

UNION BUDGET 2015-16

Budget that is so out of an Aam Aadmi's Budget!!!



**R SOGANI & ASSOCIATES
CHARTERED ACCOUNTANTS**



Union Budget 2015-16



Dear Clients,

The **second Budget of Modi Sarkar**, which was the first full budget, was passed by Lok Sabha on **30th April, 2015**. For presenting the first budget, Modi Sarkar did not have enough time to propose major changes. However, even in the second budget, where time was not a constraint, nothing pragmatic is proposed.

On the other hand, some very stringent measures are proposed through separate legislations.

Before we proceed to acquaint you with the important changes made in this budget, we wish to explain you some other developments in the law which may be equally, if not more, important for you.

IMPORTANT DEVELOPMENTS

— The Undisclosed Foreign Income and Assets (Imposition of Tax) Bill, 2015

- ❖ This bill, which is presently being discussed in Parliament, is very stringent, proposing huge penalty and imprisonment for violation. All residents having foreign assets/income which were hitherto undisclosed need to be careful in disclosing the same through the initial window proposed to be provided in the Bill. This Bill has been recently passed by the Lok Sabha on 11th May, 2015. **Clients may contact us personally for understanding the finer aspects of the proposed law.**



— Prevention of Corruption (Amendment) Bill, 2013



- ❖ The government is proposing to amend Prevention of Corruption Act, 1988. For this, the Union Cabinet recently has approved Prevention of Corruption (Amendment) Bill, 2013 to be placed before the Parliament. One important feature of the proposed amendment is that the law will now hold commercial organizations responsible in case persons associated with them bribe public servants.
- ❖ Presently, under the existing law, the commercial organizations usually get rid of corruption cases by passing them off as an individual's act of corruption without involving the organization.
- ❖ However, if the amendments are passed by Parliament, the only available defense for commercial organizations would be to ensure there were "adequate procedures" in place to prevent such a conduct. This will cast a greater onus on the commercial organizations to put in place a robust anti-corruption system and undertake appropriate due diligence to ensure that employees, agents, and any other person engaged in provision of services for or on behalf of the commercial organization do not bribe the public servants.

You may contact us for framing appropriate Anti Bribery Corporate Policy in this regard for adoption in the meeting of Board of Directors and steps for its implementation to safeguard your business entity from corruption laws.



Income Computation and Disclosure Standards:

- ❖ Under the existing law, the accounting policies consistently adopted and followed by assesseees were acceptable to the Income Tax Department for the purpose of computing taxable income.
- ❖ Now, by way of notification no. 32/2015 dated 31/03/2015, the Central Board of Direct Taxes has notified following Income Computation and Disclosure Standards (ICDSs):

a) ICDS I: Accounting Policies

- b) ICDS II: Valuation of Inventories
- c) ICDS III: Construction Contracts
- d) ICDS IV: Revenue Recognition
- e) ICDS V: Tangible Fixed Assets
- f) ICDS VI: The effects of changes in foreign exchange rates
- g) ICDS VII: Government Grants
- h) ICDS VIII: Securities
- i) ICDS IX: Borrowing Costs
- j) ICDS X: Provisions, Contingent liabilities and Contingent assets

- ❖ The assessments will be framed in accordance with the above ICDSs. If the accounting policies adopted by the assessee are contrary to the above ICDSs, the same will be disregarded and income will be computed in accordance with the above ICDSs. **The above standards are applicable for F.Y 2015-16 and therefore advance tax payable for A.Y. 2016-17 during F.Y 2015-16 will have to be paid by computing income on the basis of above standards.**
- ❖ To illustrate the impact of the above standards, the real estate sector which could adopt completed contract method or percentage completion method earlier is now bound to adopt percentage completion method only.
- ❖ Assessee are not required to maintain their Books of Accounts in accordance with the ICDSs. They may continue to prepare their Books of Accounts in accordance with the other applicable Accounting Standards (AS).
- ❖ **Clients may approach us for discussing their individual issues.**

Provide Permanent Account Number (PAN) for Sale/Purchase exceeding Rs. 1 lakh:

- ❖ During the course of budget speech, Finance minister Mr. Arun Jaitely had proposed to bring about a law to make quoting of Permanent Account Number (PAN) mandatory for sale/purchase transactions of Rs. 1 lakh & above.
- ❖ Under the existing law, such powers are already available to the Central Board of Direct Taxes (CBDT) u/s 139A and Rule 114 B.
- ❖ The Board will notify classes of transactions & monetary limits where quoting of Permanent Account Number (PAN) would be mandatory. As yet, no such notification has been issued.



