Finance Act, 2013

Amendments in Income Tax

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INCOME TAX AMENDMENTS
IN
UNION BUDGET 2013-14

Tax Rates

Individual/ HUF/AOP /BOI/AJP

Slab of Income	Rate of Income tax
Upto ₹ 200,000	Nil
₹ 200,001 to ₹ 500,000	10%
₹ 500,001 to ₹ 1,000,000	20%
Above ₹ 1,000,000	30%

Individual Age >60 but < 80 years

Slab of Income	Rate of Income tax
Upto ₹ 250,000	Nil
₹ 250,001 to ₹ 500,000	10%
₹ 500,001 to ₹ 1,000,000	20%
Above ₹ 1,000,000	30%

Individual Age > 80 Years

Slab of Income	Rate of Income tax
Upto ₹ 500,000	0%
₹ 500,001 to ₹ 1,000,000	20%
Above ₹ 1,000,000	30%

Surcharge

- Surcharge @ **10%** applicable to those persons whose income exceeds ₹ 1 Crore
- In case of Companies:-

Domestic Company

Total Income	Surcharge %
> ₹ 1 Crore but < ₹ 10 Crore	5%
> ₹ 10 Crore	10%

Other than Domestic Company

Total Income	Surcharge %
> ₹ 1 Crore but < ₹ 10 Crore	2%
> ₹ 10 Crore	5%

Exemptions u/s 10

Agriculture Land

- **Before Amendment:-**
  - Population > 10,000
  - Within 8 kms from municipality/ cantonment
  - notified by Central Government

- **After Amendment:-**

Population	Distance from Municipal limits (Aerial Distance)
> 10,000 but < 100,000	Within 2 Kms
> 100,000 but < 1,000,000	Within 6 Kms
> 1,000,000	Within 8 Kms

Exemption in case of Sum received under Insurance Policy

- 100% exemption if
- Sum received in case of <u>life insurance policies</u> issued on or after 01.04.2013 to
  - Person with disability as per Sec. 80U
  - Person suffering disease or ailment mentioned under Sec. 80DDB
- If premium payable < 15% of actual capital sum assured

Keyman Insurance Policy

- Life insurance policy taken by a person on life of
  - Employee
  - Person who is connected with the business

- And ***<u>includes Policy assigned to a person, at any time during the term of policy, with or without consideration</u>***

Note: Any sum received from Keyman insurance policy is not exempt.

Investor protection fund

- Income of Investor protection fund setup by depository is exempt.
- Depository – Company granted registration u/s 12 of SEBI Act, 1992
- Regulations for setting up Investor protection fund to be notified.

Income of Venture capital fund

Any income of a

Venture capital company

or

Venture capital fund

from investment in a

Venture capital undertaking

is Exempt u/s 10 (23FB)

Venture Capital Company

- Company which
  - Certificate has been under **SEBI (Venture Capital Funds) Regulations, 1996**
  - Certificate has been granted under **SEBI (Alternative Investment Funds) Regulations, 2012** and which fulfils following conditions:-
    - Not listed on Stock Exchange
    - Invested $\leq$ 2/3rd of investible funds in unlisted equity shares or equity linked instruments of VCU
    - Not invested in VCU in which director or substantial shareholder (holding > 10% of equity capital) holds > 15% of share capital of such VCU

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Venture Capital Fund

- Fund operating under registered trust deed which has been granted certificate by SEBI
  - Under **SEBI (Venture Capital Funds) Regulations, 1996**
  - Under **SEBI (Alternative Investment Funds) Regulations, 2012**
  - Operating as 'Venture capital scheme' made by UTI

.....

Venture Capital Undertaking

- Not Listed on stock exchange
- Engaged in business for providing services, production or manufacture of article or things and does not include following activities:
  - NBFCs
  - Gold Financing
  - Activities not permitted under industrial policy
  - Any other activity specified by CBDT

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Buy-Back

- Income to assessee
- On account of **buy back of unlisted shares** by the company
- Exempt from Tax

w.e.f. 1st April 2014

Scope of exemption widened
w.r.t. Income of a foreign company widened

- Section 10(48) provides that
  - Any income received in India
  - in Indian currency
  - by a foreign company
  - on account of sale of crude oil, **ANY OTHER GOODS OR RENDERING OF SERVICES, AS MAY BE NOTIFIED BY THE CENTRAL GOVERNMENT IN THIS BEHALF**
  - to any person ~~**in India**~~

  Subject to certain conditions

  (Bold portion amended by Finance Act, 2013)

National Financial Holdings Co. Ltd.

