**EXCISE (CEA, 1944)**

**duty Rates**

* BED – 12%
* SED – Nil (at present, 100% Exempt)
* EC – 2% (FA, 2004)
* SHEC – 1% (FA, 2007)

**The Central Excise Tariff Act, 1985**

* Ist Schedule – BED (on all excisable goods)
* IInd Schedule – SED (on selected excisable goods)

**PAYMENT OF EXCISE DUTY (Rule 8 of the CER, 2002)**

**Frequency of Payment and Due Dates**

|  |  |  |
| --- | --- | --- |
| **Assessee** | **Periodicity** | **Due Date** |
| Eligible SSI (whose AVC ≤ Rs.400 Lakhs in the preceding FY)  [i.e., Assessee eligible to avail Value Based Exemption – SSI Exemption] | Quarterly | * E-Payment – by 6th of thenext month * Manual Payment – by 5th of the next month |
| Any Other Assessee | Monthly | * Online Payment – by 6th of the next month * Offline Payment – by 5th of the next month |

Note: The duty on goodsremoved during the month of March, or quarter ending in March, as the case may be, shall be paid to the credit of CG by 31st March.

**Some important points:**

* First, utilize CCr as available upto the end of Month/Quarter [Rule 3(4) of CCR, 2004]. Balance payment through Personal Ledger Account (PLA).
* PLA is an a/c for payment of ED. This is also referred to as Account Current.
* In PLA, credit is taken by depositing money in authorized bank on GAR-7 Challan.
* The debit entry should be made in PLA for effecting payment of ED.
* Failure to pay duty by due date will attract interest liability @18% p.a. (From Due date to Actual date of payment). If payment is delayed beyond 30 days, then monthly/quarterly payment facility will stand forfeited *&* CCr utilization will also get banned.

Mandatory E-Payment – It is mandatory for High Value Assessees (whose total duty ≥ Rs.10 Lakhs in the preceding FY including the amount of duty paid by utilization of Cenvat Cr.) to pay the duty electronically.

Due date for filing of Returns (Rule 12 of the CER, 2002)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type of Return** | **Assessee** | **Form No.** | **Base** | **Due Date** |
| Normal Returns | Eligible SSI (i.e., Assessee eligible to SSI Exemption – E/N 33/2012) | ER-3 | Quarterly | by 10th of thenext month |
| Assessee availing Area Based Exemption (E/N 49/2003 *&* 50/2003) | A | Quarterly | by 20th of the next month |
| Assessee availing E/N 1/2001 (130 Notified Goods – ED @2%) | ER-8 | Quarterly | by 10th of thenext month |
| Others | ER-1 | Monthly | by 10th of thenext month |
| Other Returns | 100% EOU (Where goods are removed in DTA – Rule 17 of the CER, 2002) | ER-2 | Monthly | by 10th of thenext month |
| Annual Financial Information Statement (AFI) | Assess whose ED ≥ Rs.100 Lakhs in the FY (but notIndian Ordnance Factory) | ER-4 | Annually | by 30th Nov of the succeeding year |
| Annual Installed Capacity Statement (AIC) | Every Assessee (except who manufactures Biri, Matches *&* Re-enforced Cement Concrete Pipe) | ER-7 | Annually | by 30th Apr of the succeeding  year |

**Some important points:**

* ER-5 *&* ER-6 is Cenvat return relating to principal inputs – Rule 9A of the CCR, 2004.
* Failure to file excise return by due date will attract penalty in terms of Rule 27 of the CCR, 2002 (Maximum penalty – Rs.5,000).

Mandatory E-Filing – It is mandatory for every assessee (except assesses availing area based exemption) to file the return/statement electronically.

