

13

RETURN OF INCOME & SELF ASSESSMENT

Return of Income

Section	Heading	Particulars
139(1) 	Due dates for filling voluntary returns	I] Company / Firm – - Companies & Firms are compulsorily required to file ROI for every PY on/before the due date in the prescribed form. - Even in case of Loss, they are compulsorily required to file ROI II] Other than Company / Firm – - Required to file ROI <u>only if</u> his Total Income or total income of 'any other person' w.r.t which he is assessable during PY exceeds BEL before claiming Chapter VI-A deductions or Sec. 54/54B/54D/54EC/54F Example Qs. Mr. X, a non-resident (age 82 years) having total income of Rs. 1,60,000 after deduction of Rs. 1,20,000 u/c VI-A. His total income comprises of property & interest income. Whether he is required to file ROI. Answer: As per section 139(1), every person, whose total income without giving effect to the provisions of Chapter VI-A exceeds BEL is required to furnish ROI for the relevant AY on/before the due date. GTI of Mr. X (before deduction under Chapter VI-A) is Rs. 2,80,000 which exceeds BEL of Rs. 2,50,000. Therefore, Mr. X has to furnish his ROI for AY 2020-21. Note: Even though Mr. X is over 80 years of age, he is not entitled to BEL of Rs. 5 lacs, since he is a NR

Return of Income

Due dates

- Company - A person (other than a company) whose accounts are required to be audited - A working partner of a firm whose accounts are required to be audited	31 October
Assessee (including partners of the A'ee) who is required to furnish the report referred to in Sec 92E	30 November
Any other assessee	31 July
Person intends to enter into following transactions (a) Cash deposits aggregating ₹20 lakhs or more in a FY, in one or more a/c with a Bank or a co-op. bank (b) Cash withdrawals aggregating ₹20 lakhs or more in a FY, in one or more account with a Bank or a co-op. bank (c) Opening of a current a/c or cash credit a/c with a Bank/Co-op. bank	At least seven days before the date on which he intends to enter into the said transaction.

Remember

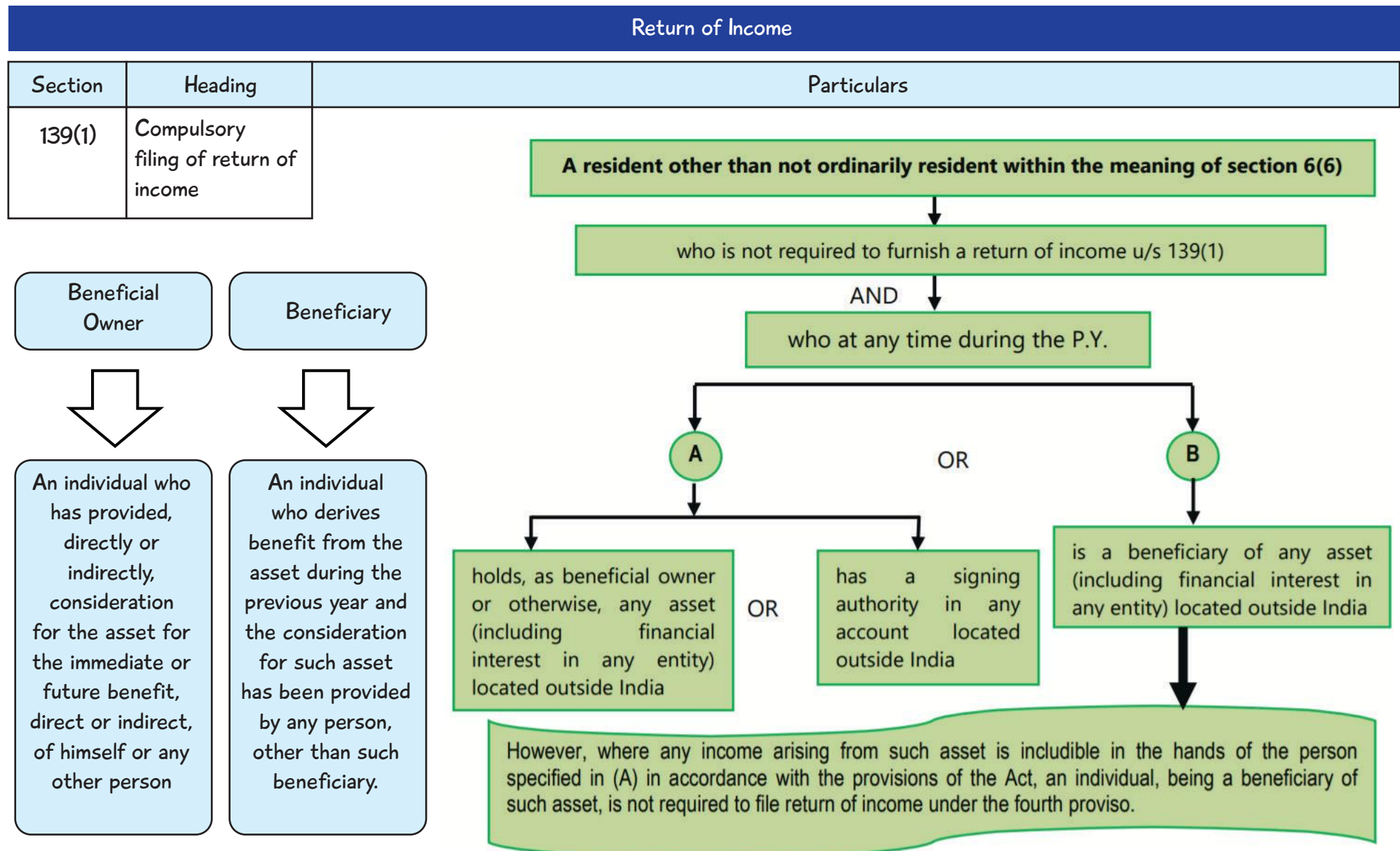
1. Total Income for determining whether a person is required to file ROI or not = Income before claiming deductions under Chapter VI-A & Section 10A, 10AA.
2. 'Any other person' includes 'Representative assesses' & 'Legal Representatives'.