Income of

National Financial Holdings Co. Ltd.

is exempt

upto 31st March, 2014

SUUTI (Specified undertaking of UTI) has been wound up and was succeeded by NFHCL. So, exemption to SUUTI has been extended to NFHCL.

Profits & Gains of Business or Profession

Sec. 32AC
Investment in New Plant & Machinery

Manufacturing Company

Acquires & Installs
after 31.03.2013
before 01.04.2015

New Plant & Machinery

Actual Cost > ₹ 100 crores

Deduction = 15% of actual cost of assets

For AY 2014-15 → 15% of assets purchased after 01.04.2013

For AY 2015-16 → 15% of assets purchased after 01.04.2013 but before 01.04.2015 Minus Deduction allowed in AY 2014-15

Commodities Transaction Tax

- CTT on **sale of commodity derivative @ 0.01%** on value of such transaction **payable by Seller**
- "**Commodity derivative**" means

(i) a contract for delivery of goods which is not a ready delivery contract; or

(ii) a contract for differences which derives its value from prices –

(A) of such underlying goods; or

(B) of related services and rights, such as warehousing and freight; or

(C) with reference to weather and similar events and activities, having a bearing on the commodity sector

Specific Exclusion

State Government Undertaking

Amount appropriated directly or indirectly

Royalty, License Fees, Service Fees, Privilege Fees, Service Charge or any other charge exclusively levied on SGU

State Government

w.e.f. 1st April, 2014

Not a Speculative Transaction

- Following is also not deemed to be 'Speculative transaction'
  - An **eligible transaction** in respect of trading in **commodity derivatives** carried out in a **recognised association**

Note:

'Commodity Derivative' (Same as in CTT)

'**Eligible Transaction**' means any transaction

(a) carried out electronically on screen-based systems through registered member or an intermediary

(b) Which is supported by a time shaped contract note issued by such member/intermediary

'**Recognised Association**' means an association to which recognition for the time being has been granted by the Central Government under Sec. 6 in respect of goods or classes of goods specified in such recognition under Forward Contracts (Regulation) Act, 1952

Sec. 43CA

Consideration received on transfer of
land or building or both (Not capital assets)

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Value adopted by Stamp valuation authority

Then,

Full Value of Consideration =
Value adopted by Stamp valuation authority

w.e.f. 1^{st} April, 2014

If the amount of consideration is received by any <u>mode other than Cash</u> on or before date of agreement for transfer

Date of agreement fixing consideration

$\neq$

Date of Registration

Then,

Full Value of consideration =

Valuation for Stamp duty as on <u>**date of agreement**</u>

INCOME FROM OTHER SOURCES

Sec. 56 (2) (Vii) (b)

- Where an individual or a HUF receives
- Any Immovable Property

Case 1:- Without Consideration

IFOS = Stamp duty value (If Stamp duty value > ₹ 50,000)

Case 2:- Stamp duty value - Consideration > ₹ 50,000

IFOS = Stamp duty value – Consideration

w.e.f. 1st April, 2014

If the amount of consideration is received by any <u>mode other than Cash</u> on or before date of agreement for transfer

Date of agreement fixing consideration

$\neq$

Date of Registration

Then,

Income from Other Sources =

Valuation for Stamp duty as on <u>**date of agreement**</u>

Deductions

Insurance Policy

- Premium paid on

  Life insurance policies issued on or after 01.04.2013 to
  - Person with disability as per Sec. 80U
  - Person suffering disease or ailment mentioned under Sec. 80DDB

  if premium payable < 15% of actual capital sum assured
- In case of other insurance policies, Sec. 80C deduction is allowed only to premium where

