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B.Com Honours | Semester VI | Calicut University

E-Filing of Tax Returns

Course Code: COM6FS113 (2) • Module 1 Notes

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MODULE I: TAXATION MECHANISM

Curricular Scope & Statutory Architecture: Module I establishes the foundational statutory principles, legal doctrines, and computational mechanics governing Indian income taxation under **COM6FS113 (2): E-Filing of Tax Returns** in the Calicut University B.Com (Honours) curriculum. It provides an exhaustive, practitioner-level analysis of the constitutional architecture of taxation (Article 246), contrasting **Direct and Indirect Taxes** through economic incidence and Adam Smith's Canons of Taxation. It details fundamental statutory concepts under the **Income Tax Act, 1961**—Assessee (Normal, Deemed, In-Default), Assessment Year (AY), Previous Year (PY), Person (Section 2(31)), and Gross Total Income (GTI) vs. Total Taxable Income. Furthermore, it decodes **Residential Status determination (Section 6)**, the **Five Heads of Income**, Chapter VI-A deductions, side-by-side computation of tax liability under the **Old vs. New Default Tax Regime (Section 115BAC)**, statutory assessment types (Self-Assessment, Summary u/s 143(1), Scrutiny u/s 143(3), Best Judgment u/s 144, Re-assessment u/s 147, and the **Faceless Assessment Scheme**), and the procedural regulations for **PAN application (Form 49A/49AA)** and statutory return filing deadlines under **Section 139(1)**.

Unit 1: Direct and Indirect Tax: Foundations & Comparative Jurisprudence

1.1 The Concept and Constitutional Foundation of Taxation

Taxation is an inherent sovereign power of the State, representing a compulsory, unrequited financial contribution levied upon individuals, business entities, and property under legislative authority to fund public expenditures, build national infrastructure, ensure defense, and promote socio-economic welfare. Under the Constitution of India, **Article 265** establishes the supreme rule of fiscal law: *"No tax shall be levied or collected except by authority of law."*

The legislative competence to levy taxes is delineated in **Article 246** read with the **Seventh Schedule** of the Constitution:

- **Union List (List I):** Confers exclusive power on the Central Parliament to levy taxes on income other than agricultural income (Entry 82), customs duties (Entry 83), corporation tax (Entry 85), and inter-state trade.
- **State List (List II):** Grants exclusive jurisdiction to State Legislatures to levy taxes on agricultural income (Entry 46), land and buildings (Entry 49), excise duty on alcoholic liquors for human consumption (Entry 51), and stamp duties (Entry 63).
- **Concurrent List (List III) & Article 246A:** Introduced via the landmark Constitution (101st Amendment) Act, 2016, empowering both Parliament and State Legislatures to concurrently levy the **Goods and Services Tax (GST)** on the supply of goods and services.

1.2 Fundamental Distinctions between Direct and Indirect Taxes

Taxes are classified into two primary categories based on the shifting of the tax burden and the point of commercial collection:

Analytical Dimension	Direct Taxes (e.g., Income Tax)	Indirect Taxes (e.g., GST, Customs Duty)
Incidence & Impact	The formal point of levy (impact) and the ultimate economic burden (incidence) fall on the **same entity**.	The initial impact falls on the manufacturer, importer, or trader, but the final incidence is shifted to the **end consumer**.

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Analytical Dimension	Direct Taxes (e.g., Income Tax)	Indirect Taxes (e.g., GST, Customs Duty)
Shifting of Burden	Non-transferable; the legal assessee must pay the tax out of their own income or wealth.	Readily transferable through successive commercial price markups across the supply chain.
Nature & Social Equity	**Progressive:** Tax rates increase with higher income brackets (ability-to-pay principle), reducing income inequality.	**Regressive:** Charged uniformly on commodities; poor and rich pay the exact same tax on a product, consuming a higher % of poor income.
Taxable Event	Accrual, receipt, or generation of taxable income, profit, or capital gain during a financial year.	Manufacture, import, or supply of goods and provision of commercial services.
Administrative Body	Governed by the **Central Board of Direct Taxes (CBDT)** under the Department of Revenue, Ministry of Finance.	Governed by the **Central Board of Indirect Taxes and Customs (CBIC)** alongside State GST Departments.
Collection Timing	Annual assessment cycle supplemented by Advance Tax installments and monthly TDS deductions.	Continuous transactional collection at the exact point of sale, supply, or clearance from customs bonded warehouses.

