

---

# Contents

---

	PAGE
<i>About the Author</i>	I-5
<i>Preface to Seventh Edition</i>	I-7
<i>Prelude</i>	I-9
<i>New due dates for various compliances under the Income-tax Act</i>	I-29
<i>Significant Amendments made by the Finance Act, 2021</i>	I-37
<i>Direct Tax Vivad se Vishwas Act, 2020</i>	I-97
<i>Chapter-Heads</i>	I-103

---

## Book One : Law Relating to Tax Procedures

---

### DIVISION ONE

#### Tax Practice

---

#### 1.1 TAX PRACTICE

1.1.1	General	4
1.1.2	Setting and achieving goals	5
1.1.3	Dynamics of tax practice	5
1.1.4	Scope of tax practice	8
1.1.5	Options of organization	9
1.1.6	War-like jobs (facing the rough weather)	11
1.1.7	Marshalling facts with evidence	12
1.1.8	Drafting and carrying conviction	12
1.1.9	Peace-time jobs	12
1.1.10	Delegation by seniors	13
1.1.11	Gems of Wisdom, gathered from various books	14

**1.2 TAX PRACTITIONER**

1.2.1	A tax practitioner	15
1.2.2	Authorized representative	16
1.2.3	Authorization	17
1.2.4	Registration as ITP (Income Tax Practitioner)	18
1.2.5	Persons disqualified to represent	19
1.2.6	Personality	19
1.2.7	Time management	20
1.2.8	Read more, read extra and grow rich	22
1.2.9	Succession planning	22
1.2.10	Gems of Wisdom, about personal qualities - In alphabetical order, gathered from various books	23

**1.3 TAX ENGAGEMENTS**

1.3.1	Scope of work	26
1.3.2	Remuneration and terms of payment	27
1.3.3	Engagement letter - Contents	27

**1.4 RELATIONSHIP WITH CLIENT**

1.4.1	What a client needs from his consultant?	28
1.4.2	The client to be sought after	29
1.4.3	Well defined relationship	29
1.4.4	Adequate reward for services	30
1.4.5	Billing - Recurring, non-recurring jobs	31
1.4.6	Communicate - Your sacrifices and achievements	32
1.4.7	Be worldly wise	32
1.4.8	Collection of dues	33
1.4.9	New client	34
1.4.10	Case preparation	35
1.4.11	Client education (Circulars to clients, reminders to client for due dates etc.)	38
1.4.12	Original record with client or with tax practitioner	38
1.4.13	Returning old files, account books etc.	39
1.4.14	Client's money (Imprest)	39
1.4.15	Maintaining safe distance	39
1.4.16	Professional negligence	44

**1.5 OFFICE MANAGEMENT**

1.5.1	System strength	50
1.5.2	Office	51
1.5.3	HR - Manpower	54
1.5.4	Filing and storage	60
1.5.5	Computer and its usage	64
1.5.6	E-mail	67
1.5.7	Efficiency tools	68
1.5.8	Support system	70
1.5.9	Finance	77

**DIVISION TWO****Pre-assessment procedures**

---

**2.1 ADVANCE TAX & SELF ASSESSMENT TAX**

2.1.1	Why advance tax?	80
2.1.2	Assessee liable to pay <i>suo motu</i>	81
2.1.3	Assessing Officer may require to pay	81
2.1.4	Amount payable	83
2.1.5	Due dates for payment of advance tax	83
2.1.6	Consequences of default in payment of advance tax	84
2.1.7	No appropriation of seized assets for advance tax	84
2.1.8	Liability to pay self assessment tax	84
2.1.9	Computation of self assessment tax	85
2.1.10	Time for payment of self assessment tax	85
2.1.11	Default in payment of self assessment tax	85

**2.2 RETURN OF INCOME**

2.2.1	Return of Income - General	86
2.2.2	Obligation to file return of income	87
2.2.3	Due Date for filing Income Tax Return	89
2.2.4	Consequences for non-compliance of due dates of sec. 139(1)	90
2.2.5	Return of income of specified persons	90
2.2.6	Loss return u/s 139(3)	93
2.2.7	Belated return u/s 139(4)	94
2.2.8	Revised return u/s 139(5)	94

	PAGE	
2.2.9	Defective return u/s 139(9)	95
2.2.10	Income tax returns : Forms	97
2.2.11	Electronic filing of returns	99
2.2.12	Annexure - Less returns of income	101
2.2.13	Tax return preparers	102
2.2.14	Who to sign the return u/s 140?	102
 <b>2.3 PAN - PERMANENT ACCOUNT NUMBER TAN - TAX DEDUCTION AND COLLECTION ACCOUNT NUMBER</b>		
2.3.1	General : Permanent Account No.	105
2.3.2	Evolution of PAN	105
2.3.3	Features of PAN	106
2.3.4	Contents of PAN card	107
2.3.5	Objectives sought from PAN	107
2.3.6	General : Tax deduction and collection account No.	107
2.3.7	Application for allotment of PAN	108
2.3.8	Application for allotment of TAN	109
2.3.9	Online application - PAN/TAN	109
2.3.10	Compulsory quoting of PAN on certain transactions	111
2.3.11	Compulsory quoting of TAN on certain transactions	113
2.3.12	Penalty on non-compliance of PAN/TAN provisions	113
2.3.13	Correction/change in PAN/TAN data	113
2.3.14	Pan Aadhaar interchangeability and portability	113

## **DIVISION THREE**

### **Assessment**

---

#### **3.0 PROCEEDINGS IN A FACELESS MANNER**

##### **3.1 ASSESSMENT - PRINCIPLES & ISSUES**

3.1.1	Jurisdiction	122
3.1.2	Principles of natural justice	125
3.1.3	Burden of proof, onus and shifting of burden	126
3.1.4	Deeming provisions	128
3.1.5	Previous year	130
3.1.6	CBDT circulars	130
3.1.7	<i>Res judicata</i>	131
3.1.8	Notice	132

	PAGE
<b>3.1.9</b> Service of notice	134
<b>3.1.10</b> Adjournment	138
<b>3.1.11</b> Order sheet	138
<b>3.1.12</b> Affidavit	139
<b>3.1.13</b> Statement on oath	139
<b>3.1.14</b> Capital v. Revenue	142
<b>3.1.15</b> Business expediency	144
<b>3.1.16</b> Method of accounting - Sec. 145	145
<b>3.1.17</b> Stock in trade	146
<b>3.1.18</b> Effect of book entries on accrual of income	147
<b>3.1.19</b> Benami, sham and bogus	148
<b>3.1.20</b> Cash credits	149
<b>3.1.21</b> Intangible additions	155
<b>3.1.22</b> Unexplained investment and expenditure	156
<b>3.1.23</b> Peak/roll over effect	159
<b>3.1.24</b> Dumb document	159
<b>3.1.25</b> Surrender, confession and retraction	160
<b>3.1.26</b> Meaning of assessment	161
<b>3.1.27</b> Powers of Assessing Officer	162
<b>3.1.28</b> Assessing Officer's Duty	163
<b>3.1.29</b> Arbitrariness	164
<b>3.1.30</b> Independence of Assessing Officer	165
<b>3.1.31</b> Notices u/s 142	165
<b>3.1.32</b> Special audit u/s 142(2A)	168
<b>3.1.33</b> Estimate by valuation officer u/s 142A	169
<b>3.1.34</b> Common areas of enquiry	170
<b>3.1.35</b> Protective assessment	171
<b>3.1.36</b> Directions by joint CIT u/s 144A	172
<b>3.1.37</b> Concept of 'Reasons to believe' eliminated	173
<b>3.1.38</b> Reasons to be recorded and objections	179
<b>3.1.39</b> Limitation for assessment & reassessment	180
<b>3.1.40</b> Remedies upon unacceptable assessment order	187
<b>3.1.41</b> Tips & Traps	187
<b>3.2 SUMMARY ASSESSMENT</b>	
<b>3.2.1</b> Intimation u/s 143(1)	191

	PAGE	
3.2.2	Roots of such an assessment	191
3.2.3	Changes in policy	191
3.2.4	Acknowledgement of return	192
3.2.5	Changes made by Finance Act, 2008	192
3.2.6	Law w.e.f. 1-6-1999	192
3.2.7	Changes made by Finance Act, 2003	192
3.2.8	To check the intimation to find errors	192
3.2.9	Changes made by Finance Act, 2008	193
<b>3.3 SCRUTINY ASSESSMENT</b>		
3.3.1	Objective	196
3.3.2	Process starts with issue of notice u/s 143(2)	196
3.3.3	Service of notice	197
3.3.4	Time for service	197
3.3.5	Time limit for completion of assessment	197
3.3.6	Relaxation in time limit (Covid-19)	198
3.3.7	Criteria for selection	199
3.3.8	Principles and procedures	200
<b>3.4 POST-SEARCH ASSESSMENT</b>		
3.4.1	Purpose	201
3.4.2	Powers of search and seizure	201
3.4.3	Genesis of post-search assessment	201
3.4.4	Comparison	202
3.4.5	Need for special provisions	205
<b>3.5 BEST JUDGMENT ASSESSMENT</b>		
3.5.1	Meaning and purpose	207
3.5.2	Faceless assessment	208
3.5.3	Sec. 143(2) <i>vis-a-vis</i> sec. 143(3)	208
3.5.4	Similar treatment if sec. 145 invoked	208
3.5.5	Special opportunity to the assessee	209
3.5.6	Best judgment <i>vis-à-vis</i> arbitrariness	209
3.5.7	Case laws	209
<b>3.6 ASSESSMENT ORDER</b>		
3.6.1	Refer Division 3.1 Assessment - Principles & Issues and in particular to the undernoted portions	211
3.6.2	Contents of an assessment order	212