Section 5A – If an individual governed by Portuguese Civil Code of 1860 in Goa, Dadra, Nagar Haveli and Daman and Diu – then income earned by either husband or a wife shall be equally distributed between husband and wife **except for salary**

The basic exemption limit is ₹3,00,000 for individuals/HUF/AOPs/BOIs and artificial juridical persons under default tax regime under section 115BAC. This amount denotes the level of total income, which is arrived at after claiming the admissible deductions under Chapter VI-A i.e., 80CCD(2), 80CCH(2) and 80JJAA under default tax regime and exemption under section 54/54B/54D/ 54EC or 54F in respect of capital gain. However, the level of total income to be considered for the purpose of filing return of income is the income before claiming the admissible deductions under Chapter VI-A and exemption under section 54/54B/54D/54EC or 54F.

However, in case the assessee has exercised the option of shifting out of the default tax regime provided under section 115BAC(1A), the basic exemption limit would be ₹2,50,000 for individuals/HUF/AOPs/ BOIs and artificial juridical persons, ₹3,00,000 for resident individuals of the age of 60 years but less than 80 years and ₹5,00,000 for resident individuals of the age of 80 years or more at any time during the previous year. Also, the assessee would be eligible for other deductions under Chapter VI-A subject to fulfilling the stipulated conditions.





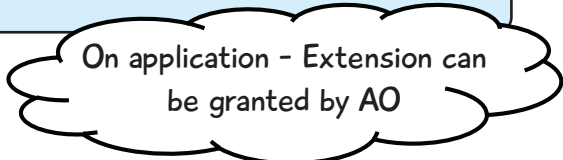
Return of Income

Refer Page 156
Amendment Points
- 3

Section	Heading	Particulars	Amendment Points - 3						
139(1)	Compulsory filing of return of income	Any person (other than a company/firm) who is not required to furnish a return u/s 139(1), is required to file income-tax return if (during PY), such person <table><tr><td>Deposit in Bank</td><td>has deposited an amount or aggregate of the amounts > Rs. 1 crore in one or more current A/c maintained with a banking company or a co-operative bank; or</td></tr><tr><td>Foreign Travel</td><td>has incurred expenditure of an amount or aggregate of the amounts > Rs. 2 lacs for himself or any other person for travel to a foreign country;</td></tr><tr><td>Electricity</td><td>has incurred expenditure of an amount or aggregate of the amounts > Rs. 1 lac towards consumption of electricity;</td></tr></table>	Deposit in Bank	has deposited an amount or aggregate of the amounts > Rs. 1 crore in one or more current A/c maintained with a banking company or a co-operative bank; or	Foreign Travel	has incurred expenditure of an amount or aggregate of the amounts > Rs. 2 lacs for himself or any other person for travel to a foreign country;	Electricity	has incurred expenditure of an amount or aggregate of the amounts > Rs. 1 lac towards consumption of electricity;	
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139(3) 	Loss Returns	- Return of Loss is required to be furnished if a person wants to carry forward his losses - Section 80 requires mandatory filing of return of loss u/s 139(3) on or before the due date specified u/s 139(1) for carry forward of the following losses OF THE CURRENT YEAR— a) Business loss u/s 72(1)(b) b) Speculation business loss u/s 73(2)(c) c) Loss from specified business u/s 73A(2)(d) d) Loss under the head "Capital Gains" u/s 74(1)(e) e) Loss from the activity of owning and maintaining race horses u/s 74A(3) <table><tr><td>Loss return – YES</td><td>Carry forward - YES</td></tr><tr><td>Loss Return – NO</td><td>Carry forward - YES</td></tr></table> EXCEPTION - Loss under "Income from House Property" u/s 71B and Unabsorbed Depreciation u/s 32 <u>can be carried forward</u> for set-off even though return of loss has <u>not been filed before the due date</u>. IS IT MANDATORY TO FILE ROI (except for company and firm) IN CASE OF LOSS? – NO IF I DONOT FILE THE LOSS RETURN FOR CURRENT YEAR - Can I set off the losses of the current year? – YES - Can I carry forward these losses? – NO - Can I carry forward the brought forward losses? – YES (If Loss of earlier years for which ROL was filed within DD in that year)	Loss return – YES	Carry forward - YES	Loss Return – NO	Carry forward - YES			
Loss return – YES	Carry forward - YES								
Loss Return – NO	Carry forward - YES								