1.3 Adam Smith's Canons of Taxation and Modern Fiscal Doctrines

In *The Wealth of Nations* (1776), classical economist Adam Smith established four foundational canons governing an equitable tax system, augmented by modern public finance doctrines:

1. Canon of Equity / Ability to Pay

Citizens must contribute toward governmental maintenance in proportion to their respective financial abilities. Direct income tax operationalizes this through progressive tax slabs and exemption limits.

2. Canon of Certainty

The tax liability must be certain, clear, and unambiguous—not arbitrary. The taxpayer must know precisely what, when, where, and how much tax must be paid, preventing bureaucratic harassment.

3. Canon of Convenience

Taxes must be levied and collected at the time and in the manner most convenient for the contributor (e.g., deducting TDS at the moment salary or interest is credited, or e-filing online 24/7).

4. Canon of Economy

The administrative cost of collecting the tax must be minimal relative to the revenue yielded. A tax that consumes most of its collections in administrative salaries violates this canon.

5. Canon of Productivity & Elasticity

Taxes should yield abundant revenue to satisfy public needs, automatically expanding as national income grows without requiring constant revisions of basic tax structures.

6. Canon of Simplicity & Diversity

Tax statutes must be intelligible to common taxpayers to minimize compliance costs, relying on a balanced basket of direct and indirect taxes to prevent over-burdening any single sector.

Unit 2: Basic Concepts of Direct Taxation under the Income Tax Act, 1961

2.1 The Statutory Architecture of Direct Tax

The substantive and procedural law governing direct income taxation in India is codified under the **Income Tax Act, 1961** (which came into force on April 1, 1962), supplemented annually by the **Finance Act** enacted by Parliament, the **Income Tax Rules, 1962**, CBDT circulars, and binding judicial precedents of the High Courts and the Supreme Court of India.

2.2 Core Statutory Definitions

- **Person [Section 2(31)] :** The tax entity upon whom liability is imposed. The term is broadly inclusive and encompasses:
  1. An Individual (natural human beings).
  2. A Hindu Undivided Family (HUF).
  3. A Company (domestic or foreign corporate entities).
  4. A Firm (including Limited Liability Partnerships - LLPs).
  5. An Association of Persons (AOP) or Body of Individuals (BOI), whether incorporated or not.
  6. A Local Authority (municipal corporations, panchayats, port trusts).
  7. Every Artificial Juridical Person not falling within any preceding category (e.g., universities, Bar Council of India, deities).
- **Assessee [Section 2(7)] :** Any person by whom any tax or any other sum of money (interest, penalty) is payable under the Act. It includes:
  - *Ordinary / Normal Assessee:* Any person against whom proceedings have been commenced for assessment of income, fringe benefits, or loss.
  - *Deemed Assessee:* A person treated by legal fiction as an assessee for another (e.g., the legal representative of a deceased person u/s 159, trustee of a trust, guardian of a minor).
  - *Assessee-in-Default:* A person who fails to fulfill a statutory duty imposed by the Act (e.g., an employer who fails to deduct TDS from employee salary u/s 192 or fails to deposit deducted TDS into the government treasury).
- **Assessment Year (AY) [Section 2(9)] :** A period of twelve months commencing on the **1st day of April** every year and ending on the **31st day of March** of the subsequent calendar year. It is the financial year in which the income earned during the previous year is formally scrutinized, assessed, and charged to income tax. E.g., for income earned during FY 2024–25, the Assessment Year is AY 2025–26.
- **Previous Year (PY) [Section 3] :** The financial year immediately preceding the assessment year. It is the period during which income is actually earned. In the case of a newly established business or profession, the previous year commences on the date of setting up the business or acquiring the income source and concludes on the immediately following 31st March.
- **Income [Section 2(24)] :** An inclusive statutory definition encompassing profits and gains, dividends, voluntary contributions received by trusts, perquisites, capital gains, winnings from lotteries/gambling, and any sum received under an agreement for not carrying out business activity (non-compete fees).
- **Gross Total Income (GTI) vs. Total Income [Section 80B(5) & Section 2(45)] :**

