



M/s PRANJAL JOSHI & CO
CHARTERED ACCOUNTANTS

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Know your Advance Tax Obligation

As the name suggests, advance tax refers to making payment of a part of your taxes before the end of the financial year. It is something like 'pay-as-you-earn'.

Advance tax is the income tax payable if your tax liability is more than Rs. 10,000 in a financial year.

However, one has to remember that the liability of Rs. 10,000/- will be calculated after reducing TDS (Tax Deduction at source). As such, salaried employees having no other Income need not pay any advance tax as their entire tax will get paid through TDS mode.

Following chart will guide the payment due dates for advance tax obligation –

Advance Tax		
Section	Nature of compliance by assessee, assessing authority, etc	Limitation
211 (1)	All assesseees other than covered u/s 44AD or 44ADA	
	Payment of advance income-tax in specified instalments :	
	i] 15%	On or before 15 th June of relevant Financial Year
	ii] 45% - already paid on or before 15 th June	On or before 15 th September of relevant Financial Year
	iii] 75% - already paid on or before 15 th September	On or before 15 th December of relevant Financial Year
iv] 100% - already paid on or before 15 th December	On or before 15 th March of relevant Financial Year	
220 (1)	Payment of amount other than advance tax in response to notice under section 156	Within 30 days of the service of demand notice or within date extended on request or within shorter period specified in revenue's interest

However, as per section 207, a resident senior citizen (i.e., an individual of the age of 60 years or above) not having any income from business or profession is not liable to pay advance tax.

In case of failure to pay advance tax, interest u/s 234B, 234C shall become applicable.