

Sec. 44AA: Compulsory maintenance of books of accounts:

PGBP

A	B	C
Specified profession	Business	Special Cases
G.R. > ₹ 250,000 1,50,000	Ind/HUF PGBP > ₹ 250,000 or T.O./G.R. > ₹ 25 lac	<ul style="list-style-type: none"> <li>Assessee declared lower income u/s 44AD and NTI &gt; Basic exemption.</li> </ul>
	Other than Ind/HUF PGBP > ₹ 120,000 or T.O./G.R. > ₹ 10 lac	<ul style="list-style-type: none"> <li>Assessee claiming lower income u/s 44AE, 44BB, 44BBB.</li> </ul>

TDS

Section	Nature of Payment	Payer	Payee	Rate
<del>192B</del> 194B	Winnings from lotteries, crossword puzzles etc.	Any Person	Any Person	30%
<del>192BB</del> 194BB	Winnings from horse races	Any Person	Any Person	30%

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TDS

Section	Nature of Payment	Payer	Payee	Rate
194D	Insurance Commission	Any Person	Any Resident Person	<del>10%</del> 5%

Additional Points

No TDS if commission is upto ₹15,000 in FY.

Salary

#	Note 12: Super annuation Fund
a.	Approved super annuation fund
	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Employee Contribution (Ignore)</p> </div> <div style="text-align: center;"> <p>Interest (Exempt)</p> <p>↓</p> <div style="border: 1px solid black; padding: 2px;">ASF</div> <p>↓</p> <p>Employer's Contribution (Exempt upto ₹ 1,50,000 p.a.) 7,50,000 As per sec. 17(2)(vii)</p> </div> </div> <p>lumpsum amount received on retirement Exempt u/s 10(13)</p>
b.	Unapproved super annuation fund - Treatment same as URPF.

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Example : AO is having information related to escape assessment of Mr. BB for AY 19-20. AO issued SCN u/s 148A to Mr. BB on 17/07/21 and allowed him to reply till 06/08/21. Mr. BB replied SCN on 30/07/21 then AO shall pass order u/s 148A upto 30/08/21. Suppose Mr. BB not replied, in this case AO shall pass order u/s 148A upto 30/09/21.

Chapter 25

RETURN FILING AND  
ASSESSMENT PROCEDURE

- (i) Time or extended time allowed to assessee to file response of SCN u/s ~~148~~ <sup>148A</sup>; and
- (ii) Time during which proceedings u/s 148A stayed by order of any court.
6. If AO is having less than 7 days to pass order u/s 148A then AO will get time of 7 days to pass order u/s 148A and time period to issue notice u/s 148 shall also be increased accordingly.

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		u/s 115BAR u/s 111A, 112, 112A etc)
MAT	» Company opting for sec <del>115AB</del> is not required to pay MAT.	
	» Since this sec applies to Newly setup Companies, there is no question of brought forward MAT credit.	

7.	Shares issued or allotted as part of consideration for acquisition of any asset or settlement of any liability	Amount received = <del>(A-B)/C</del> <sup>A/B</sup>
		A: a) FMV of Asset/Liability xxx
		b) Amount credited to Share Cap & Security premium xxx
		Whichever is Lower
		B: No of shares issued as part of consideration.

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#	197A: Declaration in Form 15G/15H
→	Where the total income of the Resident Assessee (other than company & firm) is below basic exemption limit during the year, no TDS shall be deducted u/s 192A, 193, 194A, 194D, <del>194DA</del> , 194-I, if Assessee furnishes a self-declaration to the deductee in Form 15G. <sup>194DA</sup>