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Tax Base Transition Formulation Statutory Computation Architecture

> **Gross Total Income (GTI) = Σ [Income from 5 Heads after Set-off of Losses]**

$$TotalTaxableIncome = GrossTotalIncome(GTI) - DeductionsunderChapterVI - A$$

Operational Rules:

- **Section 288A:** The Total Taxable Income is rounded off to the nearest multiple of ₹10 (if the last digit is ₹5 or more, rounded upwards; otherwise disregarded).
- **Section 288B:** The final net tax liability or refund payable is rounded off to the nearest multiple of ₹10.
- Deductions under Chapter VI-A cannot exceed Gross Total Income (Total income cannot be negative via Chapter VI-A deductions).

Unit 3: Types of Assessee & Residential Status Determination

3.1 Residential Status: The Cornerstone of Tax Incidence

Under Indian tax jurisprudence, tax liability is governed by **Residential Status**, not by nationality or citizenship. An Indian citizen can be a Non-Resident for tax purposes, while a foreign citizen residing in India can be assessed as a Resident. Residential status is determined separately for each Previous Year under **Section 6** of the Income Tax Act.

3.2 Residential Status of an Individual [Section 6(1) & 6(6)]

An individual is categorized as either a **Resident** or a **Non-Resident (NR)**. A Resident is further classified into **Resident and Ordinarily Resident (ROR)** or **Resident but Not Ordinarily Resident (RNOR)**:

Step 1: Basic Conditions [Section 6(1)]
An individual is a **Resident** in India during a Previous Year if they satisfy *at least one* of the following basic conditions:

- **Condition A:** They are in India for a period amounting in all to **182 days or more** during the relevant Previous Year; OR
- **Condition B:** They are in India for a period of **60 days or more** during the relevant Previous Year AND for **365 days or more** during the 4 preceding Previous Years.

**Statutory Exceptions:* Condition B does not apply (only the 182-day rule applies) to: (1) An Indian citizen leaving India for employment abroad or as a crew member of an Indian ship, and (2) An Indian citizen or Person of Indian Origin (PIO) residing abroad who visits India (relaxed to 120 days if Indian total income exceeds ₹15 Lakhs).

Step 2: Additional Conditions for ROR [Section 6(6)]
A resident individual becomes a **Resident and Ordinarily Resident (ROR)** only if they satisfy *both* of the following additional conditions:

- **Additional Condition 1:** They have been a resident in India in **at least 2 out of 10** Previous Years immediately preceding the relevant Previous Year; AND
- **Additional Condition 2:** They have been present in India for a period amounting in all to **730 days or more** during the **7 Previous Years** immediately preceding the relevant Previous Year.

If a resident individual fails to satisfy either or both additional conditions, they are classified as **Resident but Not Ordinarily Resident (RNOR)**.

3.3 Incidence of Tax Based on Residential Status [Section 5]

The scope of total income chargeable to Indian tax varies dramatically depending on residential status:

Nature of Income Stream	ROR	RNOR	NR
Income received or deemed to be received in India during the PY	**Taxable**	**Taxable**	**Taxable**
Income accruing or arising (or deemed to accrue/arise) in India	**Taxable**	**Taxable**	**Taxable**
Income accruing/arising outside India from a business controlled in, or profession set up in, India	**Taxable**	**Taxable**	**Not Taxable**
Income accruing/arising outside India from purely foreign sources (unconnected with Indian business)	**Taxable (Global)**	**Not Taxable**	**Not Taxable**

Unit 4: The Five Heads of Income & Deductions under Chapter VI-A

4.1 Architectural Breakdown of the Five Heads of Income [Section 14]

Under the Indian Income Tax framework, all income chargeable to tax is classified under five mutually exclusive statutory heads:

1. Income from Salaries [Sections 15–17]

Applies whenever a strict *Employer-Employee relationship (Master-Servant contract)* exists. Includes Basic Pay, Dearness Allowance (DA), Commission, Bonus, taxable Allowances (House Rent Allowance u/s 10(13A)), and Perquisites u/s 17(2). Permissible statutory deductions include **Standard Deduction [Section 16(ia)]** (₹50,000 under Old Regime / ₹75,000 under revised New Regime) and Professional Tax paid [Section 16(iii)].