	PAGE
<b>3.6.3</b> Speaking order	212
<b>3.6.4</b> Similar applicability	213
<b>3.6.5</b> Refer Division 3.1 : Assessment - Principles and issues and in particular to the under noted portions	213
<b>3.7 RE-OPENING OF ASSESSMENT</b>	
<b>3.7.1</b> Why Re-opening?	214
<b>3.7.2</b> Procedure till 31.3.2021	214
<b>3.7.3</b> Major Reforms Introduced by Finance Act, 2021	214
<b>3.7.4</b> CG to formulate "Scheme" for reassessment	215
<b>3.7.5</b> Deemed escapement - <i>Explanation 2</i> to section 147 (Applicable upto 31-3-2021)	215
<b>3.7.6</b> Information with the Assessing Officer which suggests that the Income chargeable to tax has escaped Assessment (w.e.f. 1-4-2021)	215
<b>3.7.7</b> Deemed escapement	216
<b>3.7.8</b> Mere production of books of account shall not be considered as disclosure by assessee	216
<b>3.7.9</b> Power of AO to drop proceedings	217
<b>3.7.10</b> Return filed u/s 148 is at par with return filed u/s 139(1)	217
<b>3.7.11</b> Once reopened entire year is open for scrutiny afresh	217
<b>3.7.12</b> Erstwhile provisions of particular year to apply	217
<b>3.7.13</b> Reopening to be concluded either u/s 143(3) or u/s 144	217
<b>3.7.14</b> Time limits	217
<b>3.7.15</b> Reassessment orders can be appealed against, rectified, revision or again re-opened	217
<b>3.7.16</b> Generally reopening is done to collect more tax	217
<b>3.7.17</b> Case laws	218
<b>3.7.18</b> Points of distinction between the new procedure as compared to existing provisions	224
<b>3.8 RECTIFICATION</b>	
<b>3.8.1</b> Rectification of mistake	225
<b>3.8.2</b> Apparent from record	226
<b>3.8.3</b> Hearing opportunity	226
<b>3.8.4</b> Limitation	226
<b>3.8.5</b> Remedies against order u/s 154	227
<b>3.8.6</b> Other amendments u/s 155	227
<b>3.8.7</b> The following decisions may be referred to	230
<b>3.8.8</b> Check List	232

**3.9 REVISION**

<b>3.9.1</b>	Nature of revision u/s 264	234
<b>3.9.2</b>	Powers of principal Commissioner or Commissioner u/s 264	234
<b>3.9.3</b>	Duties of principal Commissioner or Commissioner u/s 264	235
<b>3.9.4</b>	Faceless revision of orders	235
<b>3.9.5</b>	When an order cannot be revised u/s 264?	236
<b>3.9.6</b>	Time limit for filing revision u/s 264	236
<b>3.9.7</b>	Limitation for passing order u/s 264	237
<b>3.9.8</b>	Finality of order u/s 264	237
<b>3.9.9</b>	Why power u/s 263?	238
<b>3.9.10</b>	Which order can be revised u/s 263?	238
<b>3.9.11</b>	Erroneous as well as prejudicial	239
<b>3.9.12</b>	Connotation of 'record'	239
<b>3.9.13</b>	Power coupled with duty	239
<b>3.9.14</b>	Hearing opportunity	239
<b>3.9.15</b>	Doctrine of merger	240
<b>3.9.16</b>	Limitation for passing order u/s 263	240
<b>3.9.17</b>	Remedies against order u/s 263	240
<b>3.9.18</b>	Revision effect	241
<b>3.9.19</b>	The following decisions may be referred to	242
<b>3.9.20</b>	Check list	251

**DIVISION FOUR****Appeals**

---

**4.1 APPEALS TO CIT (APPEALS)**

<b>4.1.1</b>	What is an appeal?	254
<b>4.1.2</b>	Right of filing an appeal	254
<b>4.1.3</b>	Appeals under income-tax Act	254
<b>4.1.4</b>	Faceless Appeal Scheme	257
<b>4.1.5</b>	Payment of admitted tax	258
<b>4.1.6</b>	Check list for first appeal	259
<b>4.1.7</b>	What can be challenged?	259
<b>4.1.8</b>	Powers of CIT (Appeals)	259
<b>4.1.9</b>	Jurisdiction	260

	PAGE
4.1.10 Power to enhance	260
4.1.11 No power to set aside	261
4.1.12 Excluded period from time limit of filing appeal	262
4.1.13 Condonation of delay	262
4.1.14 Additional evidence	265
4.1.15 Additional grounds of appeal	267
4.1.16 Withdrawal of an appeal	269
4.1.17 Faceless appeal effect (Sec. 264B - w.e.f. 1.11.2020)	269
<b>4.2 APPEALS TO ITAT/HIGH COURT/SUPREME COURT</b>	
4.2.1 ITAT Appeals - General	271
4.2.2 ITAT - Administration	271
4.2.3 ITAT - Appealable Orders	272
4.2.4 ITAT - Time limit for filing appeal/cross objection	276
4.2.5 ITAT - Procedure for Filing Appeal	279
4.2.6 ITAT - Cross Objections	280
4.2.7 ITAT - Cross Appeals & Cross Objections	280
4.2.8 ITAT - Withdrawal of Appeal	281
4.2.9 STAY by ITAT	281
4.2.10 ITAT - Paper Book, Compilation	283
4.2.11 ITAT - Hearing	283
4.2.12 Powers of ITAT	285
4.2.13 Restrictions on powers of ITAT	286
4.2.14 ITAT - Rectification of mistake	288
4.2.15 ITAT - Check List	290
4.2.16 ITAT - Tips & Traps	291
4.2.17 Faceless e-Appeal Scheme	295
4.2.18 High Court Appeal	296
4.2.19 Writ Jurisdiction	297
4.2.20 Supreme Court Appeals	298
4.2.21 Faceless Appeal effect (Sec. 264B)	298
<b>4.3 DISPUTE RESOLUTION COMMITTEE</b>	
4.3.1 Formation of new dispute resolution committee	299

## **DIVISION FIVE**

### **Interest, Fees, Penalty and Prosecution**

---

#### **5.1 INTEREST PAYABLE BY ASSESSEE**

5.1.1	General	303
5.1.2	Mandatory and automatic	303
5.1.3	Rounding off - Amount of tax	303
5.1.4	Rounding off - Period	303
5.1.5	Defaults for which interest becomes payable	303
5.1.6	Varied interest rates for different periods	304
5.1.7	Interest Payable u/s 234A	304
5.1.8	Interest payable u/s 234B	305
5.1.9	Interest payable u/s 234C	305
5.1.10	Interest payable u/s 234D	306
5.1.11	Interest payable u/ss 115P and 115S	306
5.1.12	Interest payable u/ss 201(1A) and 206C(7)	307
5.1.13	Interest payable u/s 220(2)	307

#### **5.2 FEES PAYABLE BY ASSESSEE**

5.2.1	General	308
5.2.2	Mandatory and automatic	309
5.2.3	Defaults for which fees becomes payable	309
5.2.4	Fees payable u/s 234E	309
5.2.5	Fees payable u/s 234F as per Finance Act, 2017	309
5.2.6	Fees payable u/s 234G as per Finance Act, 2020 (applicable w.e.f. 01.06.2020)	310
5.2.7	Fees Payable u/s 234H as per Finance Act, 2021 (Applicable w.e.f. 1.4.2021)	310

#### **5.3 PENALTIES**

5.3.1	Why the penalties?	312
5.3.2	Fundamentals of penalties	313
5.3.3	Faceless Penalty Scheme	314
5.3.4	Quasi criminal	314
5.3.5	Not automatic; <i>mens rea</i>	315
5.3.6	Valid initiation	316

	PAGE
<b>5.3.7</b> Quantum of penalty	317
<b>5.3.8</b> Technical or venial breach; <i>bona fide</i> mistake	317
<b>5.3.9</b> No penalty in certain cases	319
<b>5.3.10</b> Benefit of doubt	319
<b>5.3.11</b> Hearing opportunity u/s 274	319
<b>5.3.12</b> Speaking order	320
<b>5.3.13</b> Types of penalties	321
<b>5.3.14</b> Failure/delay in filing return of income	322
<b>5.3.15</b> Penalty for concealment u/s 271(1)(c) in relation to any assessment prior to asst. year 2017-18	322
<b>5.3.16</b> Penalty for concealment u/ss 271AAA and 271AAB	324
<b>5.3.17</b> Presumptions for penalty	329
<b>5.3.18</b> Concealment penalty - Presumptions	329
<b>5.3.19</b> Assessee to prove reasonable cause - Sec. 273B	332
<b>5.3.20</b> Presumptions in a search or survey case - Sec. 292C	333
<b>5.3.21</b> Penalty for defaults - PAN, TAN	334
<b>5.3.22</b> Penalty for defaults - TDS and TCS	334
<b>5.3.23</b> Penalty for defaults - Tax payment	336
<b>5.3.24</b> Penalty for non-maintenance of account books etc.	336
<b>5.3.25</b> Penalty for defaults - Audit	336
<b>5.3.26</b> Penalty for defaults - Loans, deposits and cash transactions	338
<b>5.3.27</b> Penalty for non-compliance of notices etc.	339
<b>5.3.28</b> Penalty for non-co-operation	339
<b>5.3.29</b> Penalty for defaults - International transactions	340
<b>5.3.30</b> Penalty for under reporting and misreporting of income u/s 270A	342
<b>5.3.31</b> Penalty for non-furnishing of information on account of financial transactions or reportable account	344
<b>5.3.32</b> Penalty in respect of certain income u/s 271AAC inserted by Taxation Laws (Second Amendment ) Act, 2016	345
<b>5.3.33</b> Penalty for false entry, etc. in the books of account u/s 271AAD (applicable w.e.f. 01.04.2020)	345
<b>5.3.34</b> Penalty for furnishing of incorrect information u/s 271J as per Finance Act, 2017	346
<b>5.3.35</b> Penalty for failure to furnish statements, etc. u/s 271K (Applicable w.e.f. 01.04.2020)	346
<b>5.3.36</b> Who can impose penalty?	347

	PAGE	
5.3.37	Law applicable	347
5.3.38	Time limits u/s 275	348
5.3.39	Surest suicidal	350
5.3.40	Tips and traps	350
<b>5.4 WAIVER OF INTEREST AND PENALTY</b>		
5.4.1	Waiver of interest levied u/ss 234A, 234B and 234C	352
5.4.2	Waiver of interest levied u/s 220	353
5.4.3	Waiver of penalty u/s 273A	355
5.4.4	Power of principal Commissioner or Commissioner to grant immunity from penalty u/s 273AA	357
<b>5.5 PROSECUTION</b>		
5.5.1	Meaning and purpose	359
5.5.2	Criminal jurisprudence	360
5.5.3	Terminology	360
5.5.4	Offences under Income-tax Act	363
5.5.5	Presumptions	366
5.5.6	Who to be jailed?	368
5.5.7	Opportunity before prosecution	370
5.5.8	Launching of prosecution	371
5.5.9	Quashing the complaint	372
5.5.10	Immunity - Abatement of settlement application	374
5.5.11	Compounding of offence	375
5.5.12	Faceless sanction for initiation of prosecution & compounding of offences (w.e.f. 1.11.2020)	376
5.5.13	Internal working of the department	377