Return of Income

Section	Heading	Particulars
139(4)	Belated return	- Any person who has not furnished a return within the time allowed to him under Sec. 139(1) or within the time allowed under a notice u/s. 142(1), - may furnish the return for any PY at any time before 1. 3 months prior to the end of the relevant AY OR 2. Before the completion of the assessment, Whichever is EARLIER. Note – However, he will be liable to pay interest u/s 234A
Example Last date for filing ROI for PY 2022-23 (AY 23-24) is 31.10.2022; but a belated return may be filed at any time on or before 31.12.2023 (3 months before the end of AY 23-24 or before the assessment is completed, WHICHEVER IS EARLIER)  Q 		Disadvantages of not filing the return u/s 139(1) - 234A - Fees u/s 234F - No carry forward of losses except for HP and UAD
139(5)	Revised return	- In case any person having furnished ROI u/s 139(1) [original return] / u/s 139(4) - Discovers any omission / any wrong statement therein – he may furnish revised return AT ANY TIME 1. 3 months prior to the end of the relevant AY OR 2. Before the completion of the assessment, Whichever is EARLIER. Special notes - Return of loss u/s 139(3) is ALWAYS considered as original return as per section 139(1) – Loss return can be revised - Revised return substitutes the original return - If original ROL (filed on 25 September 2020) is revised as per section 139(5) (on 22 March 2021), then Revised ROL shall substitute the original ROL from the date original ROI is filed (25 September) & such revised ROL shall be deemed to be filed within time limit of section 139(1) & loss claimed in revised ROL can be carried forward - IT Act has not given any other option for revising the contents of the original return – ONLY 139(5) - CAN BELATED RETURN [139(4)] BE REVISED? – YES - Revised return can be revised for any number of times – BUT – should be filed within the mentioned due date
Example If assessee (individual) files his ROI for AY 23 -24 on 20 July 2023 and subsequently he discovers some omission in the ROI already filed. He can revise the ROI on or before 31 December 2023 / before completion of assessment, WHICHEVER IS EARLIER  Q 		Same as belated return

Return of Income		
Section	Heading	Particulars
139(9)  17 23 28	Defective return	AO has the power to call upon the assessee to rectify a defective return → Intimation to assessee + Opportunity to rectify the defect + Within 15 days from the date of intimation → If ROI is not rectified within time limit Treated as INVALID RETURN As if assessee had never filed his ROI  On application - Extension can be granted by AO Condonation - Where the assessee rectifies the defect after the expiry 15 days or the further extended period, but before assessment is made, AO may can condone the delay & treat the return as a valid return.
		ROI shall be considered as defective in the following conditions: 1. Annexures, Statements & columns in ROI relating to computation of income chargeable under each head of income, computations of GTI & total income have NOT been duly filled in. 2. ROI is NOT Accompanied by the audit report 3. ROI is NOT accompanied by tax proofs 4. ROI is NOT accompanied by copies of Audited P&L A/c, Balance sheet & Auditor's report 5. ROI is NOT accompanied by cost audit report 6. Proof of payment of tax as required u/s140B – if ROI is an updated return furnished u/s 139(8A)
139(6)	Particulars to be furnished in the return.	1. Income exempt from tax, 2. Assets of the prescribed nature and value and belonging to him, his bank account and credit card held by him. 3. His bank account and credit card held by him (recently added) 4. Expenditure exceeding the prescribed limits incurred by him under prescribed heads and such outgoing as may be prescribed.

Option to file **UPDATED RETURN OF INCOME**

1. Option to file updated return of income - Any person may furnish an updated return of his income or the income of any other person in respect of which he is assessable, for the previous year relevant to the assessment year at any time within 24 months from the end of the relevant assessment year.

This is irrespective of whether or not he has furnished a return under section 139(1) OR belated return under section 139(4) or revised return under section 139(5) for that assessment year. For example, an updated return for A.Y. 2023-24 can be filed till 31.3.2026.

2. Non applicability of the provisions of updated return - The provisions of updated return would not apply, if the updated return of such person for that AY  (30)

- i) is a loss return; or
- ii) has the effect of decreasing the total tax liability determined on the basis of return furnished u/s 139(1) or 139(4) or 139(5); or
- iii) results in refund or increases the refund due on the basis of return furnished u/s 139(1) or 139(4) or 139(5)

3. Circumstances in which updated return cannot be furnished - No updated return can be furnished by any person for the relevant assessment year, where

- (a) an updated return has been furnished by him under this sub-section for the relevant assessment year; or
- (b) any proceeding for assessment or reassessment or recomputation or revision of income is pending or has been completed for the relevant assessment year in his case; or
- (c) he is such person or belongs to such class of persons, as may be notified by the CBDT.

