

3. RETURN OF INCOME

Section not applicable to [Self Reading]	<ul style="list-style-type: none"> • Persons who have Agricultural Income and are not in receipt of any other income chargeable to income tax, provided that a declaration in Form no. 60 is filed by such persons. • Non-Resident • The central government, state government and consular officers in truncations where they are the payers.
Penalty	For failure to comply with provisions of Sec.139A or quoting wrong PAN, Penalty of ₹10000 for each default is leviable u/s 272B by Assessing Officer.

Time limit for making an application for allotment of PAN in respect of certain persons [Not. 82/2018]

Sec 139A(1) lists out persons, who have not allotted PAN, to apply to AO for allotment of PAN within such time, as may be prescribed. The time limit for making such application is prescribed in Rule 114(3).

Persons required to apply for PAN	Time limit for making such application
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 PY exceeds the max amount not chargeable to income-tax	on or before the 31st May of the FY for which such income is assessable
Every person carrying on any business or profession whose total sales, turnover or gross receipts are or is likely to exceed Rs. 5 lakhs in any PY	before the end of that FY (PY).
Every person who is required to furnish a return of income u/s 139(4A)	before the end of that FY (PY).
Every person being a resident, other than an individual, which enters into a financial transaction of an amount aggregating to Rs. 2,50,000 or more in a financial year	on or before 31st May of the immediately following FY
Every person who is a managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of any person referred in (iv) above or any person competent to act on behalf of such person referred in above	on or before 31st May of the immediately following FY in which the person referred above enters into

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Sec 139A(5E) :

Notwithstanding anything contained in this Act, every person who is required to furnish or intimate or quote his PAN under this Act, and who, [w.e.f 01.09.2019]

- (a) has not been allotted a PAN but possesses Aadhaar number, may furnish his Aadhaar number in lieu of PAN, & such person shall be allotted a PAN in such manner as may be prescribed;
- (b) has been allotted a PAN, and who has intimated his Aadhaar number in accordance with provisions of sec 139AA(2), may furnish or intimate or quote his Aadhaar number in lieu of the PAN

Sec 139A(6A) :

Every person entering into such transaction, as be prescribed, shall quote his PAN/Aadhaar number, as the case may be, in documents pertaining to such transactions & also authenticate such PAN or Aadhaar number, in such manner as be prescribed

Sec 139A(6B) :

Every person receiving any document relating to the transactions referred to in sub-section (6A), shall ensure that PAN or Aadhaar number, as the case may be, has been duly quoted in such document and also ensure that such PAN or Aadhaar number is so authenticated.]

Sec 272B Penalty for failure to comply with Sec 139A

- 1) If a person fails to comply with the provisions of section 139A, the AO may direct that such person shall pay, by way of penalty, a sum of ₹10,000.
- 2) If a person who is required to quote his PAN or Aadhaar number in any document referred to in clause (c) of sub-sec (5) of sec 139A, or to intimate such number as required by sub-sec (5A) or sub-sec (5C) of that sec, quotes or intimates a number which is false, and which he either knows or believes to be false or does not believe to be true, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ₹10,000
- 2A) If a person, who is required to quote his permanent account number or Aadhaar number, as the case may be, in documents referred to in sec139A(6A) or authenticate such number in accordance with the provisions of the said sub-sec, fails to do so, the AO may direct that such person shall pay, by way of penalty, a sum of ₹10,000 for each such default.


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- 2B) If a person, who is required to ensure that the permanent account number or the Aadhaar number, as the case may be, has been,
- i) duly quoted in the documents relating to transactions referred to in clause (c) of sub-section (5) or in sub-section (6A) of section 139A;
 - ii) duly authenticated in respect of transactions referred to under sub-section (6A) of that section,
- fails to do so, the AO may direct that such person shall pay, by way of penalty, a sum of 10,000 rupees for each such default.
- 3) No order under this sec shall be passed unless the person, on whom the penalty is proposed to be imposed, is given an opportunity of being heard in the matter.

Sec 139AA - Aadhaar Number

Circular No 6/2019 : Quoting Aadhaar is mandatory on all returns filed after 01/04/2019.