## **DIVISION SIX**

### **Refunds**

---

6.1	Necessity	379
6.2	Relevant provisions	380
6.3	Claim of refund	380
6.4	Withholding of refund u/s 241A	380
6.5	Interest payable by the department	380
6.6	Condonation of delay for claiming refund	382
6.7	Income Declaration Scheme (IDS)	383

## **DIVISION SEVEN**

### **Settlement Commission - ITSC, Interim Board for Settlement\_\_\_\_\_**

<b>7.1</b>	Background	385
<b>7.2</b>	Recent changes	386
<b>7.3</b>	Eligibility criteria for filing settlement application	386
<b>7.4</b>	Computation of additional tax	387
<b>7.5</b>	Procedure for filing application	387
<b>7.6</b>	Admission of application	387
<b>7.7</b>	Calling report from CIT	388
<b>7.8</b>	Declaring application as invalid	388
<b>7.9</b>	Enquiry by ITSC	388
<b>7.10</b>	Passing of final order	389
<b>7.11</b>	Organisational structure	389
<b>7.12</b>	Additional income	392
<b>7.13</b>	Fast track arrangements	392
<b>7.14</b>	Powers of ITSC	393
<b>7.15</b>	Immunity from prosecution and penalty - Sec. 245H(1)	394
<b>7.16</b>	Bar on subsequent application	395
<b>7.17</b>	New abatement provisions	395
<b>7.18</b>	Check list for filing settlement application	396
<b>7.19</b>	Finance Act, 2021 - Paradigm shift in the provisions relating to income tax settlement commission discontinuation of ITSC	396
<b>7.20</b>	Interim board for settlement	397

## **DIVISION EIGHT**

### **Summons, Survey, Search\_\_\_\_\_**

#### **8.1 SUMMONS**

<b>8.1.1</b>	Powers under CPC	401
<b>8.1.2</b>	Nature of the powers	402
<b>8.1.3</b>	Pendency required	403
<b>8.1.4</b>	No pendency required	404
<b>8.1.5</b>	Duty of assisting taxpayer	404
<b>8.1.6</b>	Summons issued but could not be served	405
<b>8.1.7</b>	Authorised representative	405
<b>8.1.8</b>	Issue of commissions	405

**8.2 CALLING INFORMATION**

<b>8.2.1</b>	General	406
<b>8.2.2</b>	Who can exercise the powers u/s 133?	407
<b>8.2.3</b>	From firm - Sec. 133(1)	407
<b>8.2.4</b>	From HUF - Sec. 133(2)	408
<b>8.2.5</b>	From trustee, guardian or agent - Sec. 133(3)	408
<b>8.2.6</b>	From any assessee - Sec. 133(4)	408
<b>8.2.7</b>	From stock exchange etc. - Sec. 133(5)	408
<b>8.2.8</b>	From bank, etc. - Sec. 133(6)	409
<b>8.2.9</b>	Penalty	410
<b>8.2.10</b>	Faceless inquiry or valuation - (Section 142B w.e.f. 1.11.2020)	410

**8.3 SURVEY**

<b>8.3.1</b>	Why survey?	411
<b>8.3.2</b>	Who can survey?	412
<b>8.3.3</b>	Which premises can be surveyed?	413
<b>8.3.4</b>	Time of survey	413
<b>8.3.5</b>	Powers of survey authority	414
<b>8.3.6</b>	Duties of the person surveyed	415
<b>8.3.7</b>	Rights of the person surveyed	416
<b>8.3.8</b>	Survey in connection with TDS/TCS compliances	416
<b>8.3.9</b>	Survey to collect information about expenditure	416
<b>8.3.10</b>	Impounding books etc. in survey	417
<b>8.3.11</b>	Converting a survey into search	418
<b>8.3.12</b>	Reopening of assessments on the basis of survey u/s 133A	418
<b>8.3.13</b>	Material found in illegal survey	418
<b>8.3.14</b>	Door-to-door survey	419

**8.4 SEARCH & SEIZURE**

<b>8.4.1</b>	Meaning & safeguards	421
<b>8.4.2</b>	Warrant of authorisation	422
<b>8.4.3</b>	Pre-search exercise	424
<b>8.4.4</b>	Who can execute a search warrant?	424
<b>8.4.5</b>	Rights of the search party	425
<b>8.4.6</b>	Rights of the person searched	426

	PAGE	
8.4.7	Obligations of the person searched	428
8.4.8	Presence of consultant during search & seizure	429
8.4.9	Actual working of search & seizure	431
8.4.10	Recent amendments	434
8.4.11	Recording of statement during search & seizure	436
8.4.12	Surrender of income	437
8.4.13	Retraction	439
8.4.14	Presumption regarding valuables & documents found	440
8.4.15	No multiple additions	441
8.4.16	Seizure of third party valuables	442
8.4.17	Seizure of documents and extension	443
8.4.18	Restraint/Prohibitory order u/s 132(3)	443
8.4.19	Requisition from another authority u/s 132A	444
8.4.20	Appropriation of seized valuables u/s 132B	445
8.4.21	Challenging validity of search by writ	447
8.4.22	Material seized in illegal search	448
8.4.23	Power of arrest	449
8.4.24	Post-search assessment	449
8.4.25	Directions u/s 144A	449
8.4.26	Tips and traps	449

## **DIVISION NINE**

### **TDS and TCS**

---

#### **9.1 TDS - DEDUCTION OF TAX AT SOURCE**

9.1.1	No TDS from certain deductee	455
9.1.2	Mandate to quote PAN (Section 206AA)	457
9.1.3	TDS from salaries (Section 192)	457
9.1.4	TDS from employees provident fund scheme - Section 192A	460
9.1.5	TDS from interest on securities (Section 193)	460
9.1.6	TDS from dividend (Section 194)	461
9.1.7	TDS from interest other than interest on securities (Section 194A)	462
9.1.8	Winnings from lottery etc. (Section 194B)	464
9.1.9	Winnings from horse race etc. (Section 194BB)	464
9.1.10	TDS from payment to contractors (Section 194C)	465
9.1.11	TDS from insurance commission (Section 194D)	467

	PAGE
<b>9.1.12</b> TDS from payment of life insurance policy money on maturity - (Section 194DA)	467
<b>9.1.13</b> TDS from payment to non-resident sportsman or sport association (Section 194E)	468
<b>9.1.14</b> TDS from national savings scheme (Section 194EE)	468
<b>9.1.15</b> TDS for repurchase of units of mutual fund of UTI (Section 194F)	468
<b>9.1.16</b> TDS from prize on lottery tickets (Section 194G)	469
<b>9.1.17</b> TDS from commission or brokerage (Section 194H)	469
<b>9.1.18</b> TDS from rent (Section 194-I)	470
<b>9.1.19</b> TDS on payment on transfer of certain immovable property other than agricultural land (Section 194-IA)	472
<b>9.1.20</b> TDS from rent for individual and HUF (Section 194-IB)	472
<b>9.1.21</b> TDS from income under developer agreement u/s 45(5A) (Section 194-IC)	472
<b>9.1.22</b> TDS from fees for professional/technical services (Section 194J)	473
<b>9.1.23</b> TDS - Income from mutual fund units (Section 194K)	474
<b>9.1.24</b> TDS - Compulsory acquisition of immovable property (Section 194LA)	474
<b>9.1.25</b> TDS from interest from infrastructure debt fund (Section 194LB)	475
<b>9.1.26</b> TDS from income from units of a business trust (Section 194LBA)	475
<b>9.1.27</b> TDS from income in respect of units of investment fund (Section 194LBB)	475
<b>9.1.28</b> TDS from income in respect of investment in securitization trust (Section 194LBC)	476
<b>9.1.29</b> TDS from income by way of interest from Indian company (Section 194LC)	476
<b>9.1.30</b> TDS from income by way of interest on certain bonds and government securities (Section 194LD)	477
<b>9.1.31</b> TDS from payment of certain sums certain individuals or HUF (Section 194M inserted by Finance Act, 2019 w.e.f. 1-9-2019)	477
<b>9.1.32</b> TDS from payments of certain amounts in cash (Section 194N substituted w.e.f. 1.7.2020)	478
<b>9.1.33</b> TDS on e-commerce transactions (Section 194-O) - w.e.f. 1-10-2020	478
<b>9.1.34</b> TDS in case of specified Senior Citizen (Section 194P) - w.e.f. 1-4-2021	480
<b>9.1.35</b> TDS on payment of certain sums for purchase of goods (Section 194Q) - w.e.f. 1-7-2021	480

	PAGE
9.1.36	TDS from payments to non-residents (Section 195) 481
9.1.37	Income to be paid is "net of tax" (Section 195A) 484
9.1.38	TDS from income from units - Sec. 196B 484
9.1.39	TDS from income from foreign currency bonds or shares of Indian company (Section 196C) 484
9.1.40	TDS from income of foreign institutional investors from securities (Section 196D) 485
9.1.41	Tax deducted is deemed income (Section 198) 485
9.1.42	Credit for tax deducted (Section 199) 486
9.1.43	Duty of person deducting tax (Section 200) 486
9.1.44	Fee for default in furnishing TDS return (Section 234E) 487
9.1.45	Consequences of failure to deduct or pay TDS (Section 201) 487
9.1.46	Reduction in rate of TDS due to COVID-19 Pandemic 488
9.1.47	Special provision for TDS for non-filers of Income Tax return (Sec. 206AB) - w.e.f. 01.07.2021 490
<b>9.2</b>	<b>TAX COLLECTION AT SOURCE - TCS</b>
9.2.1	No TCS or TCS at lower rate in certain cases 491
9.2.2	TCS by seller of specified goods - Section 206C(1) 493
9.2.3	TCS by licensor - Section 206C(1C) 494
9.2.4	TCS on sale of motor vehicle - Section 206C(1F) 495
9.2.5	TCS on remittance under liberalised remittance scheme - Section 206C(1G) - Inserted w.e.f. 1-4-2020 (AY 2021-22) 495
9.2.6	TCS on sale of goods - Section 206C(1H) - w.e.f. 1.04.2020 496
9.2.7	Pan by collectee for TCS compliance - Section 206CC - Applicable from 1-4-2017 as inserted by Finance Act, 2017 497
9.2.8	Seller - Meaning for provisions of TCS u/s 206C(1), 206C(1C), and 206C(1F) 498
9.2.9	Scrap - Meaning 498
9.2.10	Obligation for TCS 498
9.2.11	Special provision for TCS for non-filers of Income Tax return (Sec. 206CCA) - w.e.f. 01.07.2021 498