4. Updated return can be filed if original return is a loss return and updated return is a return of income - If any person has a loss in any previous year and has furnished a return of loss on or before the due date of filing return of income under section 139(1), he shall be allowed to furnish an updated return if such updated return is a return of income.

For example if Mr. X has furnished his return of loss for A.Y. 2022-23 on 31.5.2022 consisting of 5,00,000 as business loss, he can furnish an updated return for AY. 2022-23 upto 31.3.2025 if such updated return is a return of income.

5. Updated return to be furnished for subsequent previous year in case (4) above If the loss or any part thereof carried forward under Chapter VI or unabsorbed depreciation carried forward under section 32(2) or tax credit carried forward under section 115JD is to be reduced for any subsequent previous year as a result of furnishing of updated return of income for a previous year, an updated return is required to be furnished for each such subsequent previous year.



Return of Income

Section	Heading	Particulars
139A	Permanent Account Number	

Sr No	Persons required to apply for PAN	Time limit for making application
i	Every person, if his total income or the total income of any other person in respect of which he is assessable under the Act during any previous year exceeds basic exemption limit	On or before 31st May of the assessment year for which such income is assessable
ii	Every person carrying on any business or profession whose total sales, turnover or gross receipts are or is likely to exceed 5 lakhs in any previous year	Before the end of that FY (PY) .
iii	Every person being a resident, other than an individual, which enters into a financial transaction of an amount aggregating to {2,50,000 or more in a financial year}	On or before 31st May of the immediately following financial year
iv	Every person who is a MD, Partner, Trustee, Author, Founder, Karta, CEO, Principal Officer or office bearer of any person referred in (iii) above or any person competent to act on behalf of such person referred in (iii) above  Q  6  8  16	On or before 31st May of the immediately following financial year in which the person referred in (i) enters into financial transaction specified therein.

Return of Income

Section	Heading	Particulars																		
139A	Permanent Account Number	Power of Central Government - CG is empowered to specify any class/classes of persons by whom tax is payable by notification in Official Gazette for allotment of PAN. Such persons are required to apply within prescribed time in notification for the allotment of a PAN. - For collecting any useful/relevant information, CG may notify any class or classes of persons & such persons shall apply to AO for allotment of a PAN																		
	 Q (25)	Suo moto application by the assessee: Any person (other than mentioned above) may apply to AO for allotment of PAN PAN must be quoted in all the following documents: 1. All Returns to any authority/All challans for the payment of any sum due under the Act 2. All documents pertaining to the following transactions entered into by any person Transactions where quoting of PAN is mandatory: A] Sale / Purchase of assets Securities: <table border="1"> <thead> <tr> <th>Sr</th><th>Nature</th><th>Value</th></tr> </thead> <tbody> <tr> <td>1</td><td>Sale or Purchase of securities</td><td>Transaction Value > Rs. 1 lac</td></tr> <tr> <td>2</td><td>Sale/purchase of Unlisted shares from open market</td><td>Transaction Value > Rs. 1 lac</td></tr> <tr> <td>3</td><td>Payment for Purchase of units of MF</td><td>Transaction Value > Rs. 50,000.</td></tr> <tr> <td>4</td><td>Payment for acquiring Debenture/Bonds issued by company</td><td>Transaction Value > Rs. 50,000</td></tr> <tr> <td>5</td><td>Payment to RBI for acquiring Bonds issued by it</td><td>Transaction Value > Rs. 50,000</td></tr> </tbody> </table>	Sr	Nature	Value	1	Sale or Purchase of securities	Transaction Value > Rs. 1 lac	2	Sale/purchase of Unlisted shares from open market	Transaction Value > Rs. 1 lac	3	Payment for Purchase of units of MF	Transaction Value > Rs. 50,000.	4	Payment for acquiring Debenture/Bonds issued by company	Transaction Value > Rs. 50,000	5	Payment to RBI for acquiring Bonds issued by it	Transaction Value > Rs. 50,000
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Return of Income