Notification 31/2019 : Aadhaar must be intimated to prescribe authority [PDGIT (Systems)] by 30th Sept'2019

Required Upon	Every person who is eligible to obtain Aadhaar number shall, on or after the 1st day of July, 2017, quote Aadhaar number— a) Pan Application b) Filing ROI	
If Don't possesses aadhar	where the person does not possess the Aadhaar Number, the Enrolment ID of Aadhaar application	
Non Compliance	In case of failure to intimate the Aadhaar number, PAN allotted shall be deemed to be invalid inoperative (without declaring it invalid) (ruling confirmed by Binoy Viswam vs. UI, 2017 (SC)) & other provisions shall apply as if not applied for PAN	
Sec. not applicable to	1) NR 2) Person having an age of 80 years or above 3) Person is not a citizen of India 4) Person residing in Assam, Meghalaya, J&K.	

Sec 140 Who shall verify the Return of Income

Assessee	Signatory\ Verified by
Individual	1- Present in India: Assessee himself 2- Absent from India: Individual himself or person authorized by him 3- Mentally Incapacitated: Person competent to act on his behalf or legal guardian. 4- Other cases: Person duly authorize by him.
HUF	1- General: By Karta 2- Karta absent from India or is Mentally Incapacitated: Any other Adult Member of the family.
Company	1- General: By Managing Director 2- MD is not able to sign or there is no MD: Any other Director or any other person as may be prescribed [FA'20] 3- Co not Resident in India: Holder of a valid Power of Attorney 4- Company is in liquidation or Receiver is appointed: The Liquidator 5- Management taken over by Government: Principal Officer
Limited Liability Partnership	1- General: By Designated partner 2- Designated Partner is not able to sign / no designated partner Designated Partner: Any other Partner. any other person as may be prescribed [FA'20]
Local Authority	Principal Officer
Political Party	Chief Executive Officer
Association of Persons	Any Member or Principal Officer
Any Other Persons	That person or any other person who is competent to sign on his behalf
Insolvency is applied as per IBC	Insolvency professional appointed by such Adjudicating Authority.[FA.2018]

Filing of return [Specific Assessee]: -By Others

139(4A)	Charitable or Religious Trust	Must file return if income before exemption u/s 11 or 12 exceeds BEL # Audit is also mandatory is Income >BEL. # due date of Filling ROI - 31st Oct[FA'20] # Sec.272A penalty for Non Compliance - 100 for every day . # fees is applicable in Addition to Sec.272A
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139(4B)	Political party (Chief Executive Officer or Secretary or other designation thereof)	Must file return if GTI before exemption u/s 13A exceeds BEL. # Audit is mandatory. # due date of Filing ROI - 31st Oct [FA'20]
139(4C)	<ul style="list-style-type: none"> >Scientific research association referred to in Sec. 10(21); >News agency referred to in Sec. 10(22B); >Professional Association or Institutions referred to in Sec. 10(23A); >Khadi and Village Industries Development institutions referred to in Sec. 10(23B); >Fund or Institution referred to in sec.10(23C) >Educational/Medical Institution wholly or substantially financed by Government u/s 10(23C)(iiiab)/(iiiac) >Trade Unions referred to in Sec. 10(24) >Body or Authority or Board or Trust or Commission u/s 10(46) >Notified Infrastructure Debt Fund u/s 10(47) >Mutual Fund referred to in Sec. 10(23D) >Securitisation Trust referred to in Sec.10(23DA) >Venture Capital Company or Venture Capital Fund referred to in Sec. 10(23FB) >IEPF/ Core Settlement Gurantee Fund/ BOARD OR AUTHORITY U/S 10[29A] 	Must file return if income before giving effect u/s. 10 exceeds BEL. # due date can either be 31st july/ 31st Oct [FA'20] . # Sec.272A penalty for Non Compliance 100 for every day . # fees is also applicable in Addition to Sec.272A
139(4D, E,F)	<ol style="list-style-type: none"> 1- Any University/College / other institution referred to on Sec. 35(1) (ii) or (iii) ; 2- Business Trust; 3- Investment Fund u/s 115UB. 4- Which is not required to furnish Return of Income or Loss under any other provisions of Sec. 139 	Mandatory return of Income (even where there is a loss)

Relevant Cases

Goetze India LTD[SC]	Case: A fresh claim before AO can be made by Filing Statement/ Letter ?	<ol style="list-style-type: none"> 1- Held: NO A fresh claimed before AO can be made by Filing Revised Return. 2- But a fresh claim before CIT[A] without a Revised Return is Possible. [Pruthvi brokers or Jute Corporation of India] 3- But a fresh claim before ITAT without a Revised Return is Possible. [National Thermal Power Corp [SC]]
Mahalaxmi Sugar Mills [SC]	Case: Is AO bound to Allow to setoff of B/f loss even if assessee has not claimed the same?	Held: Yes, AO while doing Assessment not merely act as Tax Gatherer. He must allow all the benefits available to Assessee.