

Sec 92E: Report of CA.
Assessee required to file report of CA in the Form No. 3CEB upto 31st Oct. of A.Y.

Penalties

Section	Default	Penalty
271 AA	i. Failures to keep & maintain info & docs as Per Sec 92D.	2% of transactions Value
	ii. Fails to report transactions	
	iii. Fails to maintain / furnish correct info/ document	
	iv. Fails to furnish info & doc. (Master File)	₹ 5,00,000
271G	Failure to furnish info & documents as Per Sec 92D.	2% of Transactions Value
271BA	Failure to furnish report of CA as per Sec 92E.	₹1,00,000
270A	Failure to report any transactions would constitute 'misreporting of income'	Penalty of 200% of Taxes apply

Note: However, the amount of underreported income represented by any addition made in conformity with the arm's length price determined by the TPO would not be included within the scope of underreported income under section 270A, where the assessee had maintained information and documents, as per 92D, declared the international transactions and disclosed all material facts relating to the transaction.

Sec 92CC: Advance Pricing c Agreement (APA)

1. The CBDT with the approval of Central Govt, may enter into APA with any person for determination;

(a) arm's length price(ALP) or specifying the manner in which the ALP is to be determined, in relation to an international transaction to be entered into by that person.

(b) income referred to in section 9(1)(i), or specifying the manner in which said income is to be determined, as is reasonably attributable to the operations carried out in India by or on behalf of that person, being a NR.

(Amended by FA, 20 w.e.f. AY 20-21)

Section: 94B - Limitation on Interest Deduction in certain cases

- a. Interest expenses or similar nature (like guarantee commission etc) incurred by an Indian company or a permanent establishment of a foreign company in India in respect of any debt issued by a non-resident, being an associated enterprise shall be disallowed while calculating income under the head PGBP to the extent "Excess interest" (Excess interest shall be disallowed)

This section not apply if interest paid in respect of a debt issued by a lender which is a PE in India of a NR, being a person engaged in the business of banking.

(added by FA 20 w.e.f. 21-22)

- b. Calculation of **Excess Interest**

(i) Total Interest - 30% of EBITDA (Earning before interest, Tax, Depreciation, amortisation)

(ii) Interest paid to Associate Enterprise

Whichever is Lower

Alternate Views

Allowed interest to AE is 30% of EBITDA

- c. Where the debt is issued by a lender which is not associated but an associated enterprise either provides an implicit or explicit guarantee to such lender or deposits a corresponding and matching amount of funds with the lender, such debt shall be deemed to have been issued by an associated enterprise.

- d. Above provision is applicable only if interest to associate enterprise is more than **1 crore rupees**

- e. This Section shall NOT apply to an Indian company or a permanent establishment of a foreign company which is engaged in the business of banking or insurance.

- f. The amount of interest expenditure disallowed under this provision, shall be carried forward to the following assessment years, and it shall be allowed as a deduction Against the profits and gains, if any, of any business or profession for that assessment year to within the limit of this section. This interest can be carried forward upto eight assessment years immediately succeeding the assessment year for which the excess interest expenditure was first computed.

- a. Indian Citizen, Leave India during the P.Y. for an employment outside India.
- b. Indian Citizen being a crew member of Indian Ship, leave India during the P.Y.
- c. Indian Citizen or Person of Indian origin engaged outside India in any employment or a Business or Profession, and Visiting India during P.Y. & his total income (excluding income from foreign source) is upto ₹15 Lakhs in P.Y

Note : Person of Indian Origin means, he or either of his parents or either of his grandparents were born in undivided India.

In case of Indian citizen or person of Indian origin having total income (other than foreign source income) of more than ₹15 lakhs then 2nd basic condition applicable and instead of 60 days in PY, 120 days are considered.

(Amended by FA, 20 w.e.f. AY 21-22)

Indian Citizen or a person of Indian origin, having total income, (other than foreign source income) exceeding ₹15 lakhs during the PY, who has been in India for a period or periods amounting in all to 120 days or more but less than 182 days then he will be treated as resident but not ordinary resident. (In this case no need to check additional conditions)

(Amended by FA, 20 w.e.f. AY 21-22)

How many days an Indian Citizen or a Person of Indian origin visits in India during PY

Less than 120 days	120 days or more but upto 181 days	182 days or more irrespective of Total Income
NR in India	If he satisfied both the conditions then R but NOR otherwise NR (i) Stay in India for 365 days or more in last 4 PY, and (ii) His Total Income (other than foreign source income) more than ₹15 Lakhs.	If he satisfied both the conditions then R&OR otherwise R but NOR (i) Resident in India for 2 PY or more in last 10 PY's, and (ii) Stay in India for 730 days or more in last 7 PY's

Section 6(1A): Deemed Resident (Added by FA, 20 w.e.f. AY 21-22)

Not with standing anything contain in section 6(1), in case of Indian citizen, having total income (other than foreign source income), exceeding ₹15 lakhs during the PY shall be deemed to be resident in India in that previous year, if he is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature & he is always treated as R but NOR.

Note : Income from foreign sources means income which accrues or arises outside India except income derived from a business controlled in or a profession set up in India.

Example : 1 Mr Ali is a Indian Citizen, working in USA with Facebook Inc. During the PY 19-20 and PY 20-21 he visited India for 177 days and 145 days respectively. His stay in India for PY16-17, PY17-18, PY18-19 - 120days, 100 days & 155 days respectively.