**Constitution of India**(Division of Power)

|  |  |  |
| --- | --- | --- |
| **List I – Union List (CG)** | **List II – State List (SG)** | **List III – Concurrent List (Both CG *&* SG)** |
| 1. ……………………  83. Customs duties  84. Excise duties  97. Any matter not falling elsewhere (known as Residuary entry) | 54. Sales tax |  |

**Entry No. 84** – Duties of excise on Tobacco and Other Goods produced or manufactured in India, except Alcoholic Liquor for Human Consumption, Opium *&* Narcotics but including Medicinal *&* Toilet Preparations containing Alcoholic Liquor, Opium or Narcotics.

**Excise Control Code (ECC)**

ECC is also known as “Registration No”. It is a 15 digit PAN based alpha-numeric no. (1st 10 digit “PAN” + Next 2 digit “Applicant Status – EM (Mfrer) or ED (Dealer) or EU (EOU)” + Bal 3 digits “No. of Premises – 001 or 002 or 003”).

**SERVICE TAX (FA, 1994 – CHAPTER V)**

**Extent and applicabilityof st (sec 64)**

This Chapter extends to the whole of India except the State of J*&*K (Note: – Location is exempt not the SP).

**Tax Rates**

* Basic ST – 12% (Sec 65)
* EC – 2% (FA, 2004)
* SHEC – 1% (FA, 2007)

**Registration and Return**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Person liable to pay ST** | | **Notified persons (those who are not liable to pay ST)** | |
| **Category** | Service Provider (Generally) | Service Receiver (When Sr. falling under Reverse Charge) | Service Provider (Whose Aggregate Value of Taxable Sr. in a FY > Rs. 9 Lakhs) | ISD (It only distributes the Credit) |
| **Registration** | Rule 4 of the STR, 1994 | | Rule 3 of the STR, 2005 | |
| Time limit | Within 30 days of the Commencement of Business or the Sr. becoming Taxable, whichever is later | Within 30 days from the date of Receipt of Sr. or the date of Payment of Sr., whichever is earlier | Within 30 days of exceeding the limit of Rs. 9 Lakhs | Within 30 days of the Commencement of Business |
| Form | ST-1 (for Application of Registration to jurisdictional SCE) and ST-2 (for Grant of Registration Certificate to Assessee) | | | |
| **Return** | Rule 7 of the STR, 1994 | | Rule 4 of the STR, 2005 | |
| Frequency | Half-yearly | | | |
| Due date | Within 25 days from the end of a half-year   * For Apr to Sep –by 25th Oct * For Oct to Mar – by 25th Apr | | | By end of the month following a particular half-year (i.e., 31st Oct *&* 30th Apr) |
| Form | ST-3 | | | No Form specified – However, Cenvat Return of the ISD u/r 9(10) of CCR, 2004 shall be acceptable as STR |

Note **-** Due date to file ST return for Oct to Mar has been extended to 10.09.2013 (due date – 25.04.2013).

Mandatory E-Filing – It is mandatory for every assessee to file the return electronically.

**PAYMENT OF SERVICE TAX (Rule 6 of the STR, 1994)**

**Frequency of Payment and Due Dates**

|  |  |  |  |
| --- | --- | --- | --- |
| **Service Provider** | **Point of Taxation** | **Periodicity** | **Due Date** |
| 1. Individual 2. Proprietorship Firm 3. Partnership Firm (including LLP) | Determined as per the POT Rules, 2011 | Quarterly | * E-Payment – by 6th of thenext month * Manual Payment – by 5th of thenext month |
| 1. Other assessees (i.e., Companies, Societies, Trusts etc.) | Determined as per the POT Rules, 2011 | Monthly | * Online Payment – by 6th of the next month * Offline Payment – by 5th of the next month |

Note: The ST on services deemed to be provided during the month of March, or quarter ending on March, as the case may be, shall be paid to the credit of CG by 31st March.

Mandatory E-Payment – It is mandatory for High Value Assessees (whose total ST ≥ Rs.10 Lakhs in the preceding FY including the amount of duty paid by utilization of Cenvat Cr.) to pay the ST electronically.