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		B] Transaction with banking company/co-operative bank/post office <table> <tr> <th>Sr</th><th>Nature</th><th>Value</th></tr> <tr> <td>1</td><td>Opening a Bank account (other than Time Deposit) All Transactions. Purchase of Bank Draft/Pay orders/Cheque Payment in cash > Rs. 50,000 in one day.</td><td>All Transactions</td></tr> <tr> <td>2</td><td>Making Application for Issue of Credit/Debit Card</td><td>All Transactions</td></tr> <tr> <td>3</td><td>Opening Demat Account</td><td>All Transactions.</td></tr> <tr> <td>4</td><td>Cash Deposit with Bank - Note: Cash Deposits > Rs. 2,50,000 during 9th Nov 2016 - 30th Dec 2016 → PAN required</td><td>Total Cash Deposit > Rs. 50,000 in a day</td></tr> <tr> <td>5</td><td>Time deposit with (i) Banking company/Co-operative bank/Post office (ii) Nidhi Company (iii) Registered NBFC.</td><td>Deposit > Rs. 50,000 at a time OR Total Deposit > Rs. 5 Lacs during a FY.</td></tr> <tr> <td>6</td><td>Payment for Prepaid Payment Instruments to Banking company/Co-operative bank.</td><td>Total Payment in cash/bank draft/pay order > Rs. 50,000 during the FY</td></tr> </table>	Sr	Nature	Value	1	Opening a Bank account (other than Time Deposit) All Transactions. Purchase of Bank Draft/Pay orders/Cheque Payment in cash > Rs. 50,000 in one day.	All Transactions	2	Making Application for Issue of Credit/Debit Card	All Transactions	3	Opening Demat Account	All Transactions.	4	Cash Deposit with Bank - Note: Cash Deposits > Rs. 2,50,000 during 9th Nov 2016 - 30th Dec 2016 → PAN required	Total Cash Deposit > Rs. 50,000 in a day	5	Time deposit with (i) Banking company/Co-operative bank/Post office (ii) Nidhi Company (iii) Registered NBFC.	Deposit > Rs. 50,000 at a time OR Total Deposit > Rs. 5 Lacs during a FY.	6	Payment for Prepaid Payment Instruments to Banking company/Co-operative bank.	Total Payment in cash/bank draft/pay order > Rs. 50,000 during the FY
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Return of Income

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		Note: In case of Change in Address/Name & Nature of Business → Intimate such change to AO. - MINOR → shall quote PAN of his Parent or Guardian while entering into above transactions. - PERSON NOT HAVING PAN → Declaration in Form No. 60 giving details of such transaction. - NON-APPLICABILITY: Provisions of this rule shall not apply to: (i) CG/SG; (ii) Consular Offices												
		Intimation of pan to deductor of TDS - [Sub-section (5A)] - Every Payee (person who receives any amount from which tax has been deducted at source) shall intimate his PAN to the deductor (person responsible for deducting such tax). - Quoting of PAN in certain documents - [Sub-section (5B)]												
		Inter-changeability of PAN with the Aadhaar number Every person who is required to furnish or intimate or quote his PAN may furnish or intimate or quote his Aadhar Number in lieu of the PAN if he - has not been allotted a PAN but possesses the Aadhar number - has been allotted a PAN and has intimated his Aadhar number to prescribed authority in accordance with the requirement contained in section 139AA(2). PAN would be allotted in prescribed manner to a person who has not been allotted a PAN but possesses Aadhar number.												

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Section	Heading	Particulars															
139A	Permanent Account Number	COMPUTERIZED PAN 1. CBDT had introduced a new scheme of allotment of computerized 10-digit PAN. 2. Such PAN comprises of 10 Alphanumeric characters & is issued in the form of laminated card. 3. All person who were allotted PAN earlier (Old PAN) & all person who were required to apply for PAN & did not apply, shall apply to AO for new series PAN within specified time. 4. Once the new series PAN is allotted to any person, the old PAN shall cease to have effect. 5. No person who has obtained the new series PAN shall apply, obtain or process another PAN. 6. Sec. 272B: Penalty for failure to comply with section 139A <table border="1"> <thead> <tr> <th>S.No.</th><th>Failure</th><th>Penalty ₹</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Fails to comply with provisions of sec 139A</td><td>10,000</td></tr> <tr> <td>2.</td><td>If a person requires to quote his PAN or Aadhar, in any document referred u/s 139A, quotes a false number</td><td>10,000 for each default</td></tr> <tr> <td>3.</td><td>Person entering into prescribed transactions fails to authentic PAN or Aadhar in documents</td><td>10,000 for each default</td></tr> <tr> <td>4</td><td>Person receiving such documents fails to ensure that PAN or Aadhar quoted and fails to authentic</td><td>10,000 for each default</td></tr> </tbody> </table>	S.No.	Failure	Penalty ₹	1.	Fails to comply with provisions of sec 139A	10,000	2.	If a person requires to quote his PAN or Aadhar, in any document referred u/s 139A, quotes a false number	10,000 for each default	3.	Person entering into prescribed transactions fails to authentic PAN or Aadhar in documents	10,000 for each default	4	Person receiving such documents fails to ensure that PAN or Aadhar quoted and fails to authentic	10,000 for each default
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139AA	Quoting of Aadhar Number	1. Every person eligible to obtain Aadhar Number must mandatorily quote Aadhar Number in: (a) Application form for Allotment of PAN; (b) ROI. 2. If Aadhar No is not available – f a person does not have Aadhar Number, he is required to quote Enrolment ID of Aadhar application form. 3. Intimation to authorities - Every person who has been allotted PAN & who is eligible to obtain Aadhar Number, shall intimate his Aadhar No. to the prescribed authority before date notified by CG 4. Consequences of failure to intimate Aadhar - If a person fails to intimate Aadhar Number - PAN allotted to such person shall be made inoperative after the date so notified in the prescribed manner – See next page
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Section	Heading	Particulars
	 29	Exceptions- Provisions of Sec 139AA would not apply to Individual who does not possess Aadhar number or Enrolment ID & is: (a) Residing in States of Assam, Jammu & Kashmir and Meghalaya; (b) Non-Resident (b) Super Senior Citizen [Age $\geq$ 80 years at any time during PY]; (d) Not a Citizen of India.

