Circular : No. 457 [F. No. 225/86/85-ITA-II], dated 30-5-1986

1. Reference is invited to the Board's Circular No. 430 [F. No. 225/101/85-IT(A-II)], dated 6-9-1985 forwarding therewith the Circular F. No. 1(3)/PD/85, dated 25-4-1985 issued by the Ministry of Finance, Department of Economic Affairs, clarifying certain points regarding compulsory deposit scheme. The Commissioners of Income-tax were asked by the aforesaid Board's circular to exhibit the circular of the Department of Economic Affairs on the notice board for the guidance of the general public.

2. One of the queries answered in the said circular of the Department of Economic Affairs was whether a bank could accept the payment of compulsory deposit after 31-3-1985. The answer given in the circular is reproduced hereunder :

> "Yes. *A bank can accept payment of compulsory deposit even after 31st March, 1985. However, the question whether the depositor is liable to a penalty under section 10 will be decided by the Income-tax Officer* ."

3. Representations have been received to the effect, that whereas the income is declared for the assessment year 1985-86 or earlier assessment years in response to the amnesty circulars issued by the Board and the assessee wants to make payment of compulsory deposit in respect of such income, some of the deposit offices of the banks do not readily accept such payments. Now that by the Board's Circular No. 453 [F. No. 225/86/85 -IT (A-II)], dated 4-4-1986 the amnesty scheme has been extended up to 30-9-1986 in cases where the assessee wants to disclose his income relating to the assessment year 1986-87 or earlier assessment years, any doubts in the mind of the taxpayers in this regard must be dispelled. It is, therefore, again impressed that wide publicity should be given to the aforesaid circular issued by the Department of Economic Affairs forwarded along with the Board's Circular No. 430, dated 6-9-1985.

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