## **DIVISION TEN**

### **Recovery of Tax**

---

#### **10.1 RECOVERY OF TAX - GENERAL**

10.1.1	Pendency of appeal etc.	501
--------	-------------------------	-----

	PAGE
10.1.2 Assessee in default	503
10.1.3 Consequences of being an assessee in default	504
<b>10.2 STAY OF DEMAND</b>	
10.2.1 Significance of stay of demand	505
10.2.2 Seeking stay of demand	506
10.2.3 What to Emphasise for stay?	508
10.2.4 Provisions of section 220(6) v. 220(3)	509
10.2.5 Stay by CIT (Appeals)	509
10.2.6 Stay by ITAT	510
10.2.7 Writ jurisdiction	512
<b>10.3 RECOVERY</b>	
10.3.1 Recovery of demand	513
10.3.2 Interest u/s 220(2)	514
10.3.3 Special cases	514
10.3.4 Cost benefit analysis	515

## **DIVISION ELEVEN**

### **Special Procedures**

---

#### **11.1 SFTRA - STATEMENT OF FINANCIAL TRANSACTION OR REPORTABLE ACCOUNT**

11.1.1 Objective - Curbing tax evasion	519
11.1.2 Persons required to furnish SFTRA	519
11.1.3 Nature of transactions covered	520
11.1.4 Furnishing SFTRA	521
11.1.5 Useful websites	522
11.1.6 Statement of donations/other sum received	522

#### **11.2 AAR - AUTHORITY FOR ADVANCE RULING**

11.2.1 Broad scheme	523
11.2.2 Terminology	524
11.2.3 Procedure for obtaining an advance ruling	525
11.2.4 Questions on which advance ruling can be sought	526
11.2.5 Powers and order of AAR	526
11.2.6 Finance Act, 2021- Constitution of the board for advance rulings	527

	PAGE
<b>11.3 A&amp;D - AMALGAMATION AND DEMERGER</b>	
11.3.1 Purpose	531
11.3.2 Amalgamation	531
11.3.3 Demerged Company	531
11.3.4 Demerger	531
11.3.5 Resulting Company	532
11.3.6 Undertaking	532
11.3.7 Capital gains exempt	533
11.3.8 Carry forward of losses and depreciation of amalgamating company	533
11.3.9 Carry forward of losses and depreciation of resulting company	534
11.3.10 Amortisation of A&D expenditure	534
11.3.11 Depreciation in year of A&D	534
11.3.12 Actual cost	534
11.3.13 Written down value (WDV)	534
11.3.14 Benefit of incentives to continue despite A & D	535
11.3.15 Provisions for shareholders of A&D company	535
11.3.16 Beneficial provisions applicable to banking company	536
<b>11.4 AOP - ASSOCIATION OF PERSONS</b>	
11.4.1 What is an association of persons?	537
11.4.2 How to form an AOP?	538
11.4.3 Unity of purpose	538
11.4.4 Minor - Member of an AOP	538
11.4.5 Taxation of an AOP	538
<b>11.5 FIRM</b>	
11.5.1 What is partnership?	541
11.5.2 Who can become a partner?	541
11.5.3 Essentials of valid partnership	541
11.5.4 Formation of partnership	542
11.5.5 Partnership deed	542
11.5.6 Contents of partnership deed	542
11.5.7 Admission	543
11.5.8 Retirement	543
11.5.9 Dissolution of partnership firm	543
11.5.10 Registration of firm	544

	PAGE
11.5.11 Tips and traps	545
11.5.12 Taxation of firms	546
11.5.13 Rate of firm tax	547
11.5.14 Interest and remuneration to partners	547
11.5.15 No double taxation	548
11.5.16 Presumptive income	548
<b>11.6 LLP - LIMITED LIABILITY PARTNERSHIP</b>	
11.6.1 What is limited liability partnership?	550
11.6.2 LLP, company and firm : Comparative study	550
11.6.3 Who can become a partner?	552
11.6.4 Essentials of valid LLP	553
11.6.5 Constitution of LLP	553
11.6.6 LLP agreement	553
11.6.7 Contents of LLP agreement	554
11.6.8 Incorporation of LLP	555
11.6.9 Admission	555
11.6.10 Cessation of partnership interest	555
11.6.11 Conversion of partnership firm into LLP	555
11.6.12 Conversion of company into LLP	556
11.6.13 Winding up, dissolution and striking off the name	557
11.6.14 Tips and traps	558
11.6.15 Taxation of LLP	559
11.6.16 Rate of tax	559
11.6.17 Interest and remuneration to partners	560
11.6.18 No double taxation	560
11.6.19 Presumptive taxation	560
11.6.20 Signing of income tax return	560
11.6.21 Liability of partners in liquidation	560
11.6.22 Conversion of firm into LLP : Tax implications	560
11.6.23 Conversion of company into LLP : Tax implications	561
11.6.24 Alternate minimum tax	563
<b>11.7 TRUST, MUTUALITY, CHARITY</b>	
11.7.1 Trust	566
11.7.2 Creation of a trust	567
11.7.3 Instrument of trust deed	568

	PAGE	
11.7.4	Mutuality	570
11.7.5	Income exempt u/s 10	571
11.7.6	Significance	573
11.7.7	Various registrations	573
11.7.8	Forms of organization	574
11.7.9	Society	574
11.7.10	Company u/s 8	575
11.7.11	Deity, debuttar	576
11.7.12	Broad scheme of taxation of charity	576
11.7.13	Charitable Purpose u/s 2(15)	577
11.7.14	Voluntary contributions u/s 2(24)( <i>ii</i> a)	581
11.7.15	Application of income u/s 11	581
11.7.16	Corpus donations u/s 11(1)( <i>d</i> )	585
11.7.17	Capital gains u/s 11(1A)	586
11.7.18	Accumulation u/s 11(2)	587
11.7.19	Investment by the institutions u/s 11(5)	588
11.7.20	Registration u/s 12A/12AB	589
11.7.21	Disabling provisions u/s 13	592
11.7.22	Religious institutions u/s 13(1)( <i>a</i> ),( <i>b</i> )	595
11.7.23	Section 80G	596
11.7.24	Anonymous Donation u/s 115BBC	598
11.7.25	Rate of tax u/s 164	599
11.7.26	Business by charitable institution	599
11.7.27	Accounts and audit	600
11.7.28	Return of income	601
11.7.29	TDS	601
11.7.30	Conversion of the trust or institution - w.e.f. 1.6.2016	601
11.7.31	Foreign Contribution (Regulation) Act, 1976	602
<b>11.8 HUF - HINDU UNDIVIDED FAMILY</b>		
11.8.1	Hindu Undivided Family (HUF)	608
11.8.2	Significance of HUF in tax laws	608
11.8.3	Creation of HUF	612
11.8.4	Hindu	613
11.8.5	Hindu law	613
11.8.6	Mitakshara v. Dayabhaga	614

	PAGE
11.8.7 HUF v. Coparcenary	615
11.8.8 Family, karta & members	616
11.8.9 HUF property	617
11.8.10 Blending	618
11.8.11 Gift to or by HUF	619
11.8.12 Stridhan	620
11.8.13 Partition	620
11.8.14 Receipt by a member from HUF income	622
11.8.15 Salary, commission, etc.	623
11.8.16 Effect of Hindu Succession Act	624
11.8.17 Reunion of HUF	625
<b>11.9 NR - NON-RESIDENT</b>	
11.9.1 Broad principles	626
11.9.2 Recent changes in income accrue or arise in India	627
11.9.3 Presumptive taxation of business income of non-resident	630
11.9.4 Other Special provisions for Business Income of Non-resident etc.	630
11.9.5 Special rates of tax in respect of certain income	631
11.9.6 TDS borne by the payer	633
11.9.7 "Actual cost" of asset brought into India by non-resident	633
11.9.8 Capital gains on shares and debentures in Indian company	634
11.9.9 Taxation of non-resident Indians	634
11.9.10 Special rates of tax for non-resident Indians	634
11.9.11 Applicability of Chapter XIIA after becoming resident	635
11.9.12 New exemptions to non-residents (w.e.f. 01.04.2022)	635
<b>11.10 TRANSFER PRICING</b>	
11.10.1 Purpose	638
11.10.2 Terminology	638
11.10.3 Computation of Income arising from International Transaction	639
11.10.4 Methods of computation of arm's length price	640
11.10.5 Choosing the most appropriate method	641
11.10.6 Determination of arm's length price by Assessing Officer	642
11.10.7 Reference to transfer pricing officer	643
11.10.8 Procedure after a reference is received	644
11.10.9 Rectification by transfer pricing officer	644

	PAGE
11.10.10 Information and documents to be maintained	644
11.10.11 Report of chartered accountant	645
11.10.12 Penalties	645
11.10.13 When arm's length price not to be determined?	646
11.10.14 Attribution of income in case of PE of a non-resident	646
<b>11.11 DRP - DISPUTE RESOLUTION PANEL</b>	
11.11.1 Purpose	647
11.11.2 Objective	648
11.11.3 Eligible assessee - IT means	648
11.11.4 Scheme of DRP	648
11.11.5 Rules and procedures	649
11.11.6 Constitution of the panel	649
11.11.7 Procedure for filing objections	650
11.11.8 Additional evidence	651
11.11.9 Issue of directions	651
11.11.10 Abatement of proceedings	651
11.11.11 Assessment order	651
11.11.12 Rectification of mistake	652
11.11.13 Appeal against assessment order	652

## **DIVISION TWELVE**

### **Approvals**

---

<b>12.1 DICTIONARY MEANING</b>	653
<b>12.2 PURPOSE</b>	654
<b>12.3 ADMINISTRATIVE OR INTERNAL APPROVALS</b>	
12.3.1 Section 33AB(1) - Tea/Coffee/Rubber Development Account	654
12.3.2 Authorization of a Search - Section 132	654
12.3.3 Power of Survey - Proviso to Section 133A	655
12.3.4 Survey - Retention of Books - Section 133A(3)(ia)(b)	655
12.3.5 Calling statement of Assets - Section 142(1) Proviso (a)	655
12.3.6 Special Audit - Section 142(2A)	656
12.3.7 Reopening of Assessment - Section 151	656
12.3.8 Post Search Assessment - Section 153D	656
12.3.9 Provisional attachment - Section 281B	656