His income for PY 20-21 is as follows:

	₹
Income from Salary, Rent & Interest earned in USA	25,00,000
Income from Business in USA (Controlled from USA)	21,00,000
Income from Business in USA (Controlled from India)	8,00,000
Interest on Bank FD with YES Bank in Mumbai	11,00,000
LIC Premium Paid in India	2,60,000

Determine his residential status for AY 20-21 & AY 21-22

Answer

For AY-20-21

Since in PY 19-20 he was in India for 177 days i.e. less than 182 days (2nd basic condition IGNORED as amendment applicable from PY 20-21) so Ali is NR in India for AY 20-21.

For AY-21-22

Mr. Ali is in India for 145 days & his Total income (other than foreign source Income) is ₹ 17,50,000 [11,00,000+8,00,000-1,50,000 (80C)] & also his stay in India in last 4 PY's is more than 365 days [120+100+155+177=552] so he will be treated as R but NOR for AY 21-22.

Example: 2

Would it make any difference in example 1 is US citizen but his grandfather was born in a village near Peshawar in 1943 ?

Answer: No, as above provisions are applicable for Indian citizen as well as person of Indian origin. In this case Ali is treated as person of Indian origin.

Example: 3

Suppose in example 1 Mr. Ali's Bank Interest is ₹8,40,000 instead of ₹11,00,000. What will be your answer ?

Answer: For AY 21-22 he will be treated as NR in India as his total income other than

foreign source income is upto 15 lakhs i.e. ₹ 14,90,000 [8,40,000 + 8,00,000 - 1,50,00(80C)]

Example: 4

Mr. Kabir is an Indian Citizen. Currently he is in employment with an entity in Dubai. During the PY he is visited India for 55 days. During the PY 20-21 Mr Kabir is not taxable in Dubai or any other country by reason of his domicile or residence. Determine his residential status for AY 21-22, if his Total Income other than foreign source income is;

Case:1 - ₹ 20,00,000

Case:2 - ₹ 14,00,000

Answer : Case: 1

Mr Kabir in India for only 55 days in PY 20-21 so he is not satisfying basic condition of section 6(1) but he satisfied following conditions of section 6(1A);

(i) Mr. Kabir is a Indian Citizen;

(ii) His Total Income (other than foreign source income) is more than ₹15,00,000; and

(iii) He is not liable to pay tax in any other country by reason of his domicile or residence
So he is treated as deemed to be resident in India but not ordinary resident. (R but NOR)

Case: 2

He does not satisfy conditions of section 6(1A) so he is treated as NR for PY 20-21.

Example: 5

Suppose in example: 4 (case: 1) Mr Kabir is a Foreign citizen but his grandparents was born in undivided India. Is your answer change?

Answer

Yes, as section 6(1A) apply only to Indian Citizen, since he's not a Indian citizen so NR for PY 20-21.

Explanation—For the removal of doubts, it is hereby declared that sec. 6(1A) shall not apply in case of an individual who is said to be resident in India in the PY as per section 6(1).

3. Period of stay in India for an Indian citizen, being a member of the crew of a foreign bound ship leaving India [CBDT Notification]

For computation of "No. of days stay in India" following time limit shall be excluded: -

"From the date entered into the continuous discharge certificate in respect of joining the ship & ending on the date entered into continuous discharge certificate in respect of signing of the ship."

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Agents having independent status are not included in Business Connection:

Business connection, however, shall not be established, where the non-resident carries on business through a broker, general commission agent or any other agent having an independent status, if such a person is acting in the ordinary course of his business.

A broker, general commission agent or any other agent shall be deemed to have an independent status where he does not work mainly or wholly for the non-resident.

He will, however, not be considered to have an independent status in the three situations explained above, where he is employed by such a non-resident.

Where a business is carried on in India through a person referred to in (a), (b) or (c) of (i) above, (other than SIP) only so much of income as is attributable to the operations carried out in India shall be deemed to accrue or arise in India [Explanation 3 to section 9(1)(i)].

Explanation 3A added by FA 20 w.e.f. AY 21-22

For the removal of doubts, it is hereby declared that the income attributable to the operations carried out in India, shall include income from—

- (i) such advertisement which targets a customer who resides in India or a customer who accesses the advertisement through internet protocol address located in India;
- (ii) sale of data collected from a person who resides in India or from a person who uses internet protocol address located in India; and
- (iii) sale of goods or services using data collected from a person who resides in India or from a person who uses internet protocol address located in India.

Provided that the provisions contained in this Explanation shall also apply to the income attributable to the transactions or activities referred to in Explanation 2A (SEP)

Significant economic presence [Explanation 2A to section 9(1)(i)]

Significant economic presence of a non-resident in India shall also constitute business connection in India [Added by FA 2020 w.e.f. A.Y. 2022-23]

Significant economic presence means-

No.	Nature of Transaction	Condition
1.	Transaction in respect of any goods, services or property carried out by a non-resident with any person in India including provision of download of data or software in India,	Aggregate of payments arising from such transaction or transactions during the previous year exceeds such amount as may be prescribed

Explanation added to Sec 9.

Expln 5:

For the removal of doubts, it is hereby clarified that an asset or a capital asset being any shares or interest in a company or entity registered or incorporated outside India shall be deemed to be and shall always be deemed to have been situated in India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India.

So shares of CGP shall be deemed to be situated in India as the shares of CGP derives its value substantially from business of Indian co located in India.

However, an asset or capital asset, which is held by a non-resident by way of investment, directly or indirectly, in Category-I or Category-II foreign portfolio investor under the SEBI (Foreign Portfolio Investors) Regulations, 2