139AA	Quoting of Aadhar Number	Rule 114AAA specifies the manner of making the PAN inoperative:
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Sr	Nature
1	If a person, who has been allotted PAN as on 1st July, 2017 and is required to intimate his Aadhaar number under section 139AA(2), has failed to intimate the same on or before 31st March, 2022 , the PAN of such person would become inoperative immediately after the said date (i.e., after 31st March, 2022) for the purposes of furnishing, intimating or quoting under the Income-tax Act, 1961.
2	Accordingly, where a person, whose PAN has become inoperative, is required to furnish, intimate or quote his PAN under the Act, it shall be deemed that he has not furnished, intimated or quoted the PAN, as the case may be, in accordance with the provisions of the Act. Consequently, he would be liable for all the consequences under the Act for not furnishing, intimating or quoting the PAN.
3	Where such person who has not intimated his Aadhaar number on or before 31st March, 2022, intimates his Aadhaar number under section 139AA(2) after 31st March, 2022, his PAN would become operative from the date of intimation of Aadhaar number for the purposes of furnishing, intimating or quoting under the Act. Accordingly, the consequences in sub-rule (2) would not be applicable from such date of intimation.
4	The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) has to specify the formats and standards along with the procedure for verifying the operational status of PAN under sub-rules (1) and (2).

Return of Income

Section	Heading	Particulars
139B	Submission of returns through Tax Return Preparers  Q  3	Submission of returns through Tax Return Preparers. - TRP assists the persons in furnishing return of income. - TRP means an INDIVIDUAL who has been authorized to act as TRP under a scheme framed. - Following eligible person cannot furnish a ROI through TRP - Any person other than individuals and HUF - Person whose books of accounts are required to be audited u/s 44AB - Person who is not a resident in India during PY - Certain categories of persons cannot act as TRP - Any officer of a scheduled bank with which the assessee maintains a current account or has other regular dealings - Any legal practitioner who is entitled to practice in any civil court in India. - An accountant (CA) - An employee of the 'specified class or classes of persons' who has been authorized to act as a Tax Return Preparer under the Scheme. Who is specified class / classes of persons? Any person other than the person whose accounts are required to be audited u/s 44AB. Examples - Officer of scheduled bank in which assessee maintains current account or has regular dealings. - Legal practitioner who is entitled to practice in civil court in India. - Practicing CA etc.

Return of Income

Section	Heading	Particulars													
140	Return to be signed by whom  6 11 26	In the case of Individual H.U.F. Company Firm LLP Local Authority Pol. Party AOP/BOI Any other person	By Whom Himself Karta Managing Director Managing Partner Designated Partner Principal Officer Chief Executive Officer By a member/principal officer thereof. Person competent to act on his behalf or representative assessee.		<table><tr><th>Circumstances</th><th>Authorized Person</th></tr><tr><td>Where the company is not resident in India</td><td>Person who holds valid POA</td></tr><tr><td>Where Company is being wound under court order</td><td>Liquidator</td></tr><tr><td>Where person has been appointed as the receiver of the assets</td><td>Liquidator</td></tr><tr><td>Mngt – taken over by CG / SG</td><td>Principal Officer</td></tr></table>	Circumstances	Authorized Person	Where the company is not resident in India	Person who holds valid POA	Where Company is being wound under court order	Liquidator	Where person has been appointed as the receiver of the assets	Liquidator	Mngt – taken over by CG / SG	Principal Officer
					Circumstances	Authorized Person									
Where the company is not resident in India	Person who holds valid POA														
Where Company is being wound under court order	Liquidator														
Where person has been appointed as the receiver of the assets	Liquidator														
Mngt – taken over by CG / SG	Principal Officer														
- If the person who is required to sign is absent from India or for any other reason, it is not possible for the person to sign the return, then by some other person duly authorised by him. - In the case of a company another director of a company – - In the case of a firm another partner of a firm. - If the person is mentally incapacitated, then i. In the case of Individual By his guardian or a person competent to act on his behalf. ii. In the case of H.U.F. By any other adult member of the family.															

