deduction should be claimed u/s 24(b) of house property and remaining interest deduction u/s 80EEA.
#	Section 80EEB : Deduction in respect of interest on Electric Vehicle loan
a.	Eligible Assessee : Individual
b.	Amount of Deduction : Max. ₹ 1,50,000
c.	Conditions:
	i. Loan should be taken from banks or financial institutions including NBFC for purchase of electric vehicle.
	ii. Loan should be sanctioned between 1/4/2019 to 31/3/2023.
	iii. Where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.
→	"Electric vehicle" means a vehicle which is powered exclusively by an electric motor whose traction energy is supplied exclusively by traction battery installed in the vehicle and has such electric regenerative braking system, which during braking provides for the conversion of vehicle kinetic energy into electrical energy.

Case : 3 Suppose in above example gross amount is only ₹4.5 Lakhs instead of ₹32 Lakhs and paid/credited on 31/03/22.

Sol.: Exception of TDS apply only in case of Ind/HUF e-commerce participant, here BB Virtuals Pvt Ltd is a company so TDS apply @ 1% of ₹4.5 lakhs.

Case : 4 Suppose in case-3 assessee is MR BB instead of BB Virtuals Pvt. Ltd. & BB furnishes his PAN/Aadhar to Amazon.

Sol.: In this case TDS not applicable.

Case :5 Suppose in case-1 Amazon sold books of 32 lakhs but amount of ₹15 lakhs directly received by BB Virtuals Pvt. Ltd from customers and remaining received from Amazon ₹ 10.60 lakhs (after commission of 20% on ₹32 lakhs).

Sol.: In this case Amazon is required to deduct TDS @1% on gross sale amount of ₹32 Lakhs i.e. ₹ 32,000.

Section	Nature of Payment	Payer	Payee	Rate
194P (Added by FA-21)	TDS by Bank in case of senior citizen	Specified Bank	Resident Individual age 75 years or more in P.Y	Slab Rate

#### Additional Points

1. This section applicable only if individual having income of the **nature of pension** and no other income except the income of the **nature of interest** received or receivable from any account maintained by such individual in the same specified bank in which he is receiving his pension income and has furnished a declaration to the specified bank containing such particulars, in form 12BBA and verified in such manner, as may be prescribed.
2. Once the declaration is furnished by senior citizen, the bank would be required to compute the income of such senior citizen. For computing total income deduction u/s 80C to 80U should be given along with rebate u/s 87A. The bank shall deduct income-tax on such total income on the basis of slab rate after considering any TDS deducted on pension.

Example: Mr. Joy, a resident Indian aged 77 years, gets pension of ₹52,000 per month from the Delhi Govt. The same is credited to his savings account in SBI, Delhi Branch. In addition, he gets interest@8% on fixed deposit of ₹20 lakh with the said bank. Out of the deposit of ₹ 20 lakh, ₹ 2 lakh represents 5-year FD made by him on 1.4.2021. Interest on savings bank credited to his SBI savings account for the P.Y.21-22 is ₹ 9,500.

- (1) From the above facts, compute the total income and tax liability of Mr. Joy for the A.Y. 2022-23, assuming that he has not opted for section 115BAC.

Solution:

Computation of Total Income and Tax Liability

Particular	₹	₹
Income from Salary		
Pension Income (52,000 × 12 months)	6,24,000	
Less: Standard deduction u/s 16(ia)	<u>50,000</u>	
Net Salary		5,74,000
Income from Other Sources		
Interest on FD	1,60,000	
SB Interest	<u>9,500</u>	<u>1,69,500</u>
Gross Total Income		7,43,500
Less: Deduction u/c VI-A		
80C : 5 Years FD (Max 1,50,000)	1,50,000	
80TTB: Interest on FD & SB (Max 50,000)	<u>50,000</u>	<u>2,00,000</u>
Net Taxable Income		5,43,500
<u>Tax Liability</u>		
Upto 3,00,000	Nil	
More than 3,00,000 upto 5,00,000 - 5%	10,000	
More than 5,00,000 upto 5,43,500 - 20%	<u>8,700</u>	
	18,700	
Add: Health and Education Cess	<u>748</u>	
	19,448	i.e. 19,450

(2) What would be the amount of tax deductible at source by SBI, assuming that the same is a specified bank? Is Mr. Joy required to file his return of income for A.Y. 22-23, if tax deductible at source has been fully deducted? Examine.