Prosecutions:

The Income Tax Department is using the Authority of prosecuting the defaulting assesseees in a big way. Prosecutions are being launched by the Department in cases where the authority of prosecution was not utilized previously. We suggest strict compliance of law to avoid any possibility of prosecutions.

Now we come to the major changes made in the budget ...

1. Tax Rates

- ❖ The rates of Basic Tax, Education Cess and Higher Secondary Education Cess as well as the Basic Exemption Limits and the income slabs, have been kept unaltered for all assessees. The Finance Minister has **increased the Surcharge by 2% in case of all rich assesses (assesses whose income is above a certain threshold limit- Refer Annexure I for details)**. Thus, there would be an increase in effective rate of tax in case of all those assesses whose income exceed a certain threshold limit. The tax rates for Financial Year 2015-16 (Assessment Year 2016-17) in comparison to Financial Year 2014-15(Assessment Year 2015-16) are as per **Annexure I.**

2. Measures to curb circulation of black money in Real Estate transactions:

- ❖ Under the existing law, no person can accept loan in cash where the amount involved is Rs. 20,000 or more. Similarly, under the existing law, no person can repay a loan in cash where the amount involved is Rs. 20,000 or more.
- ❖ The existing sections 269 SS & 269 T have been amended. Now, the law provides that no person can accept any money in cash, whether as advance or otherwise, in relation to transfer of an immovable property, whether or not the transfer takes place, if the amount involved is Rs. 20,000 or more. **In this law, which is applicable on seller of immovable asset, the consequence is penalty equivalent to the amount so accepted in cash in violation of this law.**

- ❖ For example: If a person accepts Rs. 5 lakhs as advance for sale of his immovable property in cash, a penalty of Rs. 5 lakhs will be imposed on him in addition to the normal tax payable on sale of that property.
- ❖ This law is applicable on all types of assesseees i.e. Individuals, firms, limited liability partnerships (LLPs), Private limited companies etc.
- ❖ Similarly, this law is applicable even if the seller is a real estate dealer and immovable property sold was his stock in trade.
- ❖ To take the above example further, if the deal does not materialize and the person refunds the advance of Rs. 5 lakhs in cash, a further penalty of Rs. 5 lakhs will be imposed on him again.

3. Taxation of Charitable trust

- ❖ The government is increasingly hardening its approach over the taxation of charitable trusts.
- ❖ Under the existing law, if the application of income falls short of 85%, the trusts are given an option to carry the shortfall forward for application in any of the subsequent 5 years. There was no form and timeline prescribed under the existing law, for the trusts for exercising the option.



- ❖ But now, the law provides the form and manner for exercising the option as well as the timeline i.e. on or before due date of filing return.
- ❖ In yet another measure, the trusts filing returns on or before the due date, can only avail this option.

- ❖ The law is increasingly emphasizing the need for filing the returns on or before the due date as prescribed under the law for filing the returns. Although, delayed returns, up to a particular time, are acceptable under the law, yet because of so many disadvantages attached, it is strongly recommended for all assesses, that returns must be filed within due dates.
- ❖ We also wish to inform that in Rajasthan, a separate assessment wing, under **Commissioner of Income Tax (Exemptions)**, is created for assessment of Trusts and Educational Institutions etc., which are claiming their incomes as exempt. Therefore, trusts need to be more careful in their Income Tax law compliance.
- ❖ Under the existing law, Educational Institutions/hospitals having receipts exceeding Rs. 1 crore were required to seek approval from the Chief Commissioner/ Commissioner of Income Tax u/s 10(23c)(vi)/ 10(23)(via). If such approval was denied, the only remedy was to approach High Court by way of writ. This remedy used to be costly and time consuming.
- ❖ Now, as per amended law, such orders of denial of approval are appealable before Income Tax Appellate Tribunal.
- ❖ Through yet another change, Yoga is now included in the definition of Charitable purposes to grant exemption to those trusts which are involved in propagation of Yoga.



4. Increasing the threshold limit for Specified Domestic transactions:

- ❖ Under the existing law, if transactions with associate/sister concerns exceeded Rs. 5 crores, there is a requirement for maintaining certain records for justifying that such transactions with associate/sister concern were executed at market rate (Arm's length price).The

records were also required to be audited by Chartered Accountant. This had increased the compliance cost.