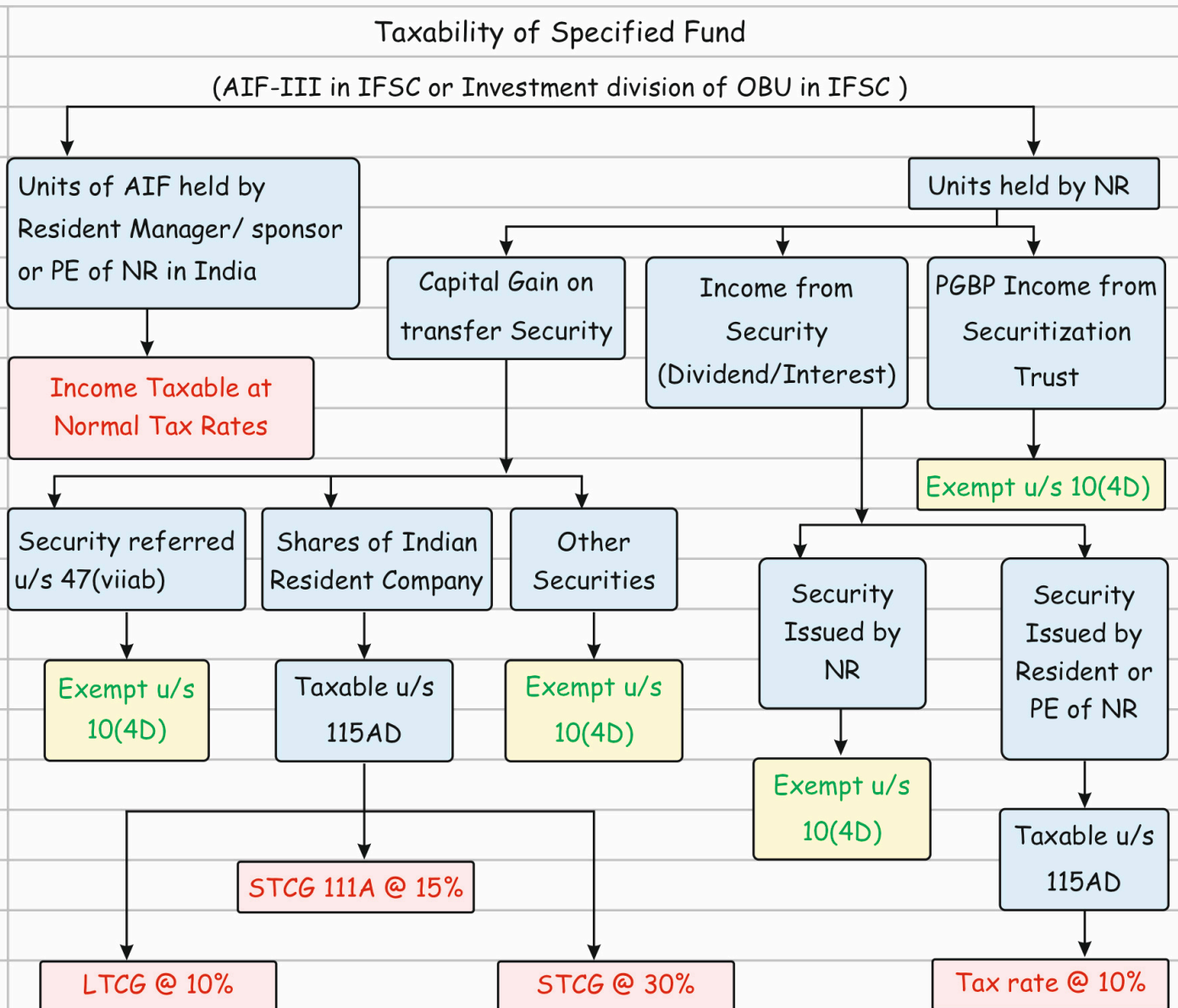
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Ramu	₹ 10 cr	₹ 14 cr	JJ Ltd.	₹ 40 lakh	₹ 90 lakh	No TDS
Shaymu	₹ 10.5 cr	₹ 8 cr	Kohli Ltd.	₹ 10 lakh	₹ 40.2 lakh	TDS: 0.1% of ₹ 20,000
Lalu	₹ 15 cr	₹ 9 cr	Bharat Ltd.	₹ 40 lakh	₹ 80 lakh	TDS: 0.1% of ₹ 70 lakh
KK Ltd.	₹ 17 cr	₹ 15 cr	LK Ltd.	₹ 1 cr	₹ 2 cr	TDS: 0.1% of ₹ 2 crore
BB Ltd.	₹ 17 cr	₹ 8 cr	DB Ltd.	₹ 1.7 cr	₹ 10 cr <sup>₹ 10 lakh</sup>	TDS: 0.1% of ₹ 10 lakh

3.	Income of any <b>approved</b> fund/Trust/institution for charitable or religious purpose university or educational institution or any hospital or other institution <b>approved by CIT (Exemption)</b> which exists solely for educational or medical purposes and not for profit, shall be exempt from tax subject to certain conditions.
<del>QNO 220</del>	<del>[10(23C)(iv)/(v)/(vi)/(vii) - this exemption is similar to section 11/12 exemption and conditions &amp; for exemption assessee should made application upto 30th Sep. of next Financial Year]</del>

This Chart from Section 10(4D)/115AD → NR Taxation

It this Chart Not included in your Book then please Copy down as it will help you to remember sections easily.