**Some important points:**

1. Form GAR-7 (previously known as TR-6 Challan) should be used to make ST payments. The ST can also be paid electronically using e-payment facility.
2. GAR-7 Challan is available in any stationery shop selling Government Forms. The format is also given on website (URL: [www.cbec.gov.in](http://www.cbec.gov.in)).
3. E-Payment can be made 24 hours a day using i-banking service. Payment made upto 8.00 pm will be accounted on the same day. However, payments affected after 8.00 pm will only be accounted in next day’s scroll by the focal point branch. So, to ensure timely payment, e-payment should be made latest by 8.00 pm on the due date.
4. On successful payment, i-banking user gets a Cyber Receipt for tax payment, which he can save or print for his record.
5. The respective focal point bank on the next working day will send the Challan copies duly receipted and stamped to the tax payer by courier at the mailing address provided.

**Payment on Receipt Basis (i.e., Option to pay on Cash Basis)**

|  |  |
| --- | --- |
| Eligible Category | Individuals, Proprietary Firms, Partnership Firms (including LLPs) |
| Condition to be fulfilled For Eligibility | Aggregate Value of Taxable Services in the previous FY ≤ Rs.50 Lakhs |
| Facility only upto Certain Limit | This facility is available upto a total of Rs.50 Lakhs in the current FY |

**Service Tax Code (STC)**

STC is also known as “Registration No”. It is a 15 digit PAN based alpha-numeric no. (1st 10 digit “PAN” + Next 2 digit “ST” + Bal 3 digits “No. of Premises – 001 or 002 or 003”).

Registration Certificate also provides the details of “Premises Code” which is given on the basis of “Commissionerate + Division + Range + Serial No.” It is issued for the easy identification of the location of registered premises.

**New Sr. Provider (who has just commenced the business) – Registration Requirement**

In case he doesn’t opt for E/N - 6/2005 (i.e., SSP Exemption exempting first Rs. 10 Lakhs)→ then he would be a person falling u/s 69(1) and thus, he shall be required to take registration within 30 days of the commencement of business.

In case he opts for E/N - 6/2005 and his Aggregate Value of Taxable Sr. > Rs. 9 Lakhs→ then he would be a person falling u/s 69(2) and thus, he shall be required to take registration within 30 days of crossing the limit of Rs. 9 Lakhs.

**LATE Filing of STR (Rule 7C of STR, 1994)**

Where the STR is furnished after the due date (i.e., Belated Return), the person shall pay Late Fee (as specified below):

|  |  |
| --- | --- |
| **Period of delay** | **Late fee payable** |
| 1. Upto 15 days | Rs. 500/- |
| 1. Beyond 15 days but not later than 30 days | Rs. 1,000/- |
| 1. Beyond 30 days | Rs. 1,000/- plus Rs. 100 for every day from 31st day till the date of furnishing the return  Provided that the total amount of late fee shall not exceed the amount specified in Sec 71 (i.e., Rs. 20,000/-) |

Provided also that where the gross amount of ST payable is nil, CEO may, on being satisfied that there is sufficient reason for not filing the return, reduce or waive the late fee.

**Penalty for failure to pay ST (sec 76)**

Any person liable to pay ST, who fails to pay such tax, shall pay, in addition to such tax and the interest,a penalty which shall be higher of the following two:

* Rs.100 for every day during which such failure continues or
* 1% of such tax per month.

Provided that the total amount of penalty shall not exceed ST payable.

**Central Sales Tax (CST ACT, 1956)**

**Summary of Provisions**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sec 3** | When a sale can be said to be an Inter-State Sale – CST is levied by the CG | | |
| **Sec 4** | When a sale can be said to be an Intra-State Sale (Local Sale) – VAT is levied by the SG | | |
| **Sec 5** | When a sale can be said to be an Export Sale – Not taxed in India | | |
| **Sec 6A** | Inter-State Stock Transfer – It is not a sale or deemed sale, hence no CST shall be levied thereon (Form F should support the Stock Transfer) | | |
| **Sec 8** | **Rates of CST** | | |
| **Category of Sales** | **Applicable Section** | **Applicable Rate** |
| Sale against Form C (to Registered Dealer) | Sec 8(1) | Lower of 2% or Local VAT Rate |
| Other Sales [i.e., not covered by Sec 8(1)] | Sec 8(2) | Local VAT Rate (LST) |
| **Sec 9** | Levy *&* Collection of CST   * CST is leviable by the CG, * However, it is collected *&* retained by the SG from where the movement of goods commenced (i.e., Selling State). | | |