- ❖ Appreciating the difficulties and the cost involved, the law is now amended, whereby this limit of Rs. 5 crores is increased to Rs. 20 crores. This law is applicable from F.Y 2015-16; therefore relaxation will be available for the current year. However, for F.Y 14-15, the pre amended law would apply.

ARM'S LENGTH PRICE

- 'Arms length price ' means a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions.



5. Revision of Erroneous orders of Assessment:

- ❖ If any order, passed by Assessing Officer, is erroneous and contrary to the interest of the government i.e. less tax is imposed, the said erroneous order of Assessing Officer can be revised by the Commissioner. The scope of this power of Commissioner has been increased whereby Commissioners will be able to exercise their power of revision in more and more cases.
- ❖ Thus, the assesseees must understand that the order of Assessing Officer is not the end of the matter. If the Assessing Officer commits any error or omits to pass the order in accordance with the law, the said orders are liable to be nullified by the Commissioner.
- ❖ Already, Commissioners are exercising the revisionary powers in large number of cases under the existing law and we suspect manifold increase in such cases due to amendment in law.

6. Wealth tax abolished:

- ❖ The wealth tax collection was much less in comparison to the efforts involved. In an intelligent move, instead of rich strata being subjected to wealth tax, they are now subjected to additional 2% surcharge.
- ❖ The government feels that the tax rates are optimum and there is no need for any increase or decrease. However, in a welcome measure, to simplify, the wealth tax is abolished on and with effect from 1st April, 2015
- ❖ Wealth tax is abolished on & with effect from 1st April, 2015. Return for 31/03/2015 will have to be filed in accordance with the existing law.
- ❖ Abolition of wealth tax may lead to certain practical difficulties in Search Cases Uptil now, during the course of search, the wealth tax returns were referred to determine disclosed jewellery. Any jewellery, over & above disclosed in the wealth tax return, was treated as undisclosed and used to be seized. Now when wealth tax returns will not be filed, proving the jewellery as disclosed will be a difficult task



- ❖ It is suggested that wealth tax returns as on 31/03/2015 are filed with appropriate disclosure of jewellery so that, on a future date, no difficulty is faced for proving jewellery as disclosed upto a cutoff date of 31/03/2015.

7. Amendment in the definition of Income:

- ❖ There have been litigations on the issue of taxability of certain grants received from the government. From assessee's side, it is normally argued and contested that such grants are capital receipts and not income, therefore not liable to tax. To set at rest these controversies, the definition of income provided in Income Tax Act, 1961 is amended to include the following :

“assistance in the form of a subsidy or grant or cash incentive or duty drawback or waiver or concession or reimbursement (by whatever name called) by the Central Government or a State Government or any authority or body or agency in cash or kind to the assessee [other than one considered under Explanation 10 to Section 43(1)] would be included in assessee's income.”



8. Reduction in Tax rate on non residents for their income of Royalty and Fees for Technical Services:

Lot of Indian assesseees make payments to non residents as royalty or fees for technical services. Such payments to non residents are their incomes liable for tax in India. This rate is now reduced from 25% to 10%.

9. Chapter VI A Deductions

This government is keen on ensuring reasonable medical care and pension benefits to the citizens of the country. This objective is

reflected in number of amendments which are briefly discussed below.

Section 80C	
Deduction on Investment – Life Insurance, PF, PPF, Bonds etc. If the assessee (individual or HUF) invests in specified policies, bonds etc. during the previous year – Deduction allowed for the sum invested.	
<u>Earlier</u>	<u>Now</u>
Deduction was allowed for making deposits under certain notified schemes within the overall ceiling of Rs. 1, 50,000. (with effect from A.Y. 2015-16)	Now Sukanya Samriddhi Account Scheme has been added to the list of schemes wherein, any sum paid or deposited during the year in the above scheme by an INDIVIDUAL (THE DEPOSITOR SHOULD BE ONLY INDIVIDUAL & NOT HUF) in the name of : <ul style="list-style-type: none"> • Individual • A girl child of the individual • In the name of the girl child of the individual for whom such individual is a legal guardian, would be eligible for deduction.