Section	Heading	Particulars	
140A	Self Assessment Tax	Payment of Tax, Interest & Fee before filing ROI	1. If any tax is payable on the basis of Total Income in ROI filed u/s 139(1), such tax shall be paid by the assessee himself after taking credit of (i) Any Tax already paid (ii) TDS/TCS (iii) Advance Tax (iv) Relief u/s 89. 2. Any Interest u/s 234A/B/C or Fees payable for any delay in filing ROI or any default Shall also be paid with the tax payable before filing ROI. 3. ROI shall be accompanied by Proof of Payment
		Order of Adjustment of Amount paid by the Assessee	1. If SAT paid u/s 140A(1) < Tax + Interest + Fees; THEN 2. ORDER OF ADJUSTMENT: i. Fees payable ii. Interest iii. Balance towards Tax
		Consequence of Failure to Pay Tax/Interest/Fee	Assessee shall be deemed to be Assessee in Default in respect of such unpaid Tax or Interest or fees
234F	Fees for default in furnishing return of income	If any assessee has failed to file ROI before the time limit given under Sec 139(1), he shall pay fees as under:	
 18		Fees	Circumstances
		Rs 5,000	If ROI is not furnished within due dates mentioned under Sec 139(1)
		Rs 1,000	If the total income does not exceed Rs 5,00,000 – Fees shall not exceed Rs 1,000

Who is required to file ROI? (Additional points)

3			
(1)	Case	Prescribed transaction(s)	Prescribed Monetary threshold
(1)	(2)	(3)	(4)
(i)	A person carrying on business	His total sales, turnover or gross receipts, as the case may be, in the business	> ₹ 60 lakhs during the relevant P.Y.
(ii)	A person carrying on profession	His total gross receipts in profession	> ₹ 10 lakhs during the relevant P.Y.
(iii)	(a) A resident individual who is aged ≥ 60 years at any time during the relevant P.Y.	The aggregate of TDS and TCS in his case	$\geq$ ₹ 50,000 during the relevant P.Y.
	(b) Any other person	The aggregate of TDS and TCS in his case	$\geq$ ₹ 25,000 during the relevant P.Y.
(iv)	A person having savings bank account	The deposit in one or more savings bank account of the person, in aggregate	$\geq$ ₹ 50 lakhs during the relevant P.Y.

2 IF PAN & Aadhar $\rightarrow$ NOT linked

↓
PAN will be inoperative.

↓
① Cannot file ROI ② Pending ROI $\rightarrow$ NOT processed

③ Pending Refunds $\rightarrow$ cannot be processed

④ Pending proceedings of defective return.
 $\rightarrow$ cannot be completed.

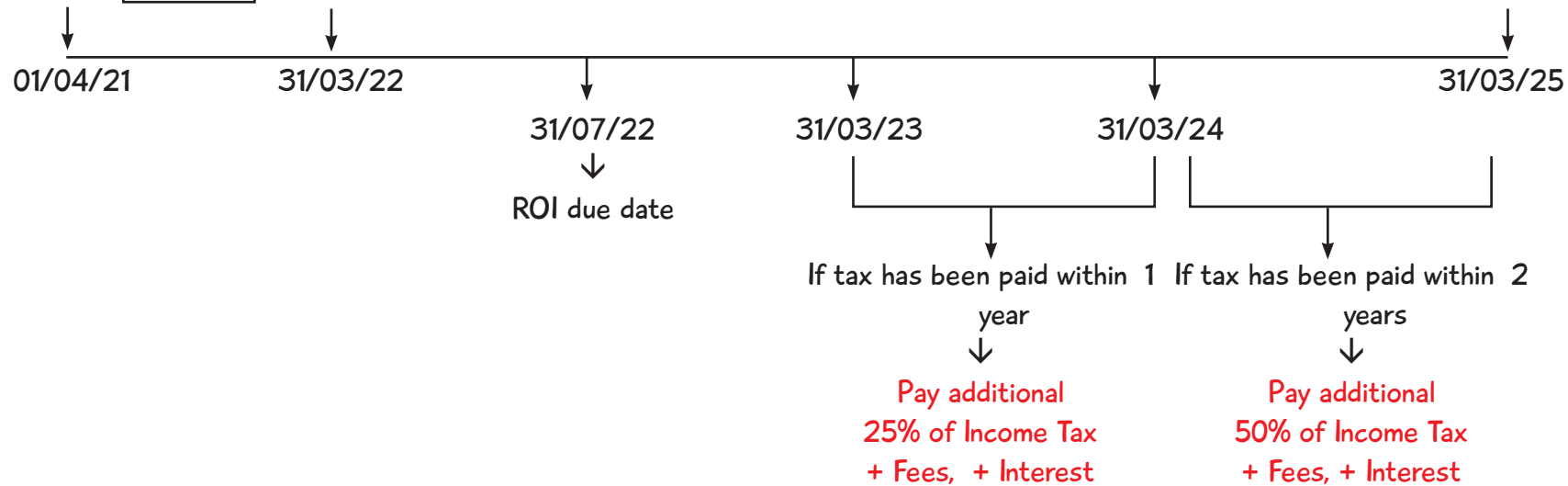
⑤ Chances of deducting higher TDS

Clarification Consequences would be applicable from

↓
1/07/2023



Update ROI [Sec. 139(8A)]



Update Return
Not Applicable

Original	Updated
→ 3L	(2L) ×
→ (10L)	(2L) ×
→ 10L	7L ×
→ Tax → 5L	Refund - (2L) ✓