**12.4 APPROVALS BY CENTRAL GOVERNMENT ETC.**

<b>12.4.1</b>	Leasing Aircraft - Section 10(6BB)	657
<b>12.4.2</b>	Engagement of Technical Assistants - Section 10(8A) etc.	657
<b>12.4.3</b>	Professional Body - Section 10(23A), proviso 1(ii)	657
<b>12.4.4</b>	LIC Pension Fund - Section 10(23AAB)(ii)	658
<b>12.4.5</b>	Khadi/Village Industries Promotion - Section 10(23B)	658
<b>12.4.6</b>	Venture Capital Co./Fund - Section 10(23FB)	658
<b>12.4.7</b>	Health Insurance - Section 17(2)	658
<b>12.4.8</b>	Site Restoration Fund - Section 33ABA(1)(a)	658
<b>12.4.9</b>	Scientific Research Expenditure - Section 35 Rules 5D, 5E	659
<b>12.4.10</b>	Eligible Project - Section 35AC(1), Rule 11L	659
<b>12.4.11</b>	Special Business - Section 35AD(2)(iii)(b)	659
<b>12.4.12</b>	Specified Entity engaged in providing long term finance - Section 36(1)(viii)	659
<b>12.4.13</b>	Turnkey Power Projects by Foreign Co. - Sec. 44BBB	660
<b>12.4.14</b>	Investment in bonds - Sec. 54EC	660
<b>12.4.15</b>	Amalgamation/Demerger - Sec. 72A	660
<b>12.4.16</b>	Demerger of Companies u/s 72A(5) - Sec. 2(19AA)(vii)	660
<b>12.4.17</b>	Foreign Companies - Concessional rate of Tax - Sec. 115A(1)(b)	661

**12.5 APPROVAL BY CHIEF CIT, DG ETC.**

<b>12.5.1</b>	Approved Gratuity Fund - Sec. 2(5) Part C of Fourth Schedule	661
<b>12.5.2</b>	Approved Superannuation fund - Sec. 2(6) Part B of Fourth Schedule	661
<b>12.5.3</b>	Recognition of Provident Fund - Sec. 2(38) Part A, Fourth Schedule	661
<b>12.5.4</b>	Fund established for Employees welfare - Sec. 10(23AAA)(b) Rule 16C, Form No. 9	662
<b>12.5.5</b>	Fund or trust or institution - Sec. 10(23C)(iv)/(v)/(vi)/(via)	662
<b>12.5.6</b>	Trust - Procedure for Registration - Sec. 12AB Rule 17A, Form 10A	662
<b>12.5.7</b>	Hospital approved for specified diseases - Sec. 17(2) Proviso (ii)(b) Rule 3A(i)	662
<b>12.5.8</b>	Certain Funds and Charitable Institution - Sec. 80G(5)(vi) Rule 11AA, Form 10G	663
<b>12.5.9</b>	Power to reduce or waive penalty, or interest - Sec. 273A	663

**12.6 SOME APPROVALS SUN-SET BY NOW**

663

## **DIVISION THIRTEEN**

### **STT, DDT, Tax on Liquidation, Reduction and Buy Back, MAT, AMT and WT**

---

#### **13.1 SECURITIES TRANSACTION TAX - STT COMMODITIES TRANSACTION TAX - CTT**

13.1.1	Broad scheme	666
13.1.2	Important definitions	667
13.1.3	Rate of security transaction tax	667
13.1.4	Value of taxable securities transaction	669
13.1.5	Collection and payment	669
13.1.6	Filing of return and penalty	670
13.1.7	Commodity transaction tax - CTT	670
13.1.8	Important definitions	670
13.1.9	Rate of commodity transaction tax - w.e.f. 1.4.2020	671
13.1.10	Collection and payment	671
13.1.11	Filing of Return and Penalty	672

#### **13.2 DIVIDEND DISTRIBUTION TAX - DDT**

13.2.1	Broad scheme of DDT u/s 115-O	673
13.2.2	Deemed dividend u/s 2(22)	674
13.2.3	Rates of dividend distribution tax	675

#### **13.3 TAX ON LIQUIDATION, REDUCTION AND BUY BACK**

13.3.1	Liquidation of companies and taxability	676
13.3.2	Reduction of share capital and taxability	677
13.3.3	Capital Gains on Purchase by Company of its own Shares or other Specified Securities: Buy Back	678

#### **13.4 MINIMUM ALTERNATE TAX - MAT**

13.4.1	Applicability	680
13.4.2	Book profit computation	681
13.4.3	MAT credit u/s 115JAA	684
13.4.4	Other provisions of MAT	685
13.4.5	Decisions	686

**13.5 ALTERNATE MINIMUM TAX - AMT**

<b>13.5.1</b>	Broad scheme of AMT u/s 115JC	687
<b>13.5.2</b>	Applicability of AMT	688
<b>13.5.3</b>	Adjusted total income - ATI	688
<b>13.5.4</b>	Tax credit of AMT u/s 115JD	688
<b>13.5.5</b>	Other provisions of AMT	689

**DIVISION FOURTEEN****RTI, Ombudsman**

---

**14.1 RTI - RIGHT TO INFORMATION**

<b>14.1.1</b>	Right to information - General	691
<b>14.1.2</b>	Rights to citizens	693
<b>14.1.3</b>	Scope	693
<b>14.1.4</b>	Process	693
<b>14.1.5</b>	Time limits for replying	694
<b>14.1.6</b>	Fees for information	694
<b>14.1.7</b>	Partial disclosure	695
<b>14.1.8</b>	Exclusion of certain agencies	695
<b>14.1.9</b>	Information exclusions	696
<b>14.1.10</b>	Filing of appeal	697
<b>14.1.11</b>	Filing of complaints	698
<b>14.1.12</b>	Role of the government	698
<b>14.1.13</b>	Power to make rules	699
<b>14.1.14</b>	Links to web	699

**14.2 OMBUDSMAN**

<b>14.2.1</b>	Introduction	700
<b>14.2.2</b>	Income tax ombudsman	701
<b>14.2.3</b>	Objective behind the guidelines	701
<b>14.2.4</b>	Disputes to be considered by ombudsman	701
<b>14.2.5</b>	Power and duties	702
<b>14.2.6</b>	Applying to ombudsman	703
<b>14.2.7</b>	Time limit for making the application	703
<b>14.2.8</b>	Bar against complaint	704

	PAGE
<b>14.2.9</b> Procedure	704
<b>14.2.10</b> Details required for the application	704
<b>14.2.11</b> Proceedings before the ombudsman	704
<b>14.2.12</b> Award	705
<b>14.2.13</b> List of income tax ombudsman	706

## **DIVISION FIFTEEN**

### **Drafting of Deeds**

---

<b>15.1</b> Introduction	710
<b>15.2</b> Document	711
<b>15.3</b> Deeds poll and indenture	711
<b>15.4</b> Stages in business contracts	711
<b>15.5</b> Simple words	712
<b>15.6</b> Figures and words	712
<b>15.7</b> Components or parts of a document	712
<b>15.8</b> Non-operative parts of a deed	712
<b>15.9</b> Operative parts of a deed	715
<b>15.10</b> Stamp duty	717
<b>15.11</b> Registration	718
<b>15.12</b> Precautions	719

## **DIVISION SIXTEEN**

### **Agreement, MOU**

---

<b>16.1</b> Agreement - Meaning of	721
<b>16.2</b> When agreement deemed to be void	721
<b>16.3</b> Who can sign an agreement?	722
<b>16.4</b> An agreement does not require attestation	722
<b>16.5</b> Stamp duty on agreement differs from State-to-State	722
<b>16.6</b> Registration in case of Immovable property worth Rs. 100 or more is compulsory	722
<b>16.7</b> For MOU's refer Chapter 46 (Case studies)	722

**DIVISION SEVENTEEN****Gift, Wills, Family Arrangements**

---

**17.1 GIFT**

17.1.1	Gift - General	724
17.1.2	Taxation of gifts	725
17.1.3	Reference to valuation officer	727
17.1.4	Burden to prove genuineness of gift	727

**17.2 WILLS**

17.2.1	Introduction	729
17.2.2	Terminology	729
17.2.3	What is a will?	730
17.2.4	Codicil	730
17.2.5	Will v. Nomination	731
17.2.6	Kinds of wills	731
17.2.7	Who can make a will?	732
17.2.8	Law governing testator	732
17.2.9	Effect of muslim law	732
17.2.10	Execution	732
17.2.11	Attestation	733
17.2.12	Revocation and revival	733
17.2.13	Deposit and registration	733
17.2.14	Probate	733
17.2.15	Interpretation of wills	733
17.2.16	Disadvantages of will	734
17.2.17	Discretionary trust by will	734

**17.3 FAMILY ARRANGEMENTS**

17.3.1	Introduction	735
17.3.2	Characteristics of a family arrangement	736
17.3.3	Registration	736

## **DIVISION EIGHTEEN**

### **Power of Attorney etc.**

---

#### **18.1 POWER OF ATTORNEY**

<b>18.1.1</b>	Act	739
<b>18.1.2</b>	Definition	739
<b>18.1.3</b>	Two or more executants or attorney holders	740
<b>18.1.4</b>	Who can execute?	740
<b>18.1.5</b>	Types	740
<b>18.1.6</b>	Cancellation	740
<b>18.1.7</b>	Unilateral generally	740
<b>18.1.8</b>	Stamp duty	740
<b>18.1.9</b>	Is authentication mandatory?	740
<b>18.1.10</b>	When is registration required?	740

#### **18.2 INDEMNITY AND GUARANTEE**

<b>18.2.1</b>	Indemnity	741
<b>18.2.2</b>	Indemnity v. Guarantee	741
<b>18.2.3</b>	Clause for indemnity	742
<b>18.2.4</b>	Separate bond	742
<b>18.2.5</b>	Registration	742

## **DIVISION NINETEEN**

### **Lease, Rent, License etc.**

---

<b>19.1</b>	Lease	744
<b>19.2</b>	Rent	744
<b>19.3</b>	Lease & License	745
<b>19.4</b>	Lease v. License	745
<b>19.5</b>	Advantages of lease	746