Section 80CCC	
To keep in force a contract for any annuity plan of Life Insurance Corporation of India [or any other insurer] for receiving pension from certain specified pension funds: (With effect from A.Y. 2016-17)	
<u>Earlier</u>	<u>Now</u>
Limit Rs. 1,00,000/-	Limit Rs. 1,50,000/-

Section 80CCD	
Contribution to Central Government Pension Fund- assessee (Individual) to contribute to specified pension fund of Central Government(with effect from A.Y. 2016-17)	
<u>Earlier</u>	<u>Now</u>
Maximum Amount allowable - 10 % of Salary or GTI Subject to maximum amount of deduction for contribution to pension scheme was Rs. One Lac	Maximum Amount allowable - 10 % of Salary or GTI (No individual limit of One Lac but limit of Rs. 1,50,000 u/s 80CCE still applicable) +(Additional Rs.50,000/-).

Section 80D	
Deduction in respect of payment for Health & Medical Treatment Expenditure to be incurred on health insurance and medical treatment of assessee- Individual & HUF (with effect from A.Y. 2016-17)	
<u>Earlier</u>	<u>Now</u>
<p>Eligible Payments: Health Insurance, CGHS (only for assessee) Preventive Health Check-ups of</p> <p>Eligible Persons Assessee + Family And Parents</p> <p>Limit of Deduction: If Senior citizen: 20,000/- Others – 15,000/-</p>	<p>Eligible Payments: Health Insurance, Preventive Health Check-ups of Assessee + CGHS (only for assessee) Medical Expenditure for Very Senior Citizens (Provided No Health Insurance for Very Senior Citizens)</p> <p>Eligible Persons Assessee + Family And Parents</p> <p>Limit of Deduction: Very Senior: 30,000/- Senior citizen: 30,000/- Others – 25,000/-</p>

Section 80DD	
Deduction in respect of medical treatment, training and rehabilitation of a dependant who is a person with disability (with effect from A.Y. 2016-17)	
<u>Earlier</u>	<u>Now</u>
<ul style="list-style-type: none"> • The amount of deduction for disability was allowed for Rs. 50,000/- • For person with severe disability- deduction allowed was for Rs. 1,00,000/- 	<ul style="list-style-type: none"> • The amount of deduction for disability now increased to Rs. 75,000/- • For person with severe disability- deduction allowable is increased to Rs. 1,25,000/-

Section 80DDB	
Deduction in respect of medical treatment Expenditure to be incurred on medical treatment of assessee or dependant for specific chronic diseases	
<u>Earlier</u>	<u>Now</u>
<ul style="list-style-type: none"> • Certificate in prescribed form to be obtained from specialist working in a government hospital. • No provision for very senior citizen • Amount paid subject to limits <div style="margin-left: 20px;">Senior Citizen – 60,000/- Others – 40,000/-</div> 	<ul style="list-style-type: none"> • Now only prescription required from a specialist doctor, not necessarily working in a Government hospital. <p>Limits Revised Super Senior – 80,000/- Senior Citizen – 60,000/- Others – 40,000/-</p>

Section 80G				
Deduction in respect of Donations made to specified funds/institutions.				
<u>Earlier</u>	<u>Now</u>			
Under the existing provisions of section 80G, donations given by an assessee are eligible for deduction. Donation should be given to institutions/funds mentioned u/s 80G(2).	List of institutions/funds u/s 80G(2) has been modified. After the amendment, donation to the following institutions will also be eligible for deduction-			
	Donee	Status of donor	Amount of deduction	With Effect from :
	Swachh Bharat Kosh*	Resident or N.R	100% of donation	A.Y. 2015-16
	Clean Ganga Fund*	Resident	100% of donation	A.Y. 2015-16
	National Fund for Control of Drug Abuse	Resident or N.R	100% of donation	A.Y. 2016-17
*Donations to Swachh Bharat Kosh and Clean Ganga Fund will be eligible for deduction u/s 80G only if the amount is not spent by the assessee in pursuance of Corporate Social Responsibility u/s 135(5) of the Companies Act, 2013.				

Section 80 JJAA	
Deduction in respect of new workmen	
If assessee is deriving profits from manufacture of goods in a factory and employs new regular workmen, then deduction of 30% of additional wages paid to new workmen for 3 Years. (with effect from 2016-17).	
<u>Earlier</u>	<u>Now</u>
<ul style="list-style-type: none"> • Eligible Assessee: Indian Company • Additional wages – wages paid to new regular workmen in excess of 100 workmen employed in the previous year 	<ul style="list-style-type: none"> • Eligible assessee: All those assesseees having manufacturing units. • Additional wages – wages paid to new regular workmen in excess of 50 workmen employed in the previous year.

