

Demands, Refunds and Rectifications

Clear your outstanding demands and get assistance in receiving refunds

Computerized verification and processing upon filing of Income Tax Return by Centralized Processing Centre (CPC). On processing of return either demands arise or refunds are processed.

Intimation u/s 143(1)(a)

Can be issued for:

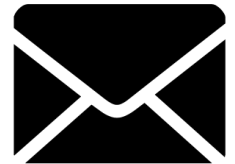
- Any arithmetic error/ incorrect claim in return
- Disallowance of deductions/loss when return was furnished after the due date
- Disallowance of certain expenditures which are indicated in audit report but are not considered in return
- Adding up of income which was appearing in Form-26AS, Form-16/16A and has not been included in return.

Chances of missing out the Intimation:

- If old email ID saved in IT Portal
- If email ID of accountant/CA/any other personnel saved in IT Portal
- If email ID has spelling error etc
- If email has gone to spam folder

Solution to your problems

Our robust review mechanism can help in checking outstanding demands



DEMANDS

Interest u/s 220(2)

Why it arises?

- In case of non-payment of the demand as assessed by income tax authorities within 30 days, the taxpayer must pay 1% interest per month u/s 220(2).

Calculation

- The interest u/s 220(2) must be calculated from the day as determined by the demand notice till the day on which the amount is actually paid.

Solution to your problems

We can, however, file an application before the income tax authorities seeking a reduction or waiver of interest as calculated u/s 220(2) of the Income Tax Act, only in case of a valid reason.



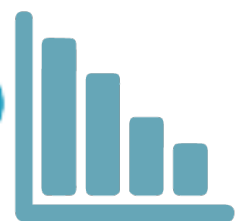
DEMANDS

Demands u/s 156

- If any tax, interest, penalty, fine or any other sum is payable in consequence of any order passed, the Income Tax Authority serves a notice of demand specifying the sum so payable.
- They provide 30 days to the taxpayer to pay the specified amount. In the case of not following the notice, they take two actions:
 - Interest payable u/s 220(2)
 - Impose penalty u/s 221

Solution to your problems

Verifying the notice issued u/s 156, and upon payment of taxes ensuring no penalty is initiated



DEMANDS

Refunds

The refund is issued upon processing of return by CPC.

- Many a times, taxpayer's records are transferred to jurisdictional assessing officer by CPC.
- A letter can be submitted to the AO seeking processing of refund.
- Upon processing of income tax return the refund is processed and sent by the income tax authorities by either RTGS / NECS or through paper cheque.
- The interest on income tax refund is payable in case of delay in remitting refunds.

Solution to your problems

Continuous follow up with IT Department for processing of refunds



REFUNDS

Rectifications

- An application is allowed by the Department for correcting mistakes when there is an apparent mistake in your return.
- The following errors can be rectified
 - An error of fact
 - An arithmetical mistake
 - A small clerical error
 - An error due to overlooking compulsory provisions of law.
- A rectification request can be filed only for returns which are already processed at CPC, Bengaluru.
- If on rectifying a 'mistake' there is change in Income-a rectification should not be filed. In this case, a revised Income Tax Return should be filed.

Solution to your problems

Timely filing rectifications and follow up with IT Department



RECTIFICATIONS