**VAT (D-VAT ACT 2004)**

**tax Rates**

Basic Rates Category

* 5% (on Largest no. of Goods comprising Basic Necessities such as Medicines)
* 12.5% (for Remaining commodities)

Special Rate Category

* 1% (for Precious Stones, Bullion, Gold *&* Silver ornaments etc.)

Tax-Exempt Category

This category consists of about 50 commodities and it comprises of:

* Natural *&* Unprocessed products in Unorganized Sector,
* Items which are legally barred from taxation (e.g., Newspaper), *&*
* Items which have social implications.

**registration (Sec 14)**

Every person who is liable to pay VAT shall get himself registered.

|  |  |
| --- | --- |
| Application To | Commissioner |
| Time Limit | Within 30 days of his becoming liable to pay VAT |
| Registration Fee | As prescribed in Rules |

**taxpayer’s identification Number (TIN)**

TIN is also known as “Registration No”. It consists of 11 digit numerals throughout the country (1st 2 characters represent “State Code” as used by the Union Ministry. The set-up of next 9 characters will however be different in different States).

**Due Dates for Payment of Tax**

|  |  |  |
| --- | --- | --- |
| **Tax Period** | **Periodicity** | **Due Date** |
| Quarterly | Quarterly | by 28th of the Month immediately following a Qtr i.e., 28th July, 28th Oct, 28thJan *&* 28th Apr |
| Monthly | Monthly | by 28th of the Next Month |

## First Tax Period- New Registration

### A dealer who has been registered for the first time under the D-VAT Act, his first tax period

### shall commence from the date of his liability; and

1. shall be a **quarter,** and continue to be a quarter till end of the year in which registration is granted.

Tax Periods- Subsequent Years

Tax period of a dealer for any year is based upon his turnover of the preceding FY.

|  |  |  |
| --- | --- | --- |
| **Turnover in the precedingFY** | **Mandatory TaxPeriod**  **[Rule 26(1)]** | **Optional Tax Period**  **[Rule 26(3)]** |
| Turnover ≤ Rs.5 Crores | Quarterly | Monthly |
| Turnover > Rs.5 Crores | Monthly | No Option |

**Some important points:**

1. Where the turnover of a dealer during the current year increases or decreases beyond the turnover limits specified above, he shall be liable to change his tax period from 1st April of the following year and shall file an intimation in the form DVAT-55 upto 15th April of that year.
2. Dealers can elect an optional tax period by filing an intimation in Form DVAT-55 upto 15th April of that year.
3. The option once exercised shall remain valid through out that year and could be changed only from 1stApril of the following year.

**Vat return [D-VAT Act, 2004 (Sec 26) + D-VAT Rules, 2005 (Rule 28)]**

Every person who is registered under VAT shall furnish VAT Return for each tax period.

|  |  |
| --- | --- |
| Frequency | File for each tax period |
| Time Limit | Varying depending upon what tax period is applicable on dealer |
| Form | * DVAT-16 (for Normal dealer) * DVAT-17 (for Dealers operating under Composition Scheme) |
| Accompanying Docs | Challan in DVAT-20 + Other Specified Documents |

