— ADVANCE TAX —

- Advance Tax means Tax paid in the PY itself.
- Advance Tax shall be calculated on the basis of Estimated Total Income.
- Advance Tax is applicable only if the Adv. Tax liability is ₹10,000 or more.

– Exception –

Adv. Tax not applicable in case of senior citizen not having income under the head PGBP.

– Calculation of Advance Tax liability –

Estimated Total Income of Assessee	xxx
Tax liability on Est. total income	xxx
Less :- TDS Deducted / TCS collected	(xxx)
Less :- Amt credit	(xxx)
Advance Tax liability	xxx

15th June of PY	15th Sep of PY	15th Dec of PY	15th March of PY
upto 15%	upto 45%	upto 75%	upto 100%

– Note –

If Assessee opt sec 44AD/44ADA (Presumptive PGBP) then Adv Tax is required to pay only in 1 installment i.e 15th March of PY. (100% of Adv. Tax liability)

2) Last installment of Adv. Tax is 15th March of PY but whatever paid upto 31st March of PY is treated as Advance Tax only.

— INTEREST U/S 234A/234B/234C —

Mr BB is a Resident Individual (Age 36 years) having Total Income of ₹ 30,00,000 for PY 25-26 (AY 26-27)
TDS Deducted of ₹ 20,000.
Advance Tax Paid

12/6/25	40000
15/9/25	30000
15/12/25	80000
15/3/26	40000
15/3/26	15000

Due date of Return filing :- 31/7/26
He actually filed the return on 10/10/26 & paid taxes, Interest and fees on that date. Assume he follows Default tax Regime 115BAC.
Calculate Interest U/s 234A/234B/234C.

→ Calculation of Tax Liability

upto 400000	—	—
>400000 upto 800000	5%	20000
>800000 upto 1200000	10%	40000
>1200000 upto 1600000	15%	60000
>1600000 upto 2000000	20%	80000
>2000000 upto 2400000	25%	100000
>2400000 upto 3000000	30%	180000
		480000
Add:- HEC @ 4%		19200
		499200

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Less:- TDS		(20000)	
		479200	
Less:- Advance Tax		(205000)	
		274200	
Add:- Interest u/s	234A	8226	(Note 1)
	234B	19194	(Note 2)
	234C	14496	(Note 3)
Fees	234F	5000	
Net Tax Payable		321115	
		i.e. 321120	

Note 1-

Interest u/s 234A :- Interest for late return filing

Tax payable as per Return Income (After Adj. of TDS/TCS/Advance Tax)	x	Rate	x	Period
		1% pm or part of the month		[from Next day of Due date of Return filing till Actual Date of Return filing]

274200 x 1% x 3 months [1/8/26 to 10/10/26

= 8226

Note 2-

Interest u/s 234B Not Payment/Short Payment of Advance Tax

This Interest Not applicable if Adv. Tax paid 90% or more of Adv tax Payable

Short Payment of Adv Tax	x	Rate	x	Period
		[1% pm or part of month]		~~[1st April of AY till Actual payment of taxes]~~

274200 x 1% x 7 months = 19194
[1/4/26 to 10/10/26]

Interest u/s 234C :- Interest for Deferment of Adv Tax Instalment:

Interest u/s 234C shall not apply for deferment of 1st instalment if adv tax is paid upto 12% in 1st instalment.

For 2nd Instalment, Adv Tax is paid upto 36%.

Adv Tax Payable : 479200

Due Date	Adv.	Tax Payable	Min	Requirement	Actual paid	Defer	Interest calcn.
15/6/25	15%	71880	12%	57504	40000	31880	31800 x 1% x 3m = 954
15/9/25	45%	215640	36%	172512	70000	145640	145600 x 1% x 3m = 4368
15/12/25	75%	359400	75%	359400	150000	209400	209400 x 1% x 3m = 6282
15/3/26	100%	479200	100%	479200	190000	289200	289200 x 1% x 1m = 2892 (16/3 to 31/3)
							14496

— Note —

Adv Tax in case of capital gain, winning, dividend, PGBP first time.

Assessee is not able to estimate this income so Adv Tax on this income shall be paid in remaining installment after receipt of such income.

If no installment is due (income between 16 March to 31st March) then Adv tax shall be paid upto 31st March of PY.

In case of above income interest u/s 234C is applicable only from the quarter in which income is recd.