  Premium payable < 10% of actual sum assured

RGESS

- Rajiv Gandhi Equity Savings Scheme, 2012
- Deduction = 50% of amount invested
- Investment in listed equity shares or '***listed units of equity oriented fund***'
- Maximum deduction = ₹ 25,000
- Deduction shall be allowed for 3 consecutive assessment years
- **Eligible securities under RGESS is defined as:**
  - Equity Shares in BSE-100 or CNX 100
  - Equity Shares of Maharatna, Navratna, Miniratna
  - Units of eligible ETFs or MFs
  - Eligible FPOs & NFOs
  - IPOs of eligible PSUs

- **Conditions:-**
  - Gross Total Income < ₹ ~~10~~ 12 Lakhs
  - Assessee is a new retail investor
  - Investment in listed equity shares/listed units of equity oriented fund
  - Lock-in period = 3 Years
    - Fixed lock-in Period = 1 Year from the date of credit
    - Flexible lock-in Period = 2 Years from the end of Fixed lock in period
- If assessee fails to comply any condition, taxable as Income in the year in which such failure happened.

Interest on Housing Loan

- New Section 80EE
- Interest payable on housing loan taken for 1st residential house.
- Maximum deduction = ₹ 100000
- Conditions:-
  - Loan sanctioned between 01.04.2013 till 31.03.2014
  - Amount of Loan < ₹ 25 Lakhs
  - Value of residential house property < ₹ 40 Lakhs

National Children Fund

W.e.f. 01.04.2014,

Donation to

National Children Fund

(Rashtriya Bal Kosh)

Is 100% exempt u/s 80G

Deduction to Factory

- Sec. 80 JJAA deduction
- In case of Indian Company whose profits derive from manufacture of goods in factory
- 30% of additional wages paid to additional new regular workmen employed
- For 3 AYs

Note: Previously the deduction is for **industrial undertaking** engaged in the manufacture or production of article or thing but now limited to **Factory.**

Contributions to Political Parties

Contribution made by

Companies,

Any person except local authority or AJP wholly or partly funded by Government

To

Political parties or **electoral trust**

is allowed as deduction

Note:- Deduction is available only when the contributions are made in **mode other than cash**

Other Amendments

- Section 80D deduction extended to contribution made to such other scheme as may be notified by Central Government
- Deduction u/s 80-IA extended till 31.03.2014
  - Undertaking for generation or generation and distribution of power
  - Undertaking which starts transmission or distribution of new lines
  - Undertaking which undertakes substantial renovation and modernisation of existing transmission or distribution lines


REBATE!

Rebate u/s 87A

Individual Resident in India

Total income < ₹ 500,000

Deduction of ₹ 2,000 from income tax

- Effectively increasing exemption limit to ₹ 220,000 in case of Individual resident whose total income < ₹ 500,000

DOUBLE TAXATION RELIEF


THE MEANING OF LIFE
TAX AVOIDANCE ADVICE

DTAA

- In case of
  - Agreement with foreign countries or specified territories
  - Adoption by Central Government of agreement between specified associations for double taxation relief
- For non-resident to claim relief vide DTAA, Residency certificate **with prescribed particulars** made mandatory w.e.f. 01.04.2013
- Also included that assessee shall also provide such other prescribed documents and information
- ~~Now, it is made clear that Resident certificate is necessary but not sufficient condition for claiming any relief under DTAA~~ (Proposed in Finance Bill but not amended by Act)

GAAR

- GAAR Provisions postponed to **01.04.2016**
- GAAR Provisions are applicable to assesses even if the provisions are not beneficial to them w.e.f. 01.04.2016
- An arrangement entered into by an assessee may be declared to be an **impermissible avoidance arrangement**
- Burden of Proof to show that arrangement is not entered for obtaining tax benefit is on Assessee.

Impermissible avoidance arrangement

Arrangement whose main purpose is to obtain a tax benefit and

- creates rights or obligations, which are not ordinarily created between persons dealing at arm's length;
- Results in the misuse or abuse of the provisions of this Act;
- lacks commercial substance
- is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes.