Due date for filing of Returns

|  |  |  |  |
| --- | --- | --- | --- |
| **Type of Return** | **Form No.** | **Due Date** | **Documents to be enclosed** |
| First Returns | DVAT-16  or  DVAT-17 | Within 7 days of grant of RC (Returns for the periods, the due dates of which have already expired on the date of grant of RC) | Challan in DVAT-20; Documents as specified in the Return |
| Periodic Returns | DVAT-16  or  DVAT-17 | * Monthly – Within 28 days * Quarterly – Within 28 days | Challan in DVAT-20; Documents as specified in the Return |
| Revised Returns | DVAT-16  or  DVAT-17 | Within one month of discovery of mistake requiring further payment of tax | Challan in DVAT- 20; Reasons for revising Return; Documents as specified in the Return |
| TDS Annual Return | DVAT-48 | By 28th April of the next year | Proof of payment of tax; Copies of TDS Certificates. |

**White Paper (Extract) – Threshold Limit**

* In order to provide relief to small dealers, they have been exempted from payment of VAT. Small dealers with annual turnover not exceeding Rs.10 Lakhs will not be liable to pay VAT.
* State shall have the flexibility to fix this threshold limit within Rs.10 Lakhs (D-VAT Act 2004 has specified Rs.10 Lakhs as the threshold limit).

**INCOME TAX (IT Act, 1961)**

**TDS Rates at a Glance**

|  |  |  |  |
| --- | --- | --- | --- |
| **Section** | **Nature of Payment** | **Cut Off Amount** | **Rate** |
| 192 | Salaries | Income> Taxable limit | Average Rate of tax on estimated income |
| 193 | Interest on Securities   * Debentures * Others | Rs.5,000  - | 10%  10% |
| 194 | Dividend | - | 10% |
| 194A | Interest other than Int. on Securities   * Paid by Bank * Paid by Others | Rs.10,000  Rs.5,000 | 10%  10% |
| 194B | Winnings from Lottery or Cross Word Puzzle | Rs.10,000 | 30% |
| 194BB | Winnings from Horse Race | Rs.5,000 | 30% |
| 194C | Contracts (including Sub-contracts) | Rs.30,000 per contract  /Rs.75,000 p.a. | Individual/HUF – 1%  Others – 2% |
| 194D | Insurance Commission | Rs.20,000 | 10% |
| 194EE | Payments out of deposits under NSS | Rs.2,500 | 20% |
| 194F | Repurchase of units by MF/UTI | Rs.1,000 | 20% |
| 194G | Commission on sale of Lottery Tickets | Rs.1,000 | 10% |
| 194H | Commission or Brokerage | Rs.5,000 | 10% |
| 194I | Rent   * for the use of Machinery or Plant or Equipment * for the use of Land or Building or Furniture or Fittings | Rs.1,80,000  Rs.1,80,000 | 2%  10% |
| 194IA | Transfer of Immovable property other than Agriculture land | Rs.50,00,000 | 1% |
| 194J | Fee for Professional or Technical Services or Royalty or Non-compete fees | Rs.30,000 separately for each category | 10% |
| 194J(1)(ba) | Any Remuneration or Commission paid to Director of the Company (Other than Salary) | - | 10% |
| 194LA | Compensation on Compulsory Acquisition of Immovable property | Rs.2,00,000 | 10% |

**Some important points:**

1. Tax is deducted:

* At the time of credit or payment, whichever is earlier (u/s 193, 194A, 194C, 194D, 194H, 194G, 194I*&*194J)
* Before making payment or distribution (u/s 194)
* At the time of payment (u/s 192, 194B, 194BB, 194EE, 194F*&* 194LA).

1. Sec 192(1A) – The employer may deposit from his own pocket the tax on the non-monetary perquisites to employees. Such tax is an exempt income u/s 10(10CC) in the hands of employee and is a disallowable expenditure u/s 40(a)(v) to the employer.
2. Nil rate will be applicable on payment made to transporter of goods if he provides his PAN to the deductor. The entries of Nil deduction shall also be shown in Form 26Q (i.e., TDS Return).
3. An Individual/HUF whose Total Sales, Gross Receipts or Turnover from Business or Professioncarried on by him does not exceeds the monetary limits (i.e., Rs.100 Lakhs or 25 Lakhs) u/s 44AB duringthe immediately preceding FY shall not be liable to deduct tax u/s 194A, 194C, 194H, 194I *&* 194J.