2. Income from House Property [Sections 22–27]

Charged on the *Annual Value* of buildings or lands appurtenant thereto owned by the assessee. From Gross Annual Value (GAV), municipal taxes paid are deducted to arrive at Net Annual Value (NAV). Allowable statutory deductions: (a) **Standard Deduction u/s 24(a)** of 30% of NAV, and (b) **Interest on Borrowed Capital u/s 24(b)** up to ₹2,00,000 for self-occupied property.

3. Profits & Gains of Business or Profession (PGBP) [Sections 28–44DB]

Covers income from trade, commerce, manufacturing, or professional callings (doctors, lawyers, chartered accountants). Computed after deducting legitimate revenue business expenses (rent, repairs, depreciation u/s 32, employee salaries). Includes presumptive taxation schemes: **Section 44AD** (8%/6% for small traders), **Section 44ADA** (50% for professionals), and **Section 44AE** (goods transport).

4. Capital Gains [Sections 45–55A]

Profits arising from the transfer of a Capital Asset (shares, real estate, gold). Bifurcated into **Short-Term Capital Gains (STCG)** and **Long-Term Capital Gains (LTCG)** based on holding periods. Taxed at special rates: LTCG on listed equities u/s 112A (taxed at 12.5% exceeding ₹1.25 Lakh exemption limit), and STCG on listed equity u/s 111A (taxed at 20%). Exemptions available under Sections 54, 54EC, 54F.

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5. Income from Other Sources (IFOS) [Sections 56–59]
The residual omnibus head covering any taxable income not classifiable under the preceding four heads: Bank savings interest, Fixed Deposit (FD) interest, Dividends received from companies, family pension (standard deduction u/s 57(iia)), winnings from lotteries/horse races/online gaming (taxed flat at 30% u/s 115BB/115BBJ without any basic exemption or slab benefit), and non-relative monetary gifts exceeding ₹50,000 per annum u/s 56(2)(x).

4.2 Key Deductions from Gross Total Income under Chapter VI-A

Deductions under Chapter VI-A incentivize long-term personal savings, social security, healthcare, and charitable philanthropy. These deductions are primarily available under the **Old Tax Regime** (most are barred under the default New Tax Regime u/s 115BAC):

Section	Nature of Eligible Investment / Expenditure	Statutory Monetary Ceiling
80C	Investments in PPF, EPF, ELSS mutual funds, Life Insurance Premiums, National Savings Certificate (NSC), Sukanya Samriddhi Yojana, 5-yr bank tax FDs, tuition fees for two children, and principal repayment of home loan.	Aggregate ceiling of **₹1,50,000** (combined limit with 80CCC and 80CCD(1)).
80CCD(1B)	Voluntary employee/individual contributions toward the **National Pension System (NPS)** or Atal Pension Yojana.	Exclusive additional deduction of **₹50,000** (over and above the ₹1.5L limit of 80C).
80D	Medical Insurance Premium paid for self, spouse, and dependent children (₹25,000; or ₹50,000 if senior citizen) + parents (additional ₹25,000; or ₹50,000 if senior citizen) + preventive health checkup (up to ₹5,000).	Maximum combined ceiling up to **₹1,00,000** (when both assessee and parents are senior citizens).
80E	Interest paid on loan taken from financial institutions for higher education of self, spouse, or children.	**No monetary limit;** deductible for **8 consecutive Assessment Years**.
80G	Donations to specified charitable institutions, funds, and relief foundations (PM-CARES, National Defense Fund).	100% or 50% deduction, with or without qualifying limit (10% of Adjusted GTI) based on fund category.
80TTA / 80TTB	**80TTA:** Interest on savings bank accounts for normal individuals (Max ₹10,000). **80TTB:** Interest on all bank deposits (savings + FDs) for Senior Citizens (Max ₹50,000).	**80TTA:** Up to ₹10,000. **80TTB:** Up to ₹50,000 (replaces 80TTA for senior citizens).