When an arrangement lacks commercial substance?

a) The substance or effect of the arrangement as a whole ≠ the form of its individual steps or a part; or

b) it involves or includes—

(i) round trip financing;

(ii) an accommodating party;

(iii) elements that have effect of offsetting or cancelling each other; or

(iv) a transaction which is conducted through one or more persons and disguises the value, location, source, ownership or control of funds which is the subject matter of such transaction; or

c) it involves the location of an asset or of a transaction or of the place of residence of any party other than obtaining a tax benefit for a party;

d) it does not have a significant effect upon the business risks or net cash flows of any party to the arrangement except tax benefit from arrangement

What is round trip financing?

Any arrangement in which, through a series of transactions -

(a) funds are transferred among the parties to the arrangement; and

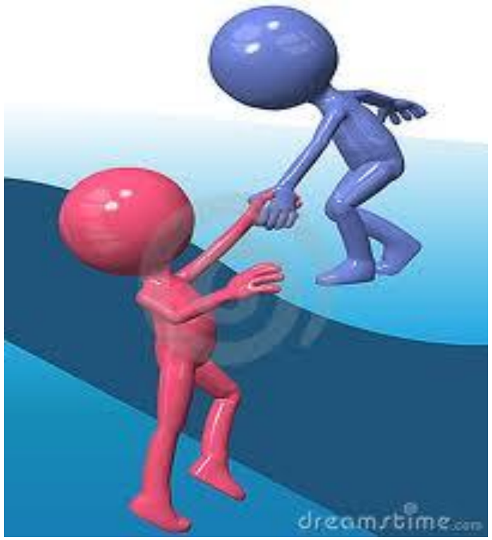
(b) such transactions do not have any substantial commercial purpose other than obtaining the tax benefit

Irrespective of

- Whether funds can traced to any funds transferred to or received by any party in connection with arrangement
- Time, sequence in which funds are transferred or received
- Means by or manner in which funds involved are transferred or received.

Who is accommodating Party?

A party to an arrangement shall be an accommodating party, if the **main purpose of participation** of that party in the arrangement is **to obtain a tax benefit for the assessee** whether or not the party is a connected person in relation to any party to the arrangement.



Consequences of IAA

- Denial of tax benefit

- Any other consequences determined in circumstances:-
  - disregarding, combining or recharacterising any step in, or a part or whole of, the impermissible avoidance arrangement;
  - treating the impermissible avoidance arrangement as if it had not been entered into or carried out;
  - disregarding any accommodating party or treating any accommodating party and any other party as one and the same person;

- deeming persons who are connected persons in relation to each other to be one and the same person for the purposes of determining tax treatment of any amount
- reallocating amongst the parties to the arrangement –
  - (i) any accrual, or receipt, of a capital nature or revenue nature; or
  - (ii) any expenditure, deduction, relief or rebate
- treating—
  - (i) the place of residence of any party to the arrangement; or
  - (ii) the situs of an asset or of a transaction,

  at a place other than the place of residence, location of the asset or location of the transaction as provided under the arrangement
- considering or looking through any arrangement by disregarding any corporate structure

Treatment of Accommodating party

In determining whether a tax benefit exists,—

- The parties who are connected persons in relation to each other may be treated as one and the same person;
- Any accommodating party may be disregarded;
- The accommodating party and any other party may be treated as one and the same person;
- The arrangement may be considered or looked through by disregarding any corporate structure

Connected Person

Nature of Person	Connected Person
Individual	Relative
Company	Director Relative of Director
Firm/AOP/BOI	Any Partner/Member Relative of such partner/Member
Hindu Undivided Family	Any Member

Individual having substantial interest in business, **Relative** of such individual

Company having substantial interest in business, Its **Director**, **Relative** of such Director

Firm having substantial interest in business, **Partner**, **Relative** of such partner

AOP/BOI or HUF having substantial interest in business, **Member** of such AOP/BOI/HUF, **Relative** of such member

C O N N E C T E D P E R S O N

Company whose director have substantial interest in business, Relative of director

Firm whose partner have substantial interest in business, Relative of Partner

AOP/BOI/HUF whose member have substantial interest in business, Relative of Member