**Tax deduction at higher Rate on failure to furnish pan (Section 206AA)**

Where the payee has not furnished the PAN, his tax shall be deducted at the higher of the following rates, namely:

1. at the rate specified in the relevant provisions of the Chapter of TDS, or
2. at the rate or rates in force, or
3. at the rate of 20%.

**TCS Rates at a Glance (Section 206C)**

|  |  |  |
| --- | --- | --- |
| **S. No.** | **Nature of Goods** | **Rates** |
| 1 | Alcoholic Liquor for Human Consumption | 1% |
| 2 | Tendu Leaves | 5% |
| 3 | Timber obtained under forest lease or by any mode other than a forest lease | 2.5% |
| 4 | Any Other Forest Produce not being Timber orTendu Leaves | 2.5% |
| 5 | Scrap | 1% |
| 6 | Parking Lot or Toll Plaza or Mining *&* Quarrying | 2% |
| 7 | Minerals, being Coal or Lignite or Iron Ore | 1% |
| 8 | Bullion or Jewellery (if the saleconsideration is paid in Cash exceeding Rs.5 Lakhs in case of Jewellery and Rs.2Lakhs incase of Bullion) | 1% |

**Some important points:**

1. The buyer shall get the credit of tax collected by the seller.
2. Tax is collected at the time of debit or receipt, whichever is earlier.
3. No tax shall be collected where:

* buyer is a Public Sector Company,
* buyer is CG or SG,
* buyer is a Club,
* buyer is a Embassy, High Commission, Consulate or Trade Representative of a Foreign State,
* buyer buys the above goods for his personal consumption or use.

**applicability of surcharge ANDEC on the prescribed rates of Tds/TCS**

**in case of resident assessee:**

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No.** | **Payee** | **Surcharge** | **EC** |
| 1 | Domestic Companies | - | - |
| 2 | Any Other Assessee   * Payment (for Salary) ≤ Rs.1 Crore * Payment (for Salary) > Rs.1 Crore * Payment (Other than Salary) | -  10%  - | 3%  3%  - |

**in case of non-resident assessee:**

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No.** | **Payee** | **Surcharge** | **EC** |
| 1 | Foreign Companies   * Payment ≤ Rs.1 Crore * Payment > Rs.1 Crore but ≤ Rs.10 Crores * Payment > Rs.10 Crores | -  2%  5% | 3%  3%  3% |
| 2 | Any Other Assessee   * Payment ≤ Rs.1 Crore * Payment > Rs.1 Crore | -  10% | 3%  3% |

**Due Datetodeposit tds/tcs**

|  |  |  |
| --- | --- | --- |
| **Deductor** | **Different situation** | **Due date** |
| Government | Taxdeposited without Challan | Same day |
| Taxdeposited with Challan | By 7th of the next month |
| Others | Where the income or amount is credited or paid in the month of March | TDS – by 30th April  TCS – by 7th April |
| In any other case | By 7th of the next month |

**Due date for funishing quarterly returns of tds/tcs**

|  |  |  |
| --- | --- | --- |
| **Quarter ending** | **Due date for Government deductor** | **Due date for Other deductors** |
| 30th Jun | 31st July | 15th July |
| 30th Sep | 31st Oct | 15th Oct |
| 31st Dec | 31st Jan | 15th Jan |
| 31st Mar | 15th May of the FY immediately following the FY in which deduction is made | 15th May of the FY immediately following the FY in which deduction is made |

**Some important points:**

* Form 24Q – for Salaries
* Form 26Q – for Contractors *&* Others
* Form 27Q – for Non-residents
* Form 27EQ - for TCS

**Due date for issuance of tds/tcs certificate**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **TDS on Salary** | **TDS on Other than Salaries** |
| Form | Form 16 | Form 16A |
| Periodicity | Annually | Quarterly |
| Due date | 31st May of the FY immediately following the relevant FY | Within 15 days from the due date of furnishing the TDS/TCSReturn   * Govt. – 15th Aug, 15th Nov, 15th Feb, *&* 30th May * Others – 30th July, 30th Oct, 30th Jan, *&* 30th May |