**Corporation Bank [2021] (Kar)**

The HC observed that the relationship between the assessee-bank and National Financial Switch (NFS) is not of an agency but that of two independent parties on principal to principal basis.

Therefore, the HC held that the provisions of section 194H are not attracted on payment made by Corporation Bank, which issued the credit card, for payment gateway services provided by NFS.

Note - National Financial Switch (NFS) is an ATM network which facilitates convenience banking. It links together the country's ATMs in a single network.

**National Co-operative Development Corporation (2020)(SC)**

The source of funds from which the expenditure is made is not relevant for the purpose of section 37. Every application of income towards the business objective of the assessee is a business expenditure. There can be an amount treated as a capital receipt while the same amount expended may be a revenue expenditure.

**M.M. Aqua Technologies Ltd. (2021)(SC)**

Can issue of debentures in lieu of interest accrued and payable to Bank be treated as "actual payment" as contemplated u/s 43B for allowability as deduction while computing business income?

The interest was "actually paid" by the assessee by issuance of debentures, which extinguished its liability to pay interest.

Expl. 3C to sec. 43B clarified that interest that remained unpaid and has been converted into a loan or borrowing shall not be deemed to have been actually paid.

Therefore, Explanation 3C, which was meant to plug a loophole, could not be invoked in this case, where debentures were issued in lieu of interest. The interest is, therefore, deductible.

**Sakthi Metal Depot [2021](SC)**

The depreciable asset forming a part of block of assets within the meaning section 2(11) would not cease to be a part of the block of assets so long as the assessee continued business. In this case, the building forming part of the block of assets would retain its character as such, even if one or two of the assets in the block were not used for the business purposes in the last couple of years. Consequently, the profits arising on sale of such asset would be short-term capital gains.

**YCD Industries v. National Faceless Assessment Centre [2021] (Del)**

Section 144B requires issuance of a notice-cum-draft assessment order and in case there is any variation prejudicial to the interest of the assessee, provide for an opportunity to the assessee to respond to such notice.

Notice cum draft assessment is mandatorily required to be issued in the manner specified u/s 144B to the assessee before issuing final assessment order, so that the assessee could have requested an opportunity of being heard in the matter. The reasoning of the Department that notices u/s 143(2) and 142(1) were issued prior to the passing of the assessment order could not be accepted in view of the schematic design of the statute. The Department cannot side-step statutory safeguards put in place by the Legislature.

**D. K. Shivakumar [2021] (Kar)**

Can prosecution be launched in every case where unaccounted transactions (like unaccounted loan) are unearthed during search, irrespective of whether there is a liability to pay tax, penalty or interest under the Act in respect thereof?

The gist of the offence under section 276C(1) is the wilful attempt to evade any tax, penalty or interest chargeable or imposable on income. What is made punishable is "attempt to evade tax, penalty or interest".

There is no presumption under law that every unaccounted transaction (unaccounted loan, in the present case) would lead to imposition of tax, penalty or interest. Therefore, until and unless it is determined that the unaccounted transactions unearthed during search were liable for payment of tax, penalty or interest, no prosecution could be launched on the ground of attempt to evade such tax, penalty or interest.

**Gujarat State Fertilizers and Chemicals Limited (2018)(Guj)**

Fertilizer subsidy given to an assessee to compensate the loss on sale of fertilisers should be treated as business income. Due to cash crunch, the GOI had discharged its dues of paying the subsidy by issue of fertilizer bonds. These bonds are saleable in the open market and the market price. In this case also, the assessee received fertilizer bonds (in lieu of subsidy) which were sold at a loss in the open market. Since the subsidy would have been treated as business income, loss on sale of fertilizer bonds issued is to be allowed as business loss.