Section 80 U	
Deduction in case of person with disability if individual assessee is having disability (applicable from A.Y. 2016-17)	
<u>Earlier</u>	<u>Now</u>
<ul style="list-style-type: none"> • Deduction to a person with disability - Rs. 50,000/- • Deduction to a person with severe disability - Rs. 1,00,000/- 	<ul style="list-style-type: none"> • Deduction to a person with disability - Rs. 75,000/- • Deduction to a person with severe disability - Rs. 1,25,000/-

10. TDS Rates



There are no changes in the existing TDS Rates. However some new payments like payment of interest by banks on recurring deposits have been brought in the purview of TDS. The changes in the TDS law by the Finance Act, 2015 are as follows:

❖ **TDS on Salary- Employer to obtain evidences from Employee- Increased Compliance Obligation**



Under sec. 192, the employer is liable to deduct tax at source on salary payments to its employees. For this purpose, the employer is expected to estimate the taxable income of the individual employee for the particular F.Y. & deduct tax in 12 equal monthly installments. For estimating the taxable income of the employee, the employer is allowed to consider various deductions / exemptions available to the employee. These deductions/exemptions can be in the nature of interest on housing loan, payment of premium on life insurance, payment of rent against H.R.A, donation to eligible charitable institutions etc. The amended law **(with effect from. 01.06.2015)** now requires the employer to obtain prescribed evidence from the employees for considering such deductions / exemptions. This will increase the compliance responsibility of the employer and therefore all employers need to strengthen their mechanism for obtaining prescribed (to be prescribed) evidences. The employers can approach us for verifying due compliance on their part so as to ensure that they are not put to hardships by tax authorities and treating them assessee in default for lower deduction of TDS.

❖ **194A – Interest payments by banks – Scope enlarged!!!**



- As per the amendment Cooperative banks which were earlier not required to deduct tax at source on payment of interest on time deposit to members are now required to deduct the same if the interest exceeds Rs. 10,000/- **(with effect from. 01.06.2015)**
- As per amendment TDS shall also be required to be deducted on payment of interest on recurring deposit by Banking Company or Cooperative Bank if the same exceeds Rs. 10,000. **(with effect from. 01.06.2015)**
- The existing law provides for deduction of tax at source by Banks where interest during the year exceeded Rs. 10,000/-. There were certain exceptions available which now are brought into the ambit of TDS.
- Presently the limit of Rs. 10,000/- for deducting TDS was ascertained with respect to each branch of the Bank. For example if Mr. A had fixed deposits with different branches of State Bank of India, i.e at Jaipur, Mumbai & Chennai, the tax was to be deducted if interest at respective branches exceeded Rs. 10,000/- .Lot many people used to split their fixed deposits to avoid deduction of tax at source.
- Now it is provided that this threshold limit of Rs. 10,000 will be determined with reference to each bank and not with respect to each branch of the bank.

❖ **194C – TDS not to be deducted on payment to transporters – T&C Apply!!!**



- Earlier TDS was not required to be deducted on any sum paid or credited to a transporter if the transporter furnished his PAN to the person crediting such sum (payer). The number of goods carriages owned by the transporter at any time during the P.Y. was of no relevance.
- Now the liability of deducting TDS will not be attracted **only if** the transporter **had provided their PAN along with declaration** that he **owns not more than 10 goods carriages** at any time during the previous year to the person paying such sum to him **.(with effect from. 01/06/2015)**

The TDS Rates applicable for F.Y. 2015-16 are as per **Annexure II.**

This is prepared for Client's service and is for internal use only. We recommend that professional advice be sought before taking action on any specific issue.

Wishing you a very prosperous business ahead!

Place: Jaipur

Date: 12/05/2015

For R Sogani & Associates

Chartered Accountants

ANNEXURE I

INCOME TAX RATES

A.Y. 2015-16 & 2016-17

(A) Individuals (other than Senior Citizens) & HUF –

Income Slabs	Existing (A.Y. 2015-16)	New (A.Y. 2016-17)
0 – 2,50,000	Nil	Nil
2,50,001 – 5,00,000	10%	10%
5,00,001 – 10,00,000	20%	20%
10,00,001 & more	30%	30%

(B) Resident individuals – Senior Citizens (Age of 60 years or more but less than 80 years) –