Unit 5: Computation of Total Income & Tax Liability: Old vs. New Regime

5.1 Comparative Structural Slabs: Old Tax Regime vs. New Default Regime (Section 115BAC)

From Assessment Year 2024–25 onwards, the **New Concessional Tax Regime under Section 115BAC** serves as the *default tax regime* for Individuals, HUFs, AOPs, and BOIs. Taxpayers retain the statutory option to opt out and choose the Old Tax Regime at the time of filing their Return of Income u/s 139(1):

Income Slab Bracket	Old Tax Regime (Section 115BAC Opt-Out)	New Default Tax Regime (Section 115BAC)
Up to ₹2,50,000	**Nil** (₹3L for Sr. Citizen ≥ 60; ₹5L for Super Sr. ≥ 80)	**Nil**
₹2,50,001 to ₹3,00,000	5%	**Nil** (Basic exemption limit is ₹3,00,000)
₹3,00,001 to ₹5,00,000	5%	5% (Slab: ₹3,00,001 to ₹6,00,000)
₹5,00,001 to ₹6,00,000	20%	5%
₹6,00,001 to ₹9,00,000	20%	10%
₹9,00,001 to ₹10,00,000	20%	15% (Slab: ₹9,00,001 to ₹12,00,000)
₹10,00,001 to ₹12,00,000	30%	15%
₹12,00,001 to ₹15,00,000	30%	20%
Above ₹15,00,000	30%	30%
Tax Rebate [Section 87A]	Rebate up to **₹12,500** if Total Income ≤ **₹5,00,000** (Tax liability becomes Nil).	Rebate up to **₹25,000** if Total Income ≤ **₹7,00,000** (Tax liability becomes Nil; marginal relief applies).
Exemptions / Deductions Allowed	Full eligibility for HRA, LTA, standard deductions, 80C, 80D, 80G, home loan interest u/s 24(b).	Most Chapter VI-A deductions barred; allows Standard Deduction (₹75,000), employer NPS u/s 80CCD(2), and Agniveer u/s 80CCH.

Comprehensive Numerical Case: Side-by-Side Tax Computation (AY 2025–26)

Taxpayer Profile: Resident Salaried Individual (Age 42) | Gross Salary: ₹12,00,000 | Savings Bank Interest: ₹20,000

Investments & Deductions: Standard Deduction (Old: ₹50k, New: ₹75k) | 80C: ₹1,50,000 | 80D (Mediclaim): ₹25,000 | 80TTA: ₹10,000

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---------------------- OLD TAX REGIME COMPUTATION ----------------------

Gross Total Income = (₹12,00,000 - ₹50,000 Standard Deduction) + ₹20,000 Interest = ₹11,70,000

Less Chapter VI-A Deductions: 80C (₹1.5L) + 80D (₹25k) + 80TTA (₹10k) = ₹1,85,000

Total Taxable Income = ₹11,70,000 - ₹1,85,000 = ₹9,85,000

Slab Tax: (₹2.5L to ₹5L @ 5% = ₹12,500) + (₹4,85,000 @ 20% = ₹97,000) = ₹1,09,500

Add 4% Health & Education Cess: 4% of ₹1,09,500 = ₹4,380

Total Tax Payable under Old Regime = ₹1,09,500 + ₹4,380 = ₹1,13,880

------------------- NEW DEFAULT REGIME (SEC 115BAC) -------------------

Gross Total Income = (₹12,00,000 - ₹75,000 Standard Deduction) + ₹20,000 Interest = ₹11,45,000

Chapter VI-A Deductions: Nil (80C, 80D, 80TTA not allowed under 115BAC)

Total Taxable Income = ₹11,45,000
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Slab Tax: Up to ₹3L: Nil | ₹3L–₹6L (₹3L @ 5% = ₹15,000) | ₹6L–₹9L (₹3L @ 10% = ₹30,000) | ₹9L–₹11.45L (₹2,45,000 @ 15% = ₹36,750) ⇒ Total Base Tax = ₹15,000 + ₹30,000 + ₹36,750 = ₹81,750