Solution: SBI, being a specified bank, is required to deduct tax at source u/s 194P (after considering the tax, if any, deducted on pension u/s 192) and remit the same to the CG. In such a case, Mr. Joy would not be required to file his return of income u/s 139.

(3) Would your answer to Q.2 be different if the fixed deposit of ₹20 lakh was with Canara Bank instead of SBI, other facts remaining the same ?

Solution: If the fixed deposit of ₹20 lakh is with a bank other than SBI, which is the bank where his pension is credited, then, Mr. Joy would not qualify as a "specified senior citizen", consequent to which SBI would not be liable to deduct tax under section 194P. In this case, Mr. Joy would have to file his return of income u/s 139, since his gross total income exceeds the basic exemption limit.

It may be noted that in this case, TDS provisions u/s 192 would, in any case, be attracted in respect of pension income. Further, Canara Bank would, be liable to deduct tax@10% u/s 194-A on interest on fixed deposit, since the same exceeds ₹50,000.

Section	Nature of Payment	Payer	Payee	Rate
194-Q (Added by FA-21 w.e.f. 1/7/21)	Purchase of Goods more than 50 Lakhs in a PY	Any Person (Buyer) whose last year T/O more than 10 Crore	Resident Person (Seller)	0.1% of sum in excess of ₹ 50 Lakhs

#### Additional Points

- In this section TDS required to deduct only on **excess amount over ₹50 lakhs**.
- TDS is not required** to be deducted under this section, if -
  - » TDS is deductible under any other section;
  - » TCS is collectible u/s 206C [other than section 206C(1H)].
- In case of a transaction to which both **section 206C(1H) and 194Q applies**, TDS to be deducted u/s **194Q**.
- In case of a transaction to which both **section 206C(1)/(1F)/(1G) and 194Q applies**, TCS to be collected u/s **206C(1)/(1F)/(1G)**.

5. In case of a transaction to which both **section 194-O and 194Q** applies, TDS to be deducted u/s **194-O**.
6. If **PAN of payee is not available**, tax will be deducted under section 194-O & 194Q at the rate of **5%**.
- # CBDT Clarification:
1. Applicability on transactions carried through various Exchanges: The provisions of section 194-O, 194Q & 206C(1H) shall not apply in relation to transactions in securities, and commodities which are traded through recog. stock exchanges or cleared and settled by the recog. clearing corp., including RSE or RCC located in IFSC or transactions in electricity, renewable energy certificates and energy saving certificates traded through power exchanges.  
Example: Mr. BB purchased 10,000 shares of Bajaj Finance Ltd @ ₹3800 through ICICI Direct Broker at BSE. In this case section 194-O, 194Q or 206C(1H) not applicable.
2. Calculation of threshold for FY 21-22: Since 194Q effective from 01/07/21 so whatever purchased made or payment made upto 30/06/21, not subject to TDS. Since limit of 50 lakhs is for whole PY so for checking limit of 50 lakhs we will consider purchase made between 01/04/21 to 30/06/21. Let's understand with help of this example: -  
The following information is given pertaining to purchase of goods. TDS liability u/s 194Q for the financial year 2021-22 is given in the last column.

Buyer	T/O of buyer during PY 20-21	T/O of buyer in PY 21-22	Seller	Consideration for purchase of goods during -		Requirement of TDS u/s 194Q by buyer
				01/04/21 to 30/06/21	01/07/21 to 31/03/22	
				Ramu	₹ 10 cr	
Shaymu	₹ 10.5 cr	₹ 8 cr	Kohli Ltd.	₹ 10 lakh	₹ 40.2 lakh	TDS: 0.1% of ₹ 20,000
Lalu	₹ 15 cr	₹ 9 cr	Bharat Ltd.	₹ 40 lakh	₹ 80 lakh	TDS: 0.1% of ₹ 70 lakh
KK Ltd.	₹ 17 cr	₹ 15 cr	LK Ltd.	₹ 1 cr	₹ 2 cr	TDS: 0.1% of ₹ 2 crore
BB Ltd.	₹ 17 cr	₹ 8 cr	DB Ltd.	₹1.7 cr	₹ 10 Lakh	TDS: 0.1% of ₹ 10 lakh