Individual or Relative

↓

Substantial interest in **'other person'**

↓

'Connected person'

Company or firm or AOP or BOI

Director or Partner or Member

Relative of Director/Partner/Member

↓

Substantial interest in **'other person'**

↓

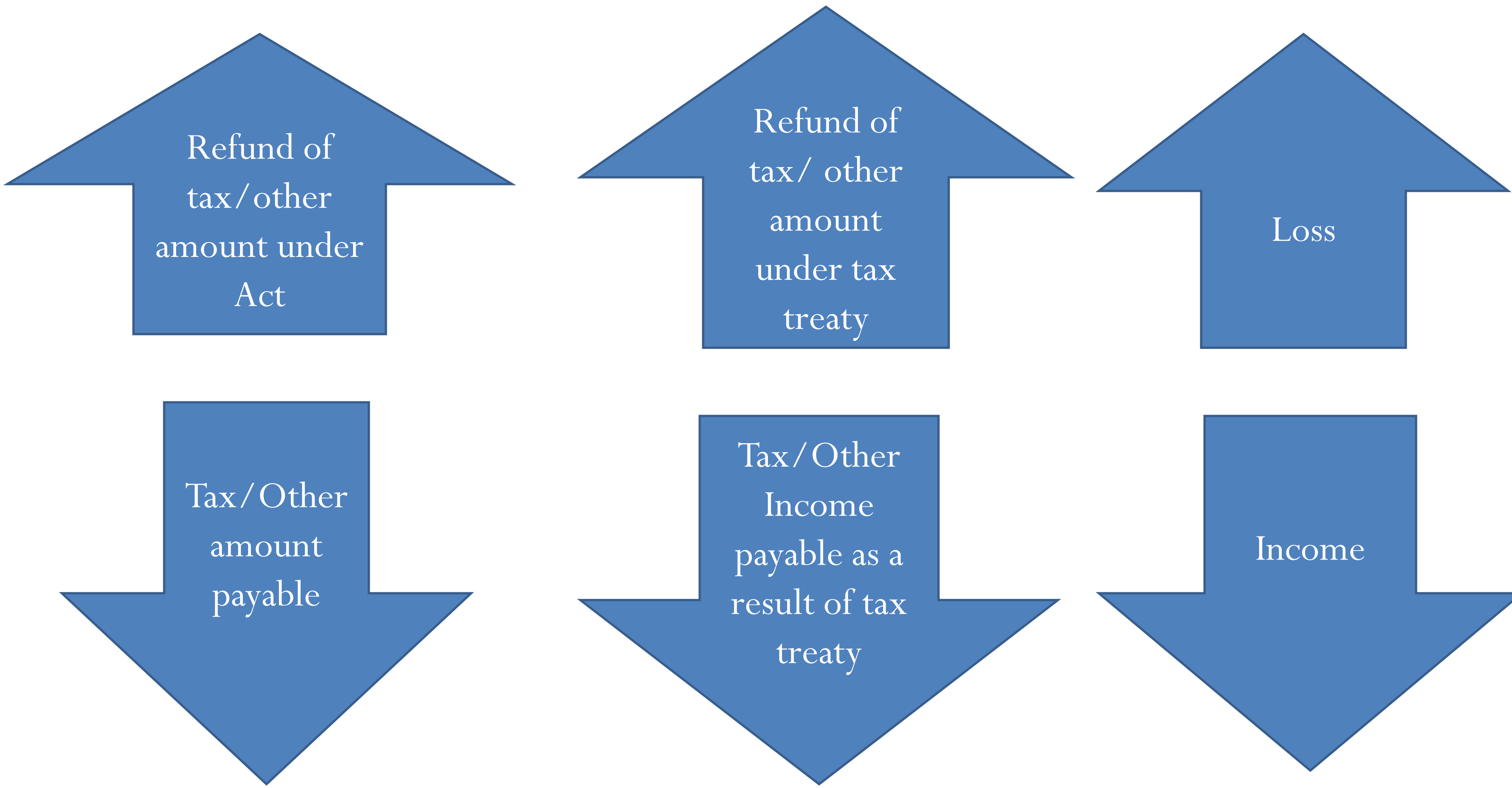
'Connected person'

When is Substantial Interest said to be held?