Ex:- Estimated total income of Mr BB is 1200000
LTCG on T.F of land on 10/12/2025 = 250000
Calculate Adv. Tax Installments. Ignore 115BAC

Total Income (excluding LTCG)	1200000
Tax on total income	172500
Add:- HEC @4%	6900
	179420
15/6/25 (179400 x 15%) =	26910
15/9/25 (179400 x 45%) = (80730 − 26910)	53820
15/12/25 (211900 x 75%) = (158925 − 80730)	78195
15/3/26 (211900 − 158925) =	52975

Total income (include LTCG)	:	1450000
Tax		
LTCG (250000 x 12.5%)	:	31250
Bal Amt		172500
		203750
Add:- HEC@4%		8150
		211900

[3 to 5 marks]

:RETURN FILING AND SELF ASSESSMENT

Sec 139(1) :- Filing of Return of Income (Normal Return)

a) For company, firm & LLP → Return filing is compulsory

b) For other Assessee → If GTI (before claiming exemptions u/s 54, 54B, 54D, 54EC, 54F) > Basic exemption then Return filing is compulsory.

c) Following persons compulsory required to file the return

i) Resident Individual – Resident (Other than R but NOR)

A — Beneficial owner of any Asset (including financial interest) located outside India

B — Beneficiary of any asset (including financial interest) located outside India

Has signing authority in any Account outside India

— Note —

If income already included in the income of person "A" then "B" not required to file ROI.

2] Person (other than company and firm) not covered in above points required to file ROI, if.

→ Assessee has deposited an aggregate amount exceeding ₹1 crore rupees in one or more current accounts maintained with a bank or a co-operative bank or deposited ₹50 lakhs or more in one or more savings accounts.

→ Assessee has incurred foreign travel expenditure of an aggregate amount exceeding ₹2 lakhs for himself or any other person.

→ Assessee has incurred expenditure of an aggregate amount exceeding ₹1 lakh towards consumption of electricity.

→ Assessee's total sales, T/O or gross receipts, as the case may be, in the business exceeds ₹60 lakhs, during the PY or total gross receipts in profession exceeds ₹10 lakhs during the PY.

→ Assessee's aggregate of TDS and TCS during the PY is ₹25,000 or more (in case of senior citizen ₹50,000)

Due date of ROI

C:- Company

A:- Person required to audit BOA under I.T. Act or other law.

P:- Partner of firm & firm's A/cs are require to audit
↓
31st Oct of AY

Person on which transfer pricing provision applicable u/s 92E
↓
30th NOV of AY

Other person
↓
31st July of AY

* If partner is governed by Portuguese civil code 1860 in Goa, Dadra and Nagar haveli and Daman and Diu then for the spouse of such partner the due date of return filing will be 31st October of AY.

Sec 139(3) :- Loss Return

As per sec 80 if there is a loss under the head PGBP, capital gain, owning and Maintaing Race horses from Assessee required to file Return upto due date of ROI u/s 139(1) otherwise such losses cannot be c/f.

—Notes—

1) HP loss and unabsorbed depn can be c/f even return file late.

2) Condition of sec 80 apply only for the year in which losses incurred.

Eg Mr BB PY 25-26, AY 26-27
Due date of Return 31/7/26
Actual date of Return file 15/9/26 (late)

1) PGBP (200000)
Capital gain (100000) → cannot be c/f
HP (150000)
Unabsorbed Depn (50000) → can be c/f

2) Mr BB PY25-26, AY26-27
Due date of Return 31/7/26
Actual date of Return file : 15/9/26 (late)

PGBP (500000) set off ✓

LTCG : 200000 c/f ×

Losses of ₹200000 can be set off & remaining loss of 300000 cannot be c/f.

3) Mr BB PY25-26 AY26-27
Due date of Return 31/7/26
Actual date of Return file : 19/7/26 (on time)

PGBP losses (500000) → c/f ✓

Next year PY 26-27 AY 27-28

Due date of Return : 31/7/27
Actual date of Return :- 31/10/27

PGBP : 1200000

Sec 139 (4) :- Belated Return

If Assessee fails to file return with in due date then he can file belated return with in the following time limit.

1) Before the three months prior to the end of the relavant AY (31st Dec 26 for AY 26-27)

OR

2) Before completion of Assessment.
whichever is earlier.

— consequences of Belated Return.

i) No c/f of specified loss as per sec 80
ii) No dedn of certain Income u/c VIA (80JJAA), 80QQB, and 80RRB and u/s 10AA
iii) Interest u/s 234A, i.e 1% pm or part of the month.
iv) Late filing fees u/s 234F i.e 5000/1000

— Sec 234F :- fees for late Return filing
If Assessee require to file return and if he file late return then fees of ₹ 5000 apply. If NTI is upto ₹ 500000 then fees is ₹ 1000

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