3. GST : TDS u/s 194Q NOT applicable on GST amount if it is separately indicated in Invoice but if advance payment is made then TDS should be deducted on total advance payment as we are not aware that what will be GST amount in invoice.
4. Purchase Return : TDS deducted at the time of crediting the party or payment, whichever is earlier, so at the time of purchased TDS already deducted by Buyer. In case of purchase return there is no need to return TDS amount and it can be adjusted against future purchase from same seller. In case of replacement of Goods, No adjustment required.
5. Non Resident Buyer : Section 194Q NOT applicable in case of NR buyer except where NR having PE in India and purchased relates to that PE.
6. Exempt Income of Seller : If seller whole Income is exempt under IT Act [like 10(23A),10(44)], then TDS u/s 194Q NOT applicable. Similarly if Buyer whole income exempt then TCS u/s 206C(1H) NOT applicable.
7. First year of Incorporation : In section 194Q TDS required to be deducted only if buyer's last year T/O more than ₹ 10 Crores. Since in case of first year of incorporation last year T/O is nil so this section NOT applicable in first year of Incorporation.
8. Last Year T/O : While checking last year T/O of buyer it should include only Business T/O or G/R and it should be more than 10 Crores. Non-Business T/O not to be counted.



- # Sec 199: TDS credit available to a person from whose income deduction is made except;-
- In case of clubbing credit available to a person in whose hands the income is ultimately taxable.
  - In case of tax paid by employer from own pocket on Non-monetary perquisite employee can take credit.

# Due date of payment of TDS and TCS

TDS deducted/ TCS collected month	TDS Due date	TCS Due date
During April to February months	7 <sup>th</sup> of Next month	7 <sup>th</sup> of Next month
March month	30 <sup>th</sup> April of next FY	7 <sup>th</sup> April of next FY

Note: If TDS deducted u/s 194-IA, 194-IB or 194M then it should be deposited to Govt. withing 30 days from end of the month in which deducted along with return in Form 26QB, 26QC, 26QD.

# Due date of TDS/TCS Returns/Statements

Quarter Ended	TDS Return	TCS Return
30 <sup>th</sup> June	31 <sup>st</sup> July	15 <sup>th</sup> July
30 <sup>th</sup> September	31 <sup>st</sup> October	15 <sup>th</sup> October
31 <sup>st</sup> December	31 <sup>st</sup> January	15 <sup>th</sup> January
31 <sup>st</sup> March	31 <sup>st</sup> May	15 <sup>th</sup> May

Notes:

- » Fees of ₹200 per day of default u/s 234E applicable if TDS/TCS return after due dates.
- » If TDS/TCS return filed after 1 year of prescribed date the penalty u/s 271H ranging from a min. of ₹10,000 to a max. of ₹1,00,000 shall also applicable.

# Sec 200A/206CB: Processing of TDS/TCS Returns (Intimation by CPC)

1. TDS/TCS returns filed shall be processed electronically and the following adjustment can be made:

- (a) Rectification of any Arithmetical errors;
- (b) Incorrect claim apparent on record.



2.	An Intimation will be prepared specifying the amount of demand/refund along with interest, fees (if any) and sent to the deductor /collector within 1 year from the end of the FY in which return was filed.
#	<p>Sec 201 : Assessee in default: If payer not deducted TDS or after deduction not paid to Govt. then such person is treated as assessee in default and required to pay penalty u/s 221 and that can be maximum 100% of TDS amount.</p> <p>Exception: Payer shall not be treated as assessee in default if payments made / credited to Payee without TDS, if such Payee fulfills all the following 4 conditions:</p> <ul style="list-style-type: none"> <li>» He has furnished his ROI u/s 139;</li> <li>» Such sum has been taken into account by him, in such ROI;</li> <li>» He has paid the tax due on income declared by him in his ROI; and</li> <li>» Payer has furnished a Certificate in this regard from a CA in Form 26A.</li> </ul>
#	<p>Sec 201(1A): Interest on Late deduction or Late payment of TDS</p> <ul style="list-style-type: none"> <li>» Late Deduction: Interest @ 1% per month or part of the month on amount of TDS from the date on which TDS was deductible till the date on which TDS actually deducted.</li> <li>» Late Payment: Interest @1.5% per month or part of the month on amount of TDS from the date on which TDS actually deducted till the date on which such tax actually paid.</li> </ul>
#	<p>Sec 206AB/206CCA: TDS/TCS rate in case of Non-Filers (Added by FA -21 w.e.f. 01/07/21)</p> <p>In case of TDS/TCS if payee/collectee has not filed return of income for last 2 PY's for which due date u/s 139(1) already expired before the current PY and TDS deducted &amp; TCS collected in each of these PY's is 50,000 or more, then TDS/TCS shall be deducted or collected in current PY as per following rates:-</p> <ul style="list-style-type: none"> <li>a) Twice the TDS/TCS rate, or</li> <li>b) 5%</li> </ul> <p>Whichever is higher.</p>