Income Slabs	Existing (A.Y. 2015-16)	New (A.Y. 2016-17)
0 – 3,00,000	Nil	Nil
3,00,001 – 5,00,000	10%	10%
5,00,001 – 10,00,000	20%	20%
10,00,001 & more	30%	30%

(C) Resident individuals – Super Senior Citizens (Age 80 years & above) –

Income Slabs	Existing (A.Y. 2014-15)	New (A.Y. 2015-16)
0 – 5,00,000	Nil	Nil
5,00,001-10,00,000	20%	20%
Above 10,00,000	30%	30%

(D) Partnerships and LLPs – No change

Tax Rates on whole of the Total Income – **30%**

Note: Alternate Minimum Tax (AMT) for non-corporate assessees (including LLPs) @ 18.5%



Company (Domestic) – No change



Tax Rates on whole of the Total Income – **30%**

Note: Minimum Alternate Tax (MAT) for corporate assesseees @ 18.5%

(E) Surcharge

Type of Assessee	If net income exceeds	Rate (A.Y. 2015-16)	Rate (A.Y. 2016-17)
Individuals/HUF	1 Crore	10%	12%
Firms	1 Crore	10%	12%
Companies (Domestic)	1 Crore	5%	7%
	10 Crore	10%	12%



(F) Education Cess and Secondary Education Cess on Income Tax – No change

Type of Cess	Rate for A.Y. 2016-17	Remarks
Education Cess	2%	EC & SHEC will be applicable on amount including surcharge, if any for A.Y. 2015-16 & A.Y. 2016-17.
Secondary & Higher Education Cess	1%	



SURCHARGE

ANNEXURE II

TDS LAW – AN OVERVIEW

Nature of Payment	Rates of TDS	Monetary Limits Requiring TDS/Remarks
Salary u/s 192	No specific rate. Tax payable on Total Salary is to be deducted in 12 equal monthly installments.	<ul style="list-style-type: none"> • Estimated Gross Salary exceeds the exemption limit of Rs. 2,50,000/- (Individuals), Rs. 3,00,000/- (Senior Citizen-age 60 years or more) and Rs. 5,00,000/- (Super Senior Citizen- age 80 years or more). •
Interest u/s 194A	10%	Interest credited or paid exceeds Rs. 5000/-.
Payments Made to Contractors u/s 194C	If recipient is Individual or HUF 1%	<ul style="list-style-type: none"> • Exceeding Rs. 30000/- to a contractor in a single payment or Rs. 75000/- in the aggregate during the F.Y. to a contractor.
	If recipient is any other entity than Individual or HUF 2%	
Rent u/s 194-I	Plant or Machinery or Equipment 2%	<ul style="list-style-type: none"> • Payment exceeds Rs. 1,80,000/- to a single person in a financial year.
	Land or building or furniture or fittings 10%	
Transfer of Immovable Property other than Agricultural Land by a resident u/s 194 - IA	1%	<ul style="list-style-type: none"> • If purchase consideration is equal to or exceeds Rs. 50,00,000/-, then transferee shall deduct TDS. • Applicable also to individuals/HUFs not covered u/s 44AB.

<p>Fees for Professional and Technical Services u/s 194J</p>	<p>10%</p>	<ul style="list-style-type: none"> • Total payment exceeds Rs. 30,000/- in a financial year. • No liability of deducting tax on Individual/HUF if amount of fee for “professional services” is paid/credited exclusively for personal purposes by such Individual/HUF
<p>Commission or Brokerage u/s 194H</p>	<p>10%</p>	<ul style="list-style-type: none"> • Total payment exceeds Rs. 5,000/- in a financial year.
<p>Payment of compensation on acquisition of certain immovable property u/s 194LA</p>	<p>10%</p>	<ul style="list-style-type: none"> • Aggregate amount of such payment to a resident should exceed Rs. 2,00,000. • Tax will not be deducted if the immovable property so compulsorily acquired is an agricultural land.
<p>Sale of Scrap u/s 206C</p>	<p>1%</p>	<p>Applicable</p> <ul style="list-style-type: none"> - When purchased for Trading. <p>Not Applicable</p> <ul style="list-style-type: none"> - When purchased for Manufacturing or Processing or for the purpose of generation of power. <p>Declaration in Form No. 27C.</p>
<p>Sale of Timber u/s 206C</p>	<p>2.5%</p>	<p>Applicable</p> <ul style="list-style-type: none"> - When purchased for Trading. <p>Not Applicable</p> <ul style="list-style-type: none"> - When purchased for manufacturing or Processing. <p>Declaration in Form No. 27C.</p>