## **DIVISION TWENTY**

### **Sale/transfer of properties**

---

#### **20.1 MOVABLE PROPERTY**

<b>20.1.1</b>	What are movables?	748
<b>20.1.2</b>	Meaning of sale	749

	PAGE
20.1.3 Who can enter into a transaction for sale?	749
20.1.4 Sale - Significant ingredients	749
20.1.5 Stamp duty on sale deed of movables	750
20.1.6 Assignment	750
20.1.7 Stamp duty and attestation	750
20.1.8 Registration	750
<b>20.2 IMMOVABLE PROPERTY</b>	
20.2.1 Meaning of immovable property	751
20.2.2 Conveyance v. Agreement	752
20.2.3 Stamp duty	752
20.2.4 Registration	754
20.2.5 Immovable property transactions	754
20.2.6 Developer agreement	755
20.2.7 Organizer's arrangements	757
20.2.8 Tenanted property	758
20.2.9 Tips and traps	758
<b>20.3 TAXATION OF IMMOVABLE PROPERTY TRANSACTIONS</b>	
20.3.1 Tax implications	761
20.3.2 Capital gains	761
20.3.3 Notional sale consideration u/s. 50C	765
20.3.4 Exemption for investment	770
20.3.5 Business income	774
20.3.6 Deductions u/s. 80-IBA etc.	774
20.3.7 Developer agreement	775
20.3.8 Partner's contribution - Whether taxable?	777
20.3.9 Contribution to LLP	778
20.3.10 Family arrangement	780
20.3.11 Tips and traps	780

## **DIVISION TWENTY ONE**

### **Tax Audit**

---

21.1 Meaning of Audit	781
21.2 Objective	782
21.3 Applicability of Tax Audit (Section 44AB)	782

	PAGE
<b>21.4</b> Computation of total turnover in certain specified cases	784
<b>21.5</b> Reporting	784
<b>21.6</b> Due dates of Tax Audit	785
<b>21.7</b> Penalty for non-compliance (Section 271B)	785
<b>21.8</b> Tax Audit Checklist for Professionals	785
<b>21.9</b> Documentation for Tax Audit	786
<b>21.10</b> Compliance with Standards of Auditing in Tax Audit	787

## **DIVISION TWENTY TWO**

### **Income Computation & Disclosure Standards**

---

<b>22.1</b> Why ICDS?	792
<b>22.2</b> Applicability	792
<b>22.3</b> Significant amendments in relation to notified income computation and disclosure standards	792
<b>22.4</b> Notified income computation and disclosure standards	794
<b>22.5</b> Income computation and disclosure standard I : Accounting policies	795
<b>22.6</b> Income computation and disclosure standard II : Valuation of inventories	796
<b>22.7</b> Income computation and disclosure standard III : Construction contracts	799
<b>22.8</b> Income computation and disclosure standard IV : Revenue recognition	802
<b>22.9</b> Income computation and disclosure standard V : Tangible fixed assets	804
<b>22.10</b> Income computation and disclosure standard VI : Effect of change in foreign exchange rates	806
<b>22.11</b> Income computation and disclosure standard VII : Government grants	808
<b>22.12</b> Income computation and disclosure standard VIII : Securities	811
<b>22.13</b> Income computation and disclosure standard IX : Borrowing cost	812
<b>22.14</b> Income computation and disclosure standard X : Provisions, contingent liabilities and contingent assets	814

**DIVISION TWENTY THREE****Real Estate (Regulation and Development) Act, 2016  
(RERA)**

---

<b>23.1</b>	Why RERA?	820
<b>23.2</b>	Introduction of RERA, 2016	820
<b>23.3</b>	Important definition	820
<b>23.4</b>	Registration (Section 3)	822
<b>23.5</b>	Application for registration (Section 4)	823
<b>23.6</b>	Extension and revocation of registration	825
<b>23.7</b>	Audit of accounts	826
<b>23.8</b>	Registration and functions of real estate agent (Sections 9 & 10)	827
<b>23.9</b>	Functions and duties of promoters	828
<b>23.10</b>	Other obligations of promoters	830
<b>23.11</b>	Filing of compliant with the authority or adjudication officer	832
<b>23.12</b>	Functions of authority	832
<b>23.13</b>	Powers of authority	833
<b>23.14</b>	Rectification of order	834
<b>23.15</b>	Appeals to appellate tribunal	834
<b>23.16</b>	Representation by professionals	835
<b>23.17</b>	Appeal to High Court	835
<b>23.18</b>	Offences, penalties and imprisonment	835
<b>23.19</b>	Adjudication of compensation	837
<b>23.20</b>	Names of few significant forms in various State	838

**DIVISION TWENTY FOUR****E-Proceedings under the Income Tax Act, 1961**

---

<b>24.1</b>	Introduction	840
<b>24.2</b>	Income Tax Business Application	841
<b>24.3</b>	Assessment through E-proceedings facility	841
<b>24.4</b>	E-Nivaran Scheme	842
<b>24.5</b>	Faceless Assessment - Sub-sections (3A), (3B) and (3C) of Section 143 (Applicable upto 31-3-2021)	842
<b>24.6</b>	Insertion of new Section 144B - 'Faceless assessment' w.e.f. 1.4.2021	843

	PAGE
24.7	Few Types of Error Codes and their Resolutions 851
24.8	Faceless Appeal Scheme, 2020 852
24.9	Faceless Penalty Scheme, 2021 860

## **DIVISION TWENTY FIVE**

<b>Prohibition of Benami Property Transactions Act, 1988</b>		_____
25.1	Introduction	868
25.2	Key Definitions	868
25.3	Prohibitions under Benami Act	870
25.4	Authorities and Jurisdiction	871
25.5	Notice and attachment of property involved in Benami transaction	873
25.6	Manner of Service of notice	875
25.7	Adjudication of Benami property	875
25.8	Confiscation of Benami Property	877
25.9	Management and Possession of the property confiscated	877
25.10	Procedure and Powers of Appellate Tribunal	878
25.11	Appeals to Appellate Tribunal	878
25.12	Rectification of mistakes	879
25.13	Right to Representation	879
25.14	Appeal to High Court	880
25.15	Penalties under Benami Act	880
25.16	Proof of entries in records or documents and Previous Sanction	881
25.17	Certain Transfers to be <i>null</i> and <i>void</i>	882
25.18	Offences by Companies	882
25.19	Notice not to be invalid on certain grounds	882
25.20	Prosecution of action taken in good faith	882
25.21	Proceeding against legal representative	883
25.22	Act to have overriding effect	883

---

**Book Two : Case Studies**

---

**DIVISION TWENTY SIX****Tax Practice**

---

<b>26.1</b>	Form 39	889
<b>26.2</b>	Certificate by Assessing Officer	891
<b>26.3</b>	Certificate by the senior	892
<b>26.4</b>	Form 40	893
<b>26.5</b>	Form 38	894
<b>26.6</b>	Letter of engagement (from client to the tax practitioner)	895
<b>26.7</b>	Schedule of recommended fees by ICAI (the institute of chartered accountants of India)	898
<b>26.8</b>	Power of attorney : General	911
<b>26.9</b>	Power of attorney : Specific	913
<b>26.10</b>	Vakalatnama	914
<b>26.11</b>	Time sheet	916
<b>26.12</b>	Unique file No. in computer	917
<b>26.13</b>	Grouping of files	919
<b>26.14</b>	Front side and inside of file	920
<b>26.15</b>	SMS	922
<b>26.16</b>	Case diary	923
<b>26.17</b>	Message slip	924
<b>26.18</b>	Daily report	925
<b>26.19</b>	Dispatch register	926
<b>26.20</b>	Inward register	927
<b>26.21</b>	Due date register	928
<b>26.22</b>	Memo : Presence required	929
<b>26.23</b>	Memo : Forwarding etc.	931
<b>26.24</b>	Memo : Requisition	933

## **DIVISION TWENTY SEVEN**

### **Pre-Assessment Procedures**

---

<b>27.1</b>	Proforma of Notice u/s 210(3)	935
<b>27.2</b>	Draft Reply to Notice issued u/s 210(3) after the last day of February	936
<b>27.3</b>	Draft Reply to Notice issued u/s 210(3) and advance tax paid	938
<b>27.4</b>	PAN Application - Instructions	939
<b>27.5</b>	TAN Application - Instructions	945
<b>27.6</b>	Correction/change in PAN data or surrender of PAN	946
<b>27.7</b>	Correction/change in TAN data or surrender of TAN	956
<b>27.8</b>	Notice u/s 272B for having Duplicate PAN	957
<b>27.9</b>	Reply to Notice issued u/s 272B	958

## **DIVISION TWENTY EIGHT**

### **Assessment - Principles and Issues**

---

<b>28.1</b>	Basics - Assessment Procedure	962
<b>28.1.1</b>	Notices, Compliances	962
<b>28.1.2</b>	Adjournment, Authorized Representative, Order Sheet	978
<b>28.2</b>	Scrutiny Assessment - Tools	985
<b>28.2.1</b>	Enquiry, Summons	985
<b>28.2.2</b>	Affidavit, Statement on Oath	988
<b>28.2.3</b>	Directions by Joint CIT - Sec. 144A	995
<b>28.2.4</b>	Special Audit - Sec. 142(2A)	998
<b>28.2.5</b>	Survey	1001
<b>28.3</b>	Scrutiny Assessment - Issues	1028
<b>28.3.1</b>	Bogus, Benami Transactions	1028
<b>28.3.2</b>	Method of Accounting, Book Result, Stock Valuation	1033
<b>28.3.3</b>	Cash Credits, Share Capital, Gift	1070
<b>28.3.4</b>	Disallowance of Expenses, Losses	1087
<b>28.3.5</b>	Unexplained - Expenditure	1109
<b>28.3.6</b>	Unexplained - Investment	1119
<b>28.4</b>	Re-opening of Assessment	1160
<b>28.5</b>	Post-search Assessment	1187

## DIVISION TWENTY NINE

### Rectification of Mistake

---

29.1	Credit not allowed for TDS in intimation u/s 143(1)	1225
29.2	Interest wrongly charged u/s 234B/234C	1227
29.3	Error of principle - Same income considered twice	1229
29.4	Deduction u/s 80-IAC not increased and Totalling Mistake	1231
29.5	Deduction u/s 80-IA has to be allowed at a higher figure than claimed in the return of income with reference to business income as assessed	1233
29.6	Set off not allowed for brought forward losses in the past	1235
29.7	Excessive Interest charged while giving effect to ITSC Order	1237

## DIVISION THIRTY

### Revision

---

30.1	<i>Ad hoc</i> disallowances out of expenses - Time for filing appeal has expired	1242
30.2	Disallowance out of expenses - Deduction u/s 80HHC not increased correspondingly	1248
30.3	Addition for low withdrawals and deduction u/ss 80TTA and 80G not granted	1252
30.4	Revision Petition to challenge <i>Lump Sum</i> addition	1255 1255
	<i>Ad hoc</i> Disallowances	1255
30.5	Assessee's income from retail trade and covered by sec. 44AF - <i>Ad hoc</i> disallowance out of expenses	1258
30.6	<i>Explanation</i> in response to Notice u/s 263 - No interest offered on FDR of ₹ 1 Crore	1261
30.7	CIT proposes 263 against post search assessment	1263
30.8	Disallowance under section 36(1)(iii) cannot be attracted where own surplus fund has been utilised to give interest free loans to its sister concern	1270

