

**SUMMONS U/S131** : The assessing officer have the same powers as are vested in a court under the Code of Civil Procedure, 1908 will serve this notice for the following purpose:

- a) Discovery and inspection
- b) Enforcing the attendance of any person, including any officer of a banking company and examining him on Oath.
- c) Compelling the production of books of account and other documents and
- d) Issuing commissions.

**And as per 131 (3)** the assessing officer may impound and retain any books of account or other document without recording his reason for so doing, or retain in his custody any such books or documents for a period exceeding fifteen days without obtaining any approval from the Chief commissioner of Income-tax/Director General of Income-tax.

Permanent Account No. as per section 139A

Filing of return of Income voluntarily (due date of filing of return ) 139(1)

**Loss return U/s 139(3)** – to carry over the benefit of loss for the future year

**Belated return u/s 139(4):** Any assessee who can file return of Income after the due date as per section 139(1) within one year from the end of the relevant Assessment year.

**Revised return u/s 139(5):** Any assessee who can revise the return filed u/s 139(1) before completion of the assessment or within one year from the end of the relevant assessment year.

**Defective return u/s 139(9):** When the assessing officer found the return filed by the assessee is defective for example the return filed without the signature in the verification form etc he may treat the return filed as a defective one.

**Notice U/s142(1):**

Notice u/s 142 (1) shall be issued under the following circumstances:

- a) Where an assessee has not made a return within the time allowed under section 139(1) or before the end of the relevant assessment year.
- b) To produce or cause to be produced such accounts or documents as the assessing officer may require , or to furnish in writing and verified in the prescribed manner information in such form and on such points or matter including a statement of all assets and liabilities of the assessee. The Assessing officer shall require the production of any account relating to a period not more than three years prior to the previous year.

### **Notice u/s 143(2)**

Where a return has been furnished under section 139 or in response to notice u/s 142(1), the assessing officer shall issue this notice to the assessee requiring him, on a date to be specified therein, either to attend his office or to produce or cause to be produced any evidence on which the assessee may rely in support of the return in the following circumstances:

- a) When the return filed by the assessee was selected for scrutiny under CASS (Computer Aid Selection of Scrutiny)
- b) Any claim of loss, exemption deduction, allowance or relief made in the return is inadmissible.

### **Time Limit: No notice shall be served on the assessee after the expiry of six months from the end of the financial year in which the return is furnished.**

*If the assessee fails to comply with the above said notices u/s 143(2) and 142(1), penalty under section 271 (1)(b) shall be levied upto Rs.10,000/- for each default and if the penalty amount leviable is in excess of Rs.20,000/- then the same should be levied with the prior approval of the Range Head. Before levying the penalty an opportunity is to be given by way of serving the notice u/s 271 read with section 274.*

### **Best Judgment Assessment: u/s 144A**

If any person fails to make the return required u/s 139(1) and has not made a return or a revised return under subsection (4) or (5), fails to comply with all the terms of a notice issued under section 142(1), having made a return, fails to comply with all the terms of notice issued u/s 143(2) the assessing officer, after taking into account all relevant materials which he gathered shall arrive at the total income or loss to the best of his judgment and determine the sum payable by the assessee is called best judgment assessment u/s 144A.

### **Re-opening of assessment u/s 147:**

If the Assessing officer has **reason to believe** that any income chargeable to tax has escaped assessment for any assessment year, such income and also any other income chargeable to tax which has escaped assessment and which comes to the notice subsequently in the course of the proceeding under this section, or recomputed the loss or the depreciation allowable or any other allowance as the case may be for the assessment year concerned. He shall re-open the assessment u/s 147. **Before reopening the assessing officer should record the reason for re-opening**. Before making the assessment or re-assessment, the Assessing officer shall serve a Notice u/s 148 to the assessee requiring him to furnish within such period as may be specified in the notice, a return of his income which is assessable under this Act.

**Time limit for re-opening the assessment:** To issue notice u/s 148 the time limit is 4 years from the end of the relevant A.Y. wherein the escapement of Income is less than one lakhs, and 6 years from the end of the relevant A.Y. where in the escapement of income is more than one lakhs.

**Time limit for completion of assessment:** Two years from the end of the Financial year in which the notice u/s 148 was served.

**Notice u/s 154:**

With a view to rectifying any mistake apparent from records, the assessing officer may amend any order passed by it under the provisions of this act, amend any intimation or deemed intimation under section 143(1). Before making such amendment the assessing officer shall give an opportunity by way of issuing a notice u/s 154 where in the mistake to be amended is to be mentioned. After giving sufficient opportunity, the AO shall pass the rectification order u/s 154. Similarly the assessee can also file a petition u/s 154 seeking for rectification the mistake which is apparent from record. After being heard, the AO may consider the claim and pass necessary amendments (rectification) if required.