✓In case of company- Owner of equity share carrying 20% or more of voting power

✓In other cases - Entitled to 20% or more of profits of business

Tax Benefit



Reduction in Tax payable also includes deferment of payment or avoidance of payment

Sec. 144BA
Reference to Commissioner in certain cases

- If AO considers to declare an arrangement as IAA, he may make reference to Commissioner.
- Commissioner issues a notice to assessee for submitting objections within such mentioned period not > 60 days.
- If assessee doesn't furnish objections, commissioner issue directions as he deems fit
- In case assessee objects, CIT hears the matter and
  - If he is satisfied with objections, pass favorable order
  - If he is not satisfied, he may refer to Approving panel
- Approving panel passes directions after asking CIT to make necessary inquiry or call for documents from assessee within 6 months from end of month in which reference is made by CIT
- AO based on directions by either CIT or Approving panel shall complete assessment.
- If Chapter X-A is applicable, AO passes order after prior approval of CIT

What is Approving Panel?

What is Approval Panel?

- Central Government constitutes approving panels
- Members:-
  - Chairperson – Judge of High Court
  - One member - IRS not less than rank of CCIT
  - One member – Academic Scholar
- Term – 1 year (May be extended upto 3 years)
- Have powers vested to Authority for Advance Rulings

Other Provisions relating to 144BA

- Generally, for assessment in cases of search or requisition, order is passed after prior approval of Joint Commissioner. This approval is not required if order is passed u/s 144BA
- The order passed u/s 144BA cannot be referred to Dispute Resolution Panel

Taxation of Non-Residents

Tax on Royalty or fees

- Royalty or fees for technical services
- Received from
  - Government under agreement with government **or**
  - Indian concern under agreement approved by Central Government

Royalty @ ~~10%~~ 25%

Fees for technical services @ ~~10%~~ 25%

w.e.f. 1st April, 2014

Sec. 115AD Tax on Income of FIIs

Income-tax calculated on the

Income by way of interest

in respect of **investment made** in—

- A rupee denominated bond of an Indian company; or
- A Government security

referred to in Section 194LD

@ **5%**

Dividends

Dividend distribution tax (DDT)

Dividend declared is reduced by following for paying DDT @ 15%

Received from Indian Subsidiary who paid dividend distribution tax

Received from Foreign Subsidiary who paid Tax u/s 115BBD

w.e.f. 01.06.2013

Tax on distribution income for buy-back

w.e.f. 01.06.2013

Tax on what amount?

- Any amount of distributed income by the company on buy-back of shares (not being listed shares)

What is the Tax Rate?

- Tax @ 20%

If I don't have income chargeable to tax, is this tax to be paid?

- Above tax is Irrespective of any other tax payment

Who should pay?

- Principal Officer of the company

When to pay?

- Within 14 days from date of payment of distributed income
- Otherwise, simple interest @ 1% per month

Will I or shareholder get deduction of the tax paid?

- No deduction to Company or Shareholder

Additional Tax Payable by Mutual Fund

Additional tax payable by Mutual fund

On income distributed to individual or a HUF by a fund other than a money market mutual fund or a liquid fund	25%

w.e.f. 01.06.2013

Tax Payable by Mutual Fund under infrastructure debt fund scheme

- Where any income is distributed by a mutual fund
- Under an **infrastructure debt fund scheme**
- To a non-resident (not being a company) or a foreign company
- Additional income-tax
- @ **5%**
- on income so distributed