## DIVISION THIRTY ONE

### Appeals to CIT (Appeals)

---

31.1	Reconciliation of Income Returned and Assessed	1277
31.2	<i>Ad hoc</i> disallowances out of manufacturing and administrative expenses - Challenging by filing appeal before CIT (Appeals)	1279

	PAGE
<b>31.3</b> Surrender of ₹ 15,00,000 during search retracted - Retraction not accepted by Assessing Officer - Filing first appeal	1288
<b>31.4</b> Assessment reopened - Income of Benamidar included in reassessment - Filing of Appeal	1291
<b>31.5</b> Books of account rejected and income estimated by invoking sec. 145 read with sec. 144 - Routine disallowance of expenses - Filing of appeal before CIT(Appeals)	1295
<b>31.6</b> No real delay in filing appeal	1299
<b>31.7</b> Condonation of delay	1300
<b>31.8</b> Additional grounds of appeal before CIT(Appeals)	1302
<b>31.9</b> Additional evidence - Rule 46A	1304
<b>31.10</b> <i>Ad hoc</i> disallowances in first year of business	1306
<b>31.11</b> Written submissions before CIT (Appeals)	1308
<b>31.12</b> Routine disallowance out of expenses on ground of unverifiable nature and alleged personal use	1312
<b>31.13</b> Petition to grant stay of demand	1315
<b>31.14</b> Disallowances and Addition for low withdrawals - Draft of First Appeal	1317
<b>31.15</b> Power of Attorney to argue before CIT (Appeals)	1321
<b>31.16</b> Material privately obtained by AO - Used without giving opportunity to the assessee	1322
<b>31.17</b> Disputes in the Directors of the Company - Inability to produce record before AO	1324
<b>31.18</b> Withdrawal of appeal before CIT(Appeals)	1327
<b>31.19</b> Order by CIT(Appeals) granting withdrawal of appeal	1328
<b>31.20</b> The authorities have to be guided by the legal evidence and not on general observations based on statements, reports from investigation wing probabilities, human behaviour, <i>modus operandi</i> etc.	1329

## **DIVISION THIRTY TWO**

### **Appeals to - ITAT - High Court - Supreme Court**

---

<b>32.1</b> Appellate Tribunal Check List - Proforma	1334
<b>32.2</b> Appellate Tribunal Check List - Filled in	1336
<b>32.3</b> Filing an appeal before ITAT	1337
<b>32.4</b> Covering letter for filing Paper Book and Power of Attorney before ITAT	1341
<b>32.5</b> Power of Attorney to argue ITAT appeal	1343

	PAGE
<b>32.6</b> Paper Book Index	1345
<b>32.7</b> Filing Cross Objections to ITAT	1347
<b>32.8</b> Petition for delay condonation	1350
<b>32.9</b> Stay Petition before Appellate Tribunal	1352
<b>32.10</b> Additional grounds of appeal and additional evidence	1355
<b>32.11</b> Petition for rectification of mistake before ITAT	1358
<b>32.12</b> Written Submissions before ITAT	1361
<b>32.13</b> Objections to departmental Paper Book	1369
<b>32.14</b> Request to ITAT to direct Assessing Officer for production of relevant documents	1372
<b>32.15</b> Request for preponement	1375
<b>32.16</b> Compilation of decisions relied upon	1376
<b>32.17</b> Another Compilation - Additional Evidence	1377
<b>32.18</b> Effect to ITAT Order	1378
<b>32.19</b> Appeal to High Court against ITAT Order	1381
<b>32.20</b> SLP - Settlement Commission could not dispose of by the cut off date - Abatement of the proceedings to AO as per sec. 245HA - High Court declined to interfere	1384

## **DIVISION THIRTY THREE**

### **Interest Payable by Assessee**

---

<b>33.1</b> Higher interest charged by AO	1389
---	------

## **DIVISION THIRTY FOUR**

### **Penalties**

---

<b>34.1</b> Keeping penalty proceedings in abeyance : Brief Petition	1394
<b>34.2</b> Keeping penalty proceedings in abeyance : Detailed Petition	1396
<b>34.3</b> Routine Disallowances out of Expenses - Concealment	1399
<b>34.4</b> Penalty u/s 271(1)(c) - <i>Explanation</i> on Merits	1400
<b>34.5</b> Reply to Assessing Officer for penalty u/s 271(1)(c) - Addition because method of accounting is changed by the Assessing Officer	1404
<b>34.6</b> First Appeal partly allowed - Both the assessee and department have filed appeal to ITAT - ITAT appeal is pending decision - <i>Explanation</i> on merits	1407

	PAGE	
34.7	Concealment penalty - Addition of ₹ 2 Lac on agreed basis	1415
34.8	Loss reduced on assessment - Old decisions in favour of no penalty in such cases - Legal position nullified by amendment in <i>Explanation 4</i> to sec. 271(1)(c) w.e.f. 1.4.2003 - Whether applicable to assessment year 2002-03 for which assessment is completed in March, 2006	1417
34.9	Dropping the penalty proceedings u/s 271AAC as addition u/s 68 is not tenable	1419
34.10	Application to grant immunity from imposition of penalty u/s 270A	1422
34.11	An application to the Assessing Officer to grant immunity from imposition of penalty under section 270A and from initiation of proceedings under section 276C or section 276CC shall be made in Form No.68	1424

## DIVISION THIRTY FIVE

### Prosecution

---

35.1	Hearing opportunity by CIT before launching prosecution - Filing of petition	1426
35.2	Department has already filed prosecution - The assessee wants to file a petition for compounding - Covering Letter	1429
35.3	Compounding Petition	1430

## DIVISION THIRTY SIX

### Refunds

---

36.1	Revalidation of Refund Voucher	1434
36.2	Proforma of Indemnity Bond	1435
36.3	Letter of Grievance	1436
36.4	Refund due to Order of CIT(Appeals)	1437
36.5	Refund Voucher lost by bank	1438
36.6	Indemnity Bond - Refund Voucher lost by bank	1440
36.7	Petition for fresh refund in case of deceased	1441
36.8	Indemnity Bond by Legal Heir	1443
36.9	Affidavit - Refund due to Order of ITAT	1444
36.10	Refund - Due to claim of advance tax challan not taken on Return of Income	1446

## **DIVISION THIRTY SEVEN**

### **Settlement of Cases**

---

<b>37.1</b>	Covering Letter to Settlement Application	1448
<b>37.2</b>	Settlement Application - Form 34B	1450

## **DIVISION THIRTY EIGHT**

### **Survey**

---

<b>38.1</b>	Survey u/s 133A - Books of account and other documents impounded - Statements recorded - Inspection, photocopy and certified copy of Statements recorded	1452
<b>38.2</b>	Survey u/s 133A - No proceeding pending - Release of impounded books etc.	1455
<b>38.3</b>	CIT calling report from Assessing Officer - Release of Books of account etc. impounded u/s 133A	1457
<b>38.4</b>	Actual release of books of account etc. u/s 133A by Assessing Officer	1458

## **DIVISION THIRTY NINE**

### **Search & Seizure**

---

<b>39.1</b>	Departmental Rules for Searches and Seizures	1461
<b>39.2</b>	Seizure of Ornaments - CBDT Circular	1465
<b>39.3</b>	Performa of Search Warrant	1466
<b>39.4</b>	Preliminary Statement of person searched before actual commencement of search	1469
<b>39.5</b>	Language in which statement can be recorded	1470
<b>39.6</b>	Search party asking for some minute details towards the close of the search when the person is exhausted	1471
<b>39.7</b>	Unlikeable situation may surface such as incomplete cash book	1472
<b>39.8</b>	Requisition of books of account of earlier years	1473
<b>39.9</b>	Incomplete and haphazard data on computer	1474
<b>39.10</b>	Purchase of immovable property	1476
<b>39.11</b>	Enquiry about jewellery - Whether new?	1477
<b>39.12</b>	Purchase of agricultural land by minors, gift received and gift given	1479
<b>39.13</b>	An irrelevant question by the search party	1480

	PAGE
<b>39.14</b> Surrender of income to seek immunity from penalty for concealment in the case of a search	1481
<b>39.15</b> Surrender of income to seek immunity from penalty for concealment in the case of a search by harmonizing various items	1482
<b>39.16</b> Panchnama - Search & Seizure action u/s 132	1484
<b>39.17</b> Annexures to Panchnama - Nature and significance	1488
<b>39.18</b> Annexure for Books of Account etc.	1490
<b>39.19</b> Annexure for Bullion/Jewellery	1491
<b>39.20</b> Annexure for Cash	1492
<b>39.21</b> Annexure for Other Assets	1493
<b>39.22</b> Annexure for Stock	1494
<b>39.23</b> Search and Seizure - Inspection, Photocopy and Certified copy of statements recorded	1495
<b>39.24</b> Restraint Order u/s 132(3) - Proforma	1497
<b>39.25</b> Life of Restraint Order u/s 132(3)	1499
<b>39.26</b> Very old restraint Order u/s 132(3) for NSCs - Post Office insists for its formal recall for payment of maturity value of NSCs	1501
<b>39.27</b> Omnibus or highly generalised restraint order to bank	1503
<b>39.28</b> Restraint order for bank account of persons not searched, etc.	1506
<b>39.29</b> Restraint order issued for disclosed bank accounts	1508
<b>39.30</b> Restraint order for bank account opened in current financial year	1510
<b>39.31</b> Restraint order issued for stock in trade and sealing of warehouses	1513
<b>39.32</b> Restraint order issued for residential house and its sealing	1516
<b>39.33</b> Revoking Restraint order u/s 132(3)	1519
<b>39.34</b> Search and Seizure - Cash Seized - Release for adjustment towards Advance Tax for current financial year and existing tax liabilities	1521
<b>39.35</b> Request for release of assets seized for payment of tax	1523
<b>39.36</b> Release of Jewellery against Bank Guarantee	1525
<b>39.37</b> Request for release of seized valuables - All assessments completed - Due taxes paid	1527
<b>39.38</b> Interest u/s 244A on cash kept deposited in PD Account	1529
<b>39.39</b> Requisition u/s 132A - Proforma of Warrant	1531
<b>39.40</b> Proforma of notice u/s 153A(a)	1533
<b>39.41</b> Objection to notice u/s 153A(a) and request for inspection, copy etc.	1535
<b>39.42</b> Formal compliance of notice u/s 153A	1538