<p>Sale of Bullion or Jewellery u/s 206C</p>	<p>1%</p>	<ul style="list-style-type: none"> • Sale consideration exceeding Rs. 2,00,000 in case of bullion and Rs. 5,00,000 in case of jewellery, if any amount is received in cash. • Applicable irrespective of the fact whether buyer is a manufacturer, trader or purchase is for personal use.
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Notes:

<p>1</p>	<p>Time limit for deposition of tax deducted</p> <p>(i) For the month of March, on or before 30th April where income is credited or paid in the month of March.</p> <p>(ii) In any other case, on or before 7 days from the end of the month in which the deduction is made.</p>
<p>2</p>	<p>Interest for late deduction/deposition of tax</p> <p>If no tax is deducted simple interest @ 1% and if tax is deducted but not deposited in time then simple interest @ 1.5% per month or for part of the month during which failure continues, on such amount will be payable.</p>
<p>3</p>	<p>Penalty for late deduction/deposition of tax</p> <p>If no tax is deducted or deducted but not deposited, then penalty to the extent of such tax amount can be imposed.</p>
<p>4</p>	<p>Prosecution for late deduction/deposition of tax</p> <p>If the tax deducted or collected at source is not deducted/deposited within the due date, the assessee shall be punishable with rigorous imprisonment for a minimum period of 3 months, which can extend to 7 years. This is in addition to interest & penalty.</p>
<p>5</p>	<p>Time limit for filing of return of TDS Quarterly Statements</p> <p>(i) In case of IV Quarter (Jan-Mar), on or before 15th May of the financial year immediately following the financial year in which deduction is made.</p> <p>(ii) For other three quarters, on or before 15 days from the end of the relevant</p>

	quarter.												
6	<p>Late fee for delay in filing of return</p> <p>If TDS/TCS return is not filed in time then a late fee of Rs. 200/- per day shall be charged for the period during which the failure in filing such return continues and penalty ranging from Rs. 10,000/- to Rs. 1,00,000/- shall also be levied for not furnishing TDS/TCS return within one year from prescribed time or for furnishing incorrect statements in TDS/TCS return.</p>												
7	No TDS is required to be deducted on service tax amount.												
8	Surcharge, Education Cess and Secondary & Higher Education Cess are not applicable in case of payment other than salary to a resident.												
9	Various Form i.e. 15G, 15H and 27C etc. received are to be deposited with Commissioner of Income Tax on or before the seventh day of the month next following the month in which the declaration is furnished to him. Delay will attract penalty @ Rs. 100 per day of delay.												
10	Tax is required to be deducted at source by all types of assesseees (payers) except those who are not specified Individuals and HUFs. Specified Individuals and HUFs are those Individuals and HUFs whose turnover exceeds Rs. 1 Crore (25 Lacs in case of Professionals) for the preceding financial year.												
11	Payments to transporters without deducting TDS (as they have quoted PAN) are to be reported by deductor with PAN details in the TDS Quarterly Statements.												
12	Every deductee including transporters is required to furnish his Permanent Accountant Number to the deductor. Otherwise TDS will be deducted at the rate of 20%.												
13	Time Limit for issue of certificate												
	<table border="1"> <thead> <tr> <th>Nature of Payment</th> <th>Form No.</th> <th>Periodicity</th> <th>Due date of Issue</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td>16</td> <td>Annually</td> <td>On or before May 31 of the financial year immediately following the financial year in which tax is deducted.</td> </tr> <tr> <td>Other than Salary</td> <td>16A</td> <td>Quarterly</td> <td>Within 15 days from the due date for furnishing the statement of TDS.</td> </tr> </tbody> </table>	Nature of Payment	Form No.	Periodicity	Due date of Issue	Salary	16	Annually	On or before May 31 of the financial year immediately following the financial year in which tax is deducted.	Other than Salary	16A	Quarterly	Within 15 days from the due date for furnishing the statement of TDS.
Nature of Payment	Form No.	Periodicity	Due date of Issue										
Salary	16	Annually	On or before May 31 of the financial year immediately following the financial year in which tax is deducted.										
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	194-IA	16B	Monthly	Within 15 days from the due date for furnishing the statement of TDS.
	206C	27D	Quarterly	Within 15 days from the due date for furnishing the statement of TCS.