## Notes:

1. Above section not applicable in case of TDS deducted u/s 192, 192A, 194B, 194BB, or 194N.
2. Above section also not applicable in case of NR payee/collectee not having PE in India.
3. If payee/collectee has not furnished PAN also then TDS/TCS shall be deducted /collected at rates higher of this section and section 206AA in case of TDS and 206CC in case of TCS.
4. For applicability of this section in current year we have to check that return was filed for PY 18-19 & PY 19-20 or not.

## Tax Collected at Source (TCS)

Section	Nature of Transaction	Rate	Collector (Seller)	Collectee (Buyer)
206C(1)	<b>Sale of Goods</b>		Any Person other	Any person <b>other than</b> :
	» Tendu Leaves	5%	than Individual and	1. Buyer who buys such
	» Timber & other forest products	2.5%	HUF [Ind/HUF required to collect	goods for his personal consumption;
	» Alcoholic liquor for human consumption	1%	TCS, if last year T/O > 1 Cr in case of	2. Public sector Co;
	» Scrap	1%	business or G/R > 50 Lakhs in case of	3. CG, SG, Embassy, High comm., legation, consulate, trade representation and clubs.
	» Minerals being Coal, Lignite, Iron ore	1%	profession]	

## Additional Points :

1. **No TCS if resident buyer** furnishes a declaration to the seller that "goods" are to be **utilized in manufacturing/production** of any article or for the purpose of **generation of power**.
2. Scrap means waste from the manufacture or mechanical working of materials & which is definitely **not usable as such** because of breakage, cutting up, wear and other reasons.

#	Assessee	Due dates
1	Person require to furnish Transfer Pricing Audit report u/s 92E including the partners* of the firm	30 <sup>th</sup> Nov. of AY
2	Every other company, other than above	} 31 <sup>st</sup> Oct. of AY
3	Every person whose Books of Accounts are required to be audited under any law	
4.	Every person who is a partner* of a firm, where firm's Books of Accounts are required to be audited under any law	
5.	For every other person other than the above	31 <sup>st</sup> July of the AY
	* or the spouse of such partner if the provisions of section 5A applies to such spouse. Note: As per section 5A if individual govern by Portuguese Civil Code of 1860 in Goa, Dadra and Nagar Haveli and Daman and Diu then Income shall be equally distributed between husband and wife except Salary.	
#	Sec 139(1C): Central Govt may exempt class of person to file ROI Central Government may by notification specify such class or classes of persons who will be exempted from the requirement of filing of return.	
#	Sec 139(3): Loss return As per sec 80, assessee required to file the return upto due date u/s 139(1) for carry forward of following losses:	
»	Business loss u/s 72(1)                      » Speculation business loss u/s 73(2)	
»	Loss from specified business u/s 73A(2)	
»	Loss under the head "Capital Gains" u/s 74(1)	
»	Loss from the activity of owning and maintaining race horses u/s 74A(3)	
Notes:	1. Loss can be set off even if return filed after due date. 2. House property losses & unabsorbed depreciation can be c/f even if return late filed. 3. The condition stipulated/ enumerated in sec. 80 applies only for the year in which the loss was sustained/ incurred. It does not apply to the ROI of the year in which carry forward is claimed.	

4. As per CBDT Circular, Loss can be c/f even if ROI filed after due date and delay in filing of loss return in case of genuine hardship can be condoned by:

Authority	Return Losses
CIT/ PCIT	upto 10,00,000
CCIT/ PCCIT	>10,00,000 upto 50,00,000
CBDT	>50,00,000

# Sec 139(4): Belated Return

If Assessee fails to File return within due date then he can file belated return with in following time limit

a) Before the **three months prior** to end the of the relevant AY ( 31<sup>st</sup> dec. 22 for AY.22-23)  
or

b) Before completion of Assessment

Whichever is earlier,

Note: Consequences of belated return

- » No carry forward of specified loss as per sec 80.
- » No deduction of certain Income u/c VI-A as per 80AC.
- » Interest u/s 234A i.e. 1% pm or part of the month.
- » Late filing fees u/s 234F i.e. 5,000/1000.