	PAGE
<b>39.43</b> Assessee not aware of requisition u/s 132A - Notice from Assessing Officer u/s 153A - Representation before ADI (Investigation) and Assessing Officer	1540
<b>39.44</b> Requisition u/s 132A - Cash seized by police handed over in supurdagi of Court - Objections before Court	1542

## **DIVISION FORTY**

### **Tax Deduction at Source**

---

<b>40.1</b> Proforma of Notice u/s 201(1)	1549
<b>40.2</b> Proforma of Report of Short Deduction/Collection	1552
<b>40.3</b> Proforma of Report for Challans mis-match	1554
<b>40.4</b> Reply to the Notice u/s 201(1)	1555
<b>40.5</b> Proforma of Order u/s 201(1)	1557
<b>40.6</b> Shortfall in deduction of TDS due to <i>bona fide</i> wrong impression, under wrong provision of TDS, don't attract disallowance u/s 40(a)(ia)	1559
<b>40.7</b> Application for grant of certificate for determination of appropriate proportion of sum (other than Salary), payable to non-resident, chargeable to tax in case of the recipients	1562

## **DIVISION FORTY ONE**

### **Recovery of Tax**

---

<b>41.1</b> Formal Letter for Stay of Demand upon filing appeal before CIT (Appeals)	1572
<b>41.2</b> Stay of concealment penalty when its quantum appeal is decided in assessee's favour	1575
<b>41.3</b> Where appeal decided in assessee's favour in earlier years - Stay of Demand	1577
<b>41.4</b> Petition to CIT to Direct Assessing Officer for Stay	1580
<b>41.5</b> Release of Attachment made u/s 226(3)	1582

## **DIVISION FORTY TWO**

### **Trust, Mutuality, Charity**

---

<b>42.1</b> Charitable Trust Deed	1583
<b>42.2</b> Corpus Donation Letter	1593
<b>42.3</b> Form 10A	1594
<b>42.4</b> Form 10AB	1605

**DIVISION FORTY THREE****Firm** \_\_\_\_\_

<b>43.1</b>	Simple Partnership Deed	1614
<b>43.2</b>	Partnership Deed for a new Firm	1617
<b>43.3</b>	Partnership Deed upon conversion of proprietary business into a partnership	1624
<b>43.4</b>	Covering letter to Client	1630
<b>43.5</b>	Deed of retirement	1631
<b>43.6</b>	Partnership Deed for recording change in constitution on account of simultaneous admission and retirement of partners	1635
<b>43.7</b>	Notice by Minor upon attaining majority	1642
<b>43.8</b>	Public Notice of Dissolution	1643
<b>43.9</b>	Dissolution Deed for a Partnership Firm	1644

**DIVISION FORTY FOUR****LLP - Limited Liability Partnership** \_\_\_\_\_

<b>44.1</b>	Simple LLP Agreement	1649
<b>44.2</b>	LLP Agreement for a new LLP	1659
<b>44.3</b>	LLP Agreement on conversion	1671
<b>44.4</b>	Covering letter to client	1681
<b>44.5</b>	Consent letter of partner being an individual	1683
<b>44.6</b>	Consent letter of designated partner being an individual	1684
<b>44.7</b>	Consent letter of partner in capacity of a nominee of a body corporate	1685
<b>44.8</b>	Consent letter of designated partner in capacity of a nominee of a body corporate	1686
<b>44.9</b>	Resolution by company to become partner and appoint nominee	1687
<b>44.10</b>	Ratification of the LLP Agreement	1688
<b>44.11</b>	Resolution to ratify the LLP Agreement	1690
<b>44.12</b>	Subscriber Sheet	1691

**DIVISION FORTY FIVE****Right to Information - RTI** \_\_\_\_\_

<b>45.1</b>	Form of Application	1692
-------------	---------------------	------

	PAGE	
45.2	Intimation for deposit of further fee	1694
45.3	Form of Notice to third party	1695
45.4	Transfer of application to other State Public Information Officer	1696
45.5	Forwarding of Application - Appeal	1698
45.6	Form of supply of information to the applicant	1700
45.7	Rejection Order	1702
45.8	Appeal under section 19 of the Right to Information Act, 2005	1703

## **DIVISION FORTY SIX**

### **Agreement, MOU**

---

46.1	Awarding Contract by Government Corporation	1704
46.2	Selling Agency Agreement	1713
46.3	Agreement between a company and its director to be appointed as an employee to create employer-employee relationship	1717
46.4	Showroom space in Multiplex	1720
46.5	Agreement between a company and Non-Profit Organisation to support the program initiated by the Non-Profit Organisation through grant	1723

## **DIVISION FORTY SEVEN**

### **AOP - Association of Persons**

---

47.1	Formulation of Association of Persons (AOP)	1726
------	---	------

## **DIVISION FORTY EIGHT**

### **HUF - Hindu Undivided Family**

---

48.1	Memorandum of total partition	1732
48.2	Petition u/s 171	1736
48.3	Draft notice u/s 171(2) by Assessing Officer conducting enquiry of claim of partition of the HUF	1738
48.4	Compliance to Notice u/s 171(2) by members of HUF	1740
48.5	Order u/s 171	1742
48.6	Memorandum of Reunion	1743

## **DIVISION FORTY NINE**

### **GIFT**

---

<b>49.1</b>	Gift Confirmation	1745
<b>49.2</b>	Memorandum for gift of Security	1747
<b>49.3</b>	Affidavit for gift by Cheque to minor	1749
<b>49.4</b>	Affidavit for gift to HUF	1751
<b>49.5</b>	Affidavit for gift of Ornaments	1753
<b>49.6</b>	Gift Deed for Gift to sister by Cheque	1755
<b>49.7</b>	Receipt of gift from HUF of Mama (Maternal Uncle)	1757
<b>49.8</b>	Section 68 additions not tenable on grounds that relatives gave gift without any occasion	1759

## **DIVISION FIFTY**

### **Wills**

---

<b>50.1</b>	Simple Will giving entire Estate to wife	1761
<b>50.2</b>	Legacy in favour of various family members	1763
<b>50.3</b>	Joint Will of husband and wife	1765

## **DIVISION FIFTY ONE**

### **Family Arrangements**

---

<b>51.1</b>	Memorandum of Family Arrangement between two Separate Families	1767
<b>51.2</b>	Partnership - Family Arrangement for immovable property	1772

## **DIVISION FIFTY TWO**

### **Power of Attorney**

---

<b>52.1</b>	General Power of Attorney by a lady proprietress	1776
<b>52.2</b>	Power of Attorney by Karta of HUF	1779
<b>52.3</b>	Special Power of Attorney	1782
<b>52.4</b>	General Power of Attorney by a Firm to its employee	1784
<b>52.5</b>	Special Power of Attorney to execute a Sale Deed	1787

**DIVISION FIFTY THREE****Indemnity and Guarantee**

53.1	Indemnity Bond for Refunds due (Apart from Interest)	1789
53.2	Indemnity by a Partner Retaining Assets and Liabilities to Another Partner on the Dissolution of the firm	1791
53.3	Indemnity to Bank	1793

**DIVISION FIFTY FOUR****Lease, Rent, Leave and License**

54.1	Letting out premises with processing equipments	1795
54.2	Leave and License Agreement	1798

**DIVISION FIFTY FIVE****Sale/Transfer of Properties**

55.1	Draft letter for Sale of Vehicle	1802
55.2	Assignment of certain business assets	1803
55.3	Assignment of partnership business to a Private Limited Company as a going concern	1805
55.4	Agreement to Sell-Land/House	1807
55.5	Special Power of Attorney to present a sale deed before Sub-Registrar	1810
55.6	Sale Deed - Flat	1812
55.7	Developer Agreement	1815
55.8	LLP - Contribution of immovable property	1819
55.9	Family Arrangement for immovable property contributed by Partners to the Partnership Firm	1820

**DIVISION FIFTY SIX****Tax Audit**

56.1	Audit engagement letter for pre-deciding the terms and scope before entering into an audit engagement with an entity	1821
56.2	Simple management represent letter for tax audit by a company	1825
56.3	Draft unmodified Independent Auditors' Report as per SA-700	1827
56.4	Detailed Tax Audit Checklist	1832

	PAGE	
56.5	Sample positive confirmation request	1866
56.6	Sample negative confirmation request	1867

## **DIVISION FIFTY SEVEN**

### **Income Computation and Disclosure Standards**

---

57.1	Delhi High Court decision on the constitutional validity of ICDS	1868
57.2	Steps for subsequent measurement of securities held as stock in trade	1874
57.3	Allocation of Specific Borrowing Costs	1876

## **DIVISION FIFTY EIGHT**

### **Real Estate (Regulation and Development) Act, 2016 (RERA)**

---

58.1	Certificate from a Chartered Accountant required to withdraw money from designated bank account	1879
58.2	Annual Report on Statement of Accounts is to be issued by Chartered Accountant	1884
58.3	Appeal to Appellate Tribunal	1886
58.4	Complaint to regulatory authority	1889
58.5	Application to the Adjudicating Officer for Compensation	1891
58.6	Annual Statement of Accounts	1893

## **DIVISION FIFTY NINE**

### **E-Proceedings under Income Tax Act, 1961**

---

59.1	Reply of notice u/s 143(1)(a)(iv) through e-proceedings	1900
59.2	Response to outstanding demand through e-proceeding	1904
59.3	Response to Notice issued u/s 139(9) by CPC, Bangalore through e-proceedings	1907
59.4	Response to notice issued for limited scrutiny u/s 143(2) through e-proceedings	1909
59.5	Filing an Appeal to CIT(Appeals) in response of an order u/s 143(3) through Income Tax E-filing portal under the new Faceless Appeal Scheme, 2020	1912
59.6	Filing a Rectification application under section 154 to the prescribed Income Tax authority	1916

	PAGE
<b>59.7</b> Response to notice and requisition issued u/s 143(2)/142(1) through e-proceedings	1921

## **DIVISION SIXTY**

### **Prohibition of Benami Property Transactions Act, 1988**

---

<b>60.1</b> Benami Transactions (Prohibition) Amendments Act, 2016 cannot be applied retrospectively	1931
<b>60.2</b> What are the principles governing determination of question whether transfer is a Benami transaction or not ?	1951
<b>60.3</b> Burden of proof is on the person who alleges it to be a Benami transaction	1955
Investigating officer must form a reason to believe based on application of mind before passing an order	1955