Add 4% Health & Education Cess: 4% of ₹81,750 = ₹3,270

Total Tax Payable under New Regime = ₹81,750 + ₹3,270 = ₹85,020

Comparative Decision Outcome: The taxpayer saves ₹28,860 (₹1,13,880 - ₹85,020) by remaining under the New Default Tax Regime.
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Unit 6: Types of Assessments under the Income Tax Act

Assessment represents the formal statutory determination of an assessee's total taxable income and the computation of the final tax or refund payable. The Act specifies five classical modes of assessment, modernized by the **Faceless Assessment Scheme**:

1. Self-Assessment [Section 140A]

The fundamental statutory duty of the assessee. Before submitting the Return of Income (ITR), the taxpayer must compute their total taxable income, deduct advance tax paid and TDS/TCS credits, and deposit the balance tax together with mandatory interest payable under Sections 234A, 234B, and 234C. The receipted Challan of self-assessment tax must be quoted in the ITR.

2. Summary / Intimation Assessment [Section 143(1)]

A fully automated electronic processing carried out by the Centralized Processing Centre (CPC), Bengaluru, without human intervention. The computer system automatically adjusts for arithmetical errors, internal inconsistencies, and disallowances of incorrect claims. An **Intimation u/s 143(1)** is emailed to the assessee indicating whether the return matches CPC records, a tax refund is issued, or additional tax demand is payable.

3. Scrutiny Assessment [Section 143(3)]

A detailed, rigorous examination conducted to ensure the taxpayer has not understated income, overstated losses, or underpaid tax. Triggered when the case is selected via Computer-Assisted Scrutiny Selection (CASS). The Department serves a mandatory statutory notice under **Section 143(2)** within **3 months** from the end of the financial year in which the return was filed, demanding books of accounts and supporting evidentiary documentation.

4. Best Judgment Assessment [Section 144]

An ex-parte assessment framed by the tax authority based on best rational judgment, relevant materials, and available evidence. Mandatory when the assessee: (a) fails to file a return u/s 139(1), 139(4), or 139(5); (b) fails to comply with all terms of a notice u/s 142(1); or (c) fails to comply with directions for a special audit u/s 142(2A).

5. Income Escaping Assessment / Re-assessment [Section 147]

Empowers the Assessing Officer to assess or reassess any income chargeable to tax that has escaped assessment for any Assessment Year. Initiated only after complying with the statutory pre-requisites of **Section 148A** (conducting preliminary inquiry and providing the assessee an opportunity of being heard), followed by issuing notice under Section 148.

6. The Faceless Assessment Scheme [Section 144B]

Revolutionary institutional transformation eliminating territorial jurisdictions and physical interaction. Cases are dynamically assigned across India through automated artificial intelligence algorithms to **Assessment Units (AU)**, supported by Technical Units (TU) and Review Units (RU). All communications, questionnaire notices, and responses occur exclusively via digital portals, ensuring complete transparency and neutrality.

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Unit 7: Permanent Account Number (PAN) & Return Filing Deadlines

7.1 Permanent Account Number (PAN) Architecture [Section 139A]

A Permanent Account Number (PAN) is a ten-digit alphanumeric identifier issued in the form of a laminated card by the Income Tax Department. It serves as the primary national financial identifier, enabling the tax administration to link all commercial transactions, TDS credits, tax payments, and investments to a single individual or entity.

Anatomy of a 10-Digit PAN Identifier Structural Decryption

[A B C P K] [1 2 3 4] [D]

Structural Components:

- **First Three Characters (1–3):** Alphabetic series running from AAA to ZZZ assigned sequentially.
- **Fourth Character (4) - Status of the Assessee: P:** Individual (Person) | **C:** Company | **H:** Hindu Undivided Family (HUF) | **F:** Partnership Firm / LLP | **A:** Association of Persons (AOP) | **B:** Body of Individuals (BOI) | **T:** Trust | **L:** Local Authority | **J:** Artificial Juridical Person | **G:** Government Entity.
- **Fifth Character (5):** First letter of the taxpayer's surname/last name (for individuals) or entity name. E.g., for "Rahul Kumar", the 5th character is 'K'.
- **Next Four Characters (6–9):** Sequential numerical digits running from 0001 to 9999.
- **Tenth Character (10):** Alphabetic check digit generated by an internal mathematical formula.