# Sec 139(5): Revised Return

Any person Filed returns u/s 139(1) or 139(3) or 139(4), if discover any omission or a wrong statement in such ROI Filed earlier, then such person can file revised return within Following time limit,

a) Before the **three months prior** to end the of the relevant AY ( 31<sup>st</sup> dec. 22 for AY 22-23)  
or

b) Before completion of Assessment,  
Whichever is earlier.

Notes:

1. Belated return filed u/s 139(4) can be revised u/s 139(5).

2.	The revised return substitutes original return from the date the original return was filed.	
3.	Assessee can revise return any no. of times within time limit.	
#	Sec 139(9): Defective Return	
	Return shall be considered as defective, if -	
	a) Return not Filed in <b>prescribed form</b>	
	b) <b>Proofs of tax</b> not attached with return	
	c) Report u/s <b>44AB not submitted</b>	
	If return treated as defective, A.O. shall intimate the defect to assessee & give him an opportunity to rectify the defect <b>within 15 days or extended time</b> if assessee does not rectify the defect then return shall be treated as <b>invalid return</b> (void-ab-initio)	
#	Sec 140: Verification of Return	
	In case of	Verified by
1.	a. An individual	- <b>Himself</b>
	b. Individual not present in India or Mentally incapacitated	- <b>Competent to verify on behalf of individual</b>
2.	a. HUF	- <b>Karta</b>
	b. Karta not present in India or karta mentally incapacitated	- <b>Any adult member HUF</b>
3.	a. A partnership firm	- <b>Managing Partner</b>
	b. If there is no managing partner	- <b>Any adult Partner</b>
4.	a LLP	- <b>Designated Partner</b>
	b. If there is no designated partner	- <b>Any Partner or *any other person may be prescribed</b>
5.	a. Company	- <b>MD</b>
	b. No MD	- <b>Any other Director or *any other person may be prescribed</b>
	c. Co. under liquidation	- <b>Liquidator</b>

	d. Application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under the IBC, 2016	- Insolvency professional appointed by such Adjudicating Authority
6.	Political Party	- CEO
7.	Local Authority	- Principal officer
8.	Any other person.	- Person competent to verify
	*Person, appointed by the Adjudicating Authority for discharging the duties and functions of an interim resolution professional, a resolution professional, or a liquidator, as the case may be, under the IBC, 2016	
#	Sec 139AA : Aadhar Number	
A.	Every person who is eligible to obtain Aadhaar number shall, on or after the 1st, July, 2017, quote Aadhaar number -	
	(i) in the application form for allotment of permanent account number;	
	(ii) in the return of income	
	If Aadhar No not available then that person should quote application-id of Aadhar.	
B.	Every person already holding PAN on 1 <sup>st</sup> July 2017, shall link Aadhar with PAN within time allow by Govt, otherwise PAN shall be made inoperative.	
→	As per latest Notification assessee have to link Aadhar and PAN till 31 <sup>st</sup> March 2022	
	Note : As per C.G Notification, provision of section 139AA Not apply to an individual who does not possess the Aadhar number or Enrolment ID and is :	
	(i) residing in the states of J&K, Meghalaya and Assam	
	(ii) a non-resident as per income tax act, 1961	
	(iii) of the age of 80 years or more at any time during the P.Y.	
	(iv) Not a citizen of India.	
→	Where a person fails to link his Aadhaar No. with PAN upto 31 <sup>st</sup> March, 22, the PAN of such person shall become inoperative w.e.f. 1 <sup>st</sup> April, 22 till the same is linked and until such date it shall be deemed that the person has not quoted his PAN in any transaction, thus becoming liable for penalty u/s 272B.	
→	As per sec 234H, if assessee fails to link upto 31 <sup>st</sup> March, 22 he shall be liable to pay such fee, as may be prescribed, at the time of linking after 31 <sup>st</sup> March, 22. However, such fee shall not exceed ₹ 1,000.	