**Time limit for issuing notice u/s 154:** Four years from the end of the A.Y. and completion of the rectification order Two years from the end of the F.Y. in which notice u/s 154 was issued. For the assessee's petition filed before A.O. the assessing office should dispose the same within six months from the end of the month the petition was filed before the A.O.

**Notice of Demand u/s 156:** The notice contains the details any tax, interest, penalty, fine or any other sum is payable in consequence of any order passed under this Act. The assessing officer shall serve upon the assessee a notice of demand in the prescribed form specifying the sum so payable. Where any sum is determined to be payable by the assessee under the order 143(1), the intimation under this section shall be deemed to be a notice of demand for the purpose of this section.

**Notice u/s 221(1):**

When an assessee is in default or is deemed to be in default in making a payment of tax, he shall in addition to the amount of arrears and the amount of interest payable under 220(2) be liable by way of penalty, to pay such amount as the assessing officer may levy the penalty u/s 221 and the total amount of penalty shall not exceed the amount of tax in arrears. Before levying the penalty u/s 221, the assessing officer should give an opportunity, by way of issuing the notice u/s 221(1) by stating the demand payable by the assessee in detail.

**Notice u/s 271 r.w.s.274:**

When the assessing officer to impose the penalty towards non compliance of notice u/s 142(1), the assessee has concealed the particulars of his income, furnished in accurate particulars etc , before passing any penalty order u/s 271, the notice u/s 271 r.w.s.274 should be served upon the assessee by giving an opportunity to the assessee. It is a penalty show cause notice.

**Interest u/s 234A:**

Where the return is furnished after the due date as per section 139(1), Where no return has been furnished, ending on the date of completion of the assessment under section 144 the interest u/s 234A is chargeable for the belated remittance. Rate of Interest is 1% per month. Whole month and part of the month is also considered for the belated period. Interest shall be chargeable for total tax determined less prepaid tax.

**Interest u/s 234B: for short payment or non payment of advance tax**

When an assessee who is liable to pay advance tax as per section 210, where the advance tax paid is less than 90% of the same, the assessee is liable to pay interest u/s 234B from the 1<sup>st</sup> date of the relevant assessment year to the date of payment of regular tax payments/self assessment tax payments. Interest is @ 1% per month. Interest shall be chargeable for total tax determined less pre paid tax.

**Interest u/s 234C : interest for deferment of advance tax:**

When an assessee who is liable to pay advance tax and should pay the same as per the instalment prescribed fail to remit the advance tax as per the instalment , the assessee is liable to pay Interest u/s 234C for deferment of advance tax. Interest is @ 1% per month.

**Interest u/s 234D: Interest on excess refund:**

Any refund is granted to the assessee under section 143(1) and there is no refund is due on regular assessment or the amount refunded under 143(1) exceeds the amount fundable on regular assessment, the assessee shall be liable to pay simple interest at the rate of 0.5% on the whole or the excess amount so refunded for every month or part of a month comprised in the period from the date of grant of refund to the date of such regular assessment.

**Interest u/s 220(2) when tax payable and when assessee deemed in default.**

If the amount specified in any notice of demand under section 156 is not paid within the period limited, the assessee shall be liable to pay simple interest at one percent for every month or part of a month completed in the period commencing from the day immediately following the end of the period mentioned and ending with the day on which the amount is paid.

**Interest u/s 244A (granted by the department for excess payment of tax)**

Where refund of any amount become due to the assessee under this act, be entitled to receive in addition to the said amount, simple interest at the rate of 0.5 % Per month from the first day of the assessment year till the date on which the refund is granted. If the assessee has filed return of income belatedly, the interest will not be given for belated period. More over if the refund quantified is less than 10% of tax payable than the assessee is not entitled for the interest u/s 244A.

**Workshop on Interest:**

Mr.Rahul filed his return of Income for the A.Y.2013-14 on 31.10.2013. The tax liability is comes to Rs.2,50,000/- He has TDS credit of Rs.1,50,000/-. He remitted advance tax on 15.03.2013 Rs.1,50,000/-. The order u/s 143(1) passed on 31.12.2013 and refund issued on the same date. Later regular assessment u/s 143(3) completed on 31.05.2014 and which resulted in refund of Rs.25,000/-. Calculate the tax payable as per the order u/s 143(3) dated 31.05.2014.