Update Return → Loss Return

Tax liability → say 1L → Update Return
u/s 139(1)/(4)/(5)

Say 80K

[Should not decrease the tax liability]

Result in Refund/↑ in Refund

❖ Original return → Loss Return

Updated return → Profit

Possible ?? → Yes



If loss return is
furnished within due
date of furnishing ROI
u/s 139(1)

TAX ON UPDATED RETURN [SECTION 140B]

(1) Payment of tax, additional tax, interest and fee before furnishing updated return of income

(a) In a case where no return is furnished earlier [Section 140B(1)]

(I) Tax to be paid along with interest and fee before furnishing of updating return:

Where no return of income under section 139(1) or 139(4) has been furnished by an assessee and tax is payable, on the basis of updated return to be furnished by such assessee under section 139(8A), the assessee would be liable to pay such tax together with interest and fee payable under any provision of this Act for any delay in furnishing the return or any default or delay in payment of advance tax, along with the payment of additional tax computed under section 140B(1), before furnishing the return.

The updated return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.

(II) Manner of computation of tax payable on the basis of updated return

The tax payable is to be computed after taking into account the following -

- (i) the amount of tax, if any, already paid, as advance tax;
 - (ii) the tax deducted or collected at source;
 - (iii) any relief of tax claimed under section 89; and
 - (iv) any tax credit claimed to set-off in accordance with the provisions of section 115JD, in case the assessee has exercised the option of shifting out of the default tax regime provided under section 71BAC(7A).
- (III) Interest under section 234A if no earlier return has been furnished
In a case, where no earlier return has been furnished, the interest payable under section 234A has to be computed on the amount

of the tax on the total income as declared in the updated return under section 139(8A), in accordance with the provisions of section 140A(1A).

(b) In a case where return is furnished earlier [Section 140B(2)]



(I) Tax to be paid along with interest before furnishing updated return:
Where, return of income under section 139(1) or 139(4) or 139(5) has been furnished by an assessee and tax is payable, on the basis of updated return to be furnished by such assessee under section 139(8A), the assessee would be liable to pay such tax together with interest payable under any provision of this Act for any default or delay in payment of advance tax, along with the payment of additional tax computed under section 140B(3) (as reduced by the amount of interest paid under the provisions of this Act in the earlier return) before furnishing the return.
The updated return shall be accompanied by proof of payment of such tax, additional income-tax and interest.

(II) Manner of computation of tax payable on the basis of updated return:

The tax payable has to be computed after taking into account the following -

- (i) the amount of relief or tax referred to in section 140A(1), the credit for which has been taken in the earlier return;
- (ii) the tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing total income and which has not been included in the earlier return;

- (iii) any tax credit claimed, to set-off in accordance with the provisions of section 115JD, which has not been claimed in the earlier return, in case the assessee has exercised the option of shifting out of the default tax regime provided under section 115BAC(1A); and the aforesaid tax would be increased by the amount of refund, if any, issued in respect of such earlier return.

(III) Interest under section 234B where earlier return has been furnished [Section 140B(4)]

In a case where an earlier return has been furnished, interest payable under section 234B has to be computed on the assessed tax.



"Assessed tax" means the tax on the total income as declared in the updated return to be furnished under section 139(8A), after taking into account the following:

- (i) the amount of relief or tax referred to in section 140A(1), the credit for which has been taken in the earlier return, if any;
- (ii) the tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing total income and which has not been included in the earlier return;
- (iii) any tax credit claimed, to set-off in accordance with the provisions of section 115JD, which has not been claimed in the earlier return, in case the assessee has exercised the option of shifting out of the default tax regime provided under section 115BAC(1A); and the aforesaid tax would be increased by the amount of refund, if any, issued in respect of such earlier return.

(IV) Interest under section 234C if earlier return has been furnished

Interest payable under section 234C, where an earlier return has been furnished, has to be computed after taking into account the total

income furnished in the updated return as returned income.

(2) Additional income-tax payable at the time of updated return [Section 14013(3)]

The additional income-tax payable at the time of furnishing the updated return under section 139(8A) would be —

S.No.	Time of furnishing updated return	Additional Income-tax Payable
(i)	If such return is furnished after expiry of the time available under section 139(4) or 139(5) of the assessment year and before completion of the period of 12 months from the end of the relevant assessment year;	25% of aggregate of tax and interest payable, as determined in (1) above
(ii)	If such return is furnished after the expiry of 12 months from the relevant assessment year but before completion of the period of 24 months from the end of the relevant assessment year.	50% of aggregate of end of the tax and interest payable, as determined in (1) above

Computation of Additional income-tax

For the purpose of computation of Additional income-tax",

- tax would include surcharge and cess, by whatever name called, on such tax.
- the interest payable would be interest chargeable under any provision of the Act, on the income as per updated return furnished under section 139(8A), as reduced by interest paid in the earlier return, if any. However, the interest paid in the earlier return would be considered to

Student's notes

RETURN OF INCOME & SELF ASSESSMENT