**Issuance Of TDS certificate - Form 16 and Form 16A**

|  |  |  |
| --- | --- | --- |
| **Nature** | **FY 2011-12** | **FY 2012-13 *&* Onwards** |
| Download Form 16A from TDSCPC (TRACES) website | Mandatory for Companies *&*Banks. Optional for others | Mandatory for alltype of deductors |
| Digitally Sign Form16A | Optional but only if downloadedfrom TDSCPC (TRACES) website | Optional but only if downloaded from TDSCPC (TRACES) website |
| Issuance of TDS Certificate – Form 16A | All deductors (except Companies *&* Banks) can manually issue TDS Certificate | No deductor can manually issue TDS certificate |
| Issuance of TDS Certificate – Form 16 | All deductors can manually issueTDS Certificate | Form 16(Part A) is mandatory to be downloaded from TDSCPC website.  Part B to be issued manually |

**Interest on late deduction and delayed deposit of TDS (Section 201)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Default** | **Period From** | **Period To** | **Rate** |
| Failure to deduct tax | Date when TDS was deductible | Date of actual deduction | 1% p.m. (or part thereof) |
| Failure to deposit tax on time after deduction | Date of deduction | Actual date of payment | 1.5% p.m. (or part thereof) |

**Fees and Penalties**

|  |  |  |
| --- | --- | --- |
| **Section** | **Default** | **Fee/Penalty** |
| 234E | Fee for late filing of TDS/TCS return | Rs 200 per day (restricted to amount of TDS) |
| 271H | Penalty for Late filing of TDS/TCS return beyond 1Year | Rs.10,000 to Rs.1 Lakh |
| 271H | Penalty for furnishing incorrect information in TDS/TCSReturn | Rs.10,000 to Rs.1 Lakh |

**rates of incomes tax (or Tax slabs)**

**Individual/HUF/AOP/BOI/Artificial Juridical Person**

|  |  |  |
| --- | --- | --- |
| **Level of Total Income** | **Rate** | However, Maximum Amount Not Chargeable to Tax   * For Resident Individuals ≥ 60 yrs but < 80 yrs (i.e., Senior Citizens) → Rs.2,50,000 * For Resident Individuals ≥ 80 yrs (i.e., Very Senior Citizens) → Rs.5,00,000 |
| ≤ Rs.2,00,000 | Nil |
| > Rs.2,00,000 but ≤ Rs.5,00,000 | 10% |
| > Rs.5,00,000 but ≤ Rs.10,00,000 | 20% |
| > Rs.10,00,000 | 30% |

|  |  |  |  |
| --- | --- | --- | --- |
| **Co-Operative Society** | | **Domestic Company or Firm or LLP or Local Authority** | **Foreign Company** |
| **Level of Total Income** | **Rate** | **Rate** – 30% on whole of the Total Income | **Rate** – 40% on whole of the Total Income (Generally) |
| ≤ Rs.10,000 | 10% |
| > Rs.10,000 but ≤ Rs.20,000 | 20% |
| > Rs.20,000 | 30% |

**Income Tax ReBate**

|  |  |  |
| --- | --- | --- |
| **Section** | **Nature** | **Maximum Allowable Relief** |
| 87 | Individuals having Total Income upto Rs.5,00,000 | Rs.2,000 or 100% of Income Tax Payable, whichever is lower |

**Applicability of Surcharge and Education Cess**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Applicability** | **Level of Total Income** | **Foreign Company** | **Domestic Company** | **Any Other Assessee** |
| Education Cess | Any Amount | 3% | 3% | 3% |
| Surcharge | ≤ Rs.1 Crore | - | - | - |
| > Rs.1 Crore but ≤ Rs.10 Crores | 2% | 5% | 10% |
| > Rs. 10 Crores | 5% | 10% | 10% |