w.e.f. 01.06.2013

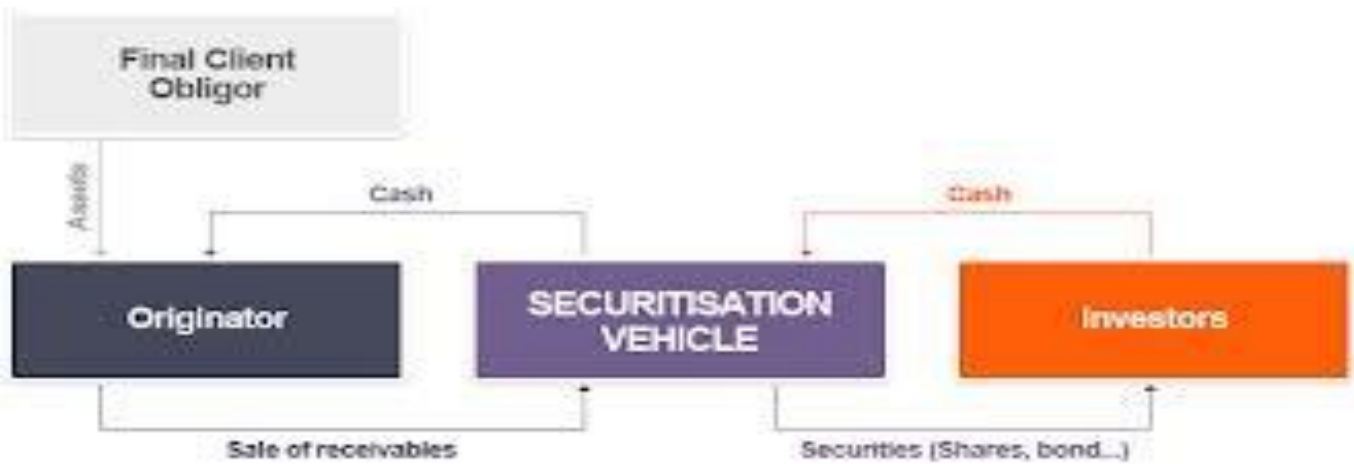
What is infrastructure debt fund scheme?

- Mutual fund scheme that invests
- primarily (minimum 90% of scheme assets) in the
  - debt securities or
  - securitized debt instrument of
    - infrastructure companies or
    - infrastructure capital companies or
    - infrastructure projects or
    - SPVs which are created for the purpose of facilitating or promoting investment in infrastructure, and
    - other permissible assets in accordance with these regulations or
  - bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles

SECURITISATION

Securitisation

- "Securitisation" means
  - acquisition of debt or receivables
  - by any special purpose distinct entity
  - from any originator
  - for the purpose of issuance of securitised debt instruments to investors
  - based on such debt or receivables



Securitisation Trust

- A "Special purpose distinct entity" which means a trust which acquires debt or receivables out of funds mobilized by it by issuance of securitised debt instruments through one or more schemes, and includes any trust set up by the NHB or NABARD

- A "Special Purpose vehicle" which means any company/trust/other entity constituted or established for a specific purpose –

  (a) activities of which are limited to those for accomplishing the purpose; and

  (b) which is structured in a manner intended to isolate the corporation/ trust/entity from the credit risk of an originator.

Tax Implications

- Income of Securitisation trust from activity of securitisation is exempt u/s 10 (23DA)

- Income received by way of distribution by securitisation trust to its investor is exempt u/s 10 (35A)

w.e.f. 1st April, 2014

Tax on distributed Income by Securitisation trusts

- Any amount of income distributed by the securitisation trust to its investors

Nature of Investor	Additional tax payable
Individual or HUF	25%
Any other person	30%

- Tax to be paid within 14 days from date of distribution
- Simple Interest @ 1% per month of default
- Statement to be furnished on or before 15th September
- No deduction of tax paid to the trust

w.e.f. 01.06.2013

Assessment

Defective Return

- From **01.06.2013**,

Tax + Interest

before filing return

Return of Income

Special Audit u/s 142 (2A)

- Special audit can be directed by AO considering
  - Nature and complexity of the accounts,
  - **Volume of the accounts,**
  - **Doubts about the correctness of the accounts,**
  - **Multiplicity of transactions in the accounts**
  - **Specialised nature of business activity of the assessee**

w.e.f. 01.06.2013

Exclusion of Time period

- Where audit u/s 142 (2A) is directed, the following is excluded from time limit for completing assessment:-
  - From Date on which AO directs
  - Till
    - Report is furnished
    - Where direction to audit is challenged before a court, till order setting aside such direction is received by commissioner.