PAN Application Modes and Forms

PAN applications are submitted online through authorized service portals (Protean / NSDL e-Gov or UTIITSL):

- **Form 49A:** Application for allotment of PAN for Indian citizens, Indian companies, entities incorporated in India, and unincorporated bodies. Requires Proof of Identity (POI), Proof of Address (POA), and Proof of Date of Birth (DOB).
- **Form 49AA:** Application for allotment of PAN for Foreign citizens, Foreign entities, and Non-Residents.
- **Instant e-PAN:** Paperless, free facility offered on the e-filing portal based on Aadhaar e-KYC; an electronic digitally signed PAN is allotted within minutes.
- **Section 139AA Mandate:** Every person who has been allotted a PAN must link it with their Aadhaar number. Failure to link results in the PAN becoming "Inoperative," attracting higher TDS deduction rates u/s 206AA and inability to claim tax refunds.

7.2 Statutory Due Dates for Filing Return of Income [Section 139(1)]

Section 139(1) mandates every person whose total taxable income exceeds the basic exemption limit to file a Return of Income on or before the prescribed statutory due date:

Category of Assessee	Statutory Due Date of Filing	Governing Section
Non-corporate, non-audit assessees (Salaried employees, non-audit individuals, HUFs, AOPs).	**July 31** of the Assessment Year	Section 139(1) Explanation 2(c)
Corporate assessees (all Companies) and any assessee (firm/individual) whose accounts are required to be	**October 31** of the Assessment Year	Section 139(1) Explanation 2(a)

Category of Assessee	Statutory Due Date of Filing	Governing Section
audited under the Income Tax Act (u/s 44AB) or any other law.		
Working partners of a partnership firm whose accounts are required to be audited u/s 44AB.	**October 31** of the Assessment Year	Section 139(1) Explanation 2(a)
Assessees required to furnish a report under Section 92E relating to international or specified domestic transactions (Transfer Pricing).	**November 30** of the Assessment Year	Section 139(1) Explanation 2(aa)

Consequences of Belated Filing & Alternate Return Provisions

Belated Return [Section 139(4)]

If an assessee fails to file by the due date u/s 139(1), they may file a Belated Return on or before **December 31** of the relevant Assessment Year. Attracts mandatory late filing fees under **Section 234F** (₹5,000; or ₹1,000 if total income ≤ ₹5 Lakhs) and forfeits the right to carry forward business and capital losses (except house property loss).

Revised Return [Section 139(5)]

If an assessee discovers any omission or wrong statement in a return filed u/s 139(1) or 139(4), they may file a Revised Return at any time on or before **December 31** of the relevant Assessment Year or prior to completion of assessment, whichever is earlier.

Updated Return [ITR-U under Section 139(8A)]
A taxpayer who missed filing, omitted income, or made errors in their original/belated return can file an **Updated Return (Form ITR-U)** within **24 months** from the end of the relevant Assessment Year upon paying an additional tax penalty: 25% additional tax if filed within the first 12 months, or 50% additional tax if filed between 12 and 24 months. Cannot be used to file a loss return or increase a refund.

Comprehensive Master Synthesis: Key Taxation Milestones & Penalties

Compliance Milestone	Statutory Due Date / Operational Mechanism	Penal Sanction for Non-Compliance
Regular Return Filing (Non-Audit)	July 31 of relevant Assessment Year.	Late fee u/s 234F (₹5,000 / ₹1,000) + Interest u/s 234A @ 1% per month.
Audit Return Filing (Companies / Tax Audit)	October 31 of relevant Assessment Year.	Penalty for failure to get accounts audited u/s 271B (0.5% of turnover up to ₹1.5 Lakhs).
Belated / Revised Return Deadline	December 31 of relevant Assessment Year.	After Dec 31, return cannot be filed except under Section 139(8A) (ITR-U with 25%/50% penalty).
Aadhaar-PAN Linking Mandate	Mandatory statutory integration u/s 139AA.	PAN becomes inoperative; TDS deducted at flat 20% u/s 206AA; refunds withheld.

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