**Tax audit (Section 44AB)**

|  |  |  |
| --- | --- | --- |
| **Activity** | **Particulars** | **Threshold limit** |
| Carrying on Business | If Total Sales, Turnover or Gross Receipts in the PY | > Rs. 1 Crore |
| Carrying on Profession | If Gross Receipts in the PY | > Rs. 25 Lakhs |

**Due date for filing ROI [Section 139(1)]**

|  |  |
| --- | --- |
| **Assessee** | **Due date** |
| Companies required to furnish report of transfer pricing u/s 92E | 30th Nov of the AY |
| Companies other than above | 30th Sep of the AY |
| Persons Other than Companies   * where a/cs of the assessee are required to be audited under any law * where assessee is a working partner in a firm whose a/cs are required to be audited under any law * any other case | 30th Sep of the AY  30th Sep of the AY  31st July of the AY |

**Rates of Depreciation (section 32)**

|  |  |
| --- | --- |
| **Asset** | **Rate** |
| **Tangible Assets (Part A)** |  |
| Buildings |  |
| * Residential (other than Hotels *&* Boarding Houses) | 5% |
| * General (Office, Factory or Godown) | 10% |
| * Temporary Erections (such as Wooden Structures) | 100% |
| Furniture*&* Fixtures (including Electrical Fittings) | 10% |
| Plant *&* Machinery (General) | 15% |
| Motor cars other than those used in a business of running them on hire | 15% |
| Motor buses, motor lorries, motor vans, and motor taxis used in a business of running them on hire | 30% |
| Books owned by assessee carrying on a profession - |  |
| * books, being annual publications | 100% |
| * books, other than those covered by entry (a) above | 60% |
| Books owned by assessee carrying on business of running lending libraries | 100% |
| Ships | 20% |
| Aeroplanes | 40% |
| Air Pollution Control Equipments, Water Pollution Control Equipments | 100% |
| Computer including Computer Softwares | 60% |
| **Intangible Assets (Part B)** |  |
| Know-how, Patents, Copyrights, Trade Marks, Licences, Franchises or any Other business or commercial Rights of similar nature | 25% |

**Some important points:**

* Depreciation is restricted to 50% of depreciation allowable on asset, if asset is put to use for less than 180 days in the year of acquisition.
* The restriction applies only in the year of acquisition.

**Allowances**

**House Rent Allowance (HRA) [Section 10(13A)]**– HRA granted to an employee is exempt to the extent of least of the following:

* HRA actually received
* Excess of Rent paid over 10% of Salary for the relevant period
* 40% of Salary for the relevant period (50% of Salary in case of Metro Cities i.e., Delhi, Kolkata, Mumbai *&* Chennai).

**Some important points:**

1. Exemption is not available where assessee lives in his own house, or in a house for which he has not incurred the expenditure (i.e., rent).
2. Salary for this purpose means Basic Salary, Dearness Allowance, if provided in terms of employment and Commission as a fixed %age of turnover.
3. Relevant period means the period during which the said accommodation was occupied by the assessee during the PY.

**special Allowance [Section 10(14)]**

|  |  |  |
| --- | --- | --- |
| **S.No.** | **Nature** | **Taxability** |
| 1 | Children Education Allowance | Rs.100 p.m. per child upto maximum of two children is exempt if expenses are incurred in India |
| 2 | Hostel Expenditure Allowance | Rs.300 p.m. per child upto maximum of two children is exempt if expenses are incurred in India |
| 3 | Transport Allowance | To meet expenses incurred for commuting between place of residence to place of duty is exempted upto Rs.800 p.m. (Rs.1,600 p.m. in case employee is Blind or Orthopedically handicapped) |
| 4 | Conveyance Allowance | To meet the expenditure on conveyance in performance of duties of an official nature is exempt to the extent used for said purpose |
| 5 | Fixed Medical Allowance | Taxable (Please refer Valuation of Medical Reimbursement Facilities to a Salaried Person – Maximum Rs.15,000/-p.a. in non approved/non Govt. hospital is exempt) |