w.e.f. 01.06.2013

Time limit for completing assessment

w.e.f. 01.07.2012

- When reference u/s 92CA is made in course of assessment,
- Time limit for completing assessment u/s 143 or 144 is **3 years** from end of relevant AY
- Time limit for completing assessment u/s 147 is **2 years** from end of FY in which notice u/s 148 is issued
- Time limit for passing an order of fresh assessment in pursuance of an order u/s 250/254 /263/264, setting aside/cancelling an assessment and where reference u/s 92CA is made may be made before the expiry of **2 years** from the end of the FY in which the
  - Order u/s 250/254 is received by the Chief Commissioner or Commissioner or,
  - Order u/s 263/264 is passed by the Chief Commissioner/ Commissioner.

DEDUCTED AT SOURCE

TDS payable by purchaser of Immovable property

Sec. 194-IA

- Purchaser of immovable property other than agricultural land
- At time of payment to seller

  (Payment may be in cash or cheque or draft)
- Where consideration > ₹ 50 Lakh Rupees
- TDS @ 1%
- Provisions of Sec. 203A shall not apply to a person required to deduct tax under Sec. 194-IA

w.e.f. 01.06.2013

TDS on Interest from Indian Co.

- Sec. 194LC
- Interest is payable to non-resident
- On Money borrowed by it after 01.07.2012 before 01.07.2015 in foreign currency from source outside India
  - Under Loan agreement
  - By way of issue of long term infrastructure bonds
- TDS @ 5%
- ~~It is applicable even if non-resident **deposited** any sum in foreign currency **in a designated account** through which such sum is **converted into rupees** and these rupees are **utilised to subscribe for long term infra bonds.**~~ (Proposed in the Bill but removed in Act)

Requirement to furnish PAN

- Generally, any person entitled to receive any sum or income or amount, on which tax is deductible under TDS provisions shall furnish PAN to the person responsible for deducting such tax.
- Otherwise, tax is deducted at **<u>higher</u>** of
  - Rate specified in the relevant provision of the Act; or
  - Rate in force; or
  - 20%
- **<u>This provision is not applicable in respect of payment of interest on long-term infrastructure bonds u/s 194LC</u>**

TDS on interest paid to FII/QFI

Sec. 194LD

Any person who is responsible for paying **Interest** to

- **Foreign Institutional Investor** (**FII**) or
- a **Qualified Foreign Investor** (**QFI**), (i.e. As per Circular No. Cir/IMD/DF/14/2011, dated the 9th August, 2011 issued by SEBI)

on or after the 01.06.2013 to 01.06.2015

in respect of **investment made** in—

- A <u>rupee denominated bond of an Indian company</u>; or
- A <u>Government security</u>

<u>TDS @ 5%</u>

Rate of interest in respect of bond shall not exceed the rate as may be notified by the Central Government in this behalf.

Tax Collected At Source

TCS on sale of Bullion or jewellery

- Every person, being a seller, who receives any amount in cash as consideration for sale of bullion ~~**(excluding any coin or any other article weighing ten grams or less)**~~ or jewellery, shall, at the time of receipt of such amount in cash, collect from the buyer, a sum equal to 1% of sale consideration as income-tax, if such consideration,—
- (i) for bullion, exceeds ₹ 200,000; or
- (ii) for jewellery, exceeds ₹ 500,000

Omitted w.e.f 01.06.2013

APPEALS

Appeals to Appellate Tribunal

The Central Government shall appoint the following person as '**President of ITAT'**—

- A person who is a sitting or retired Judge of a High Court and who has completed not less than 7 years of service as a Judge in a High Court; or
- Senior Vice-President or one of the Vice-Presidents of the Appellate Tribunal.

Penalties

Failure to furnish AIR

- AIR = Annual Information return u/s 285BA
- Time limit – before 31st August each year
- Penalty for Failure to furnish AIR in time = ₹ 100 for every day during which default continues
- If not furnished before 31st August, show cause notice may be issued by authority
- Penalty for not filing AIR within period specified in Notice u/s 285BA(5) = **₹ 500 for every day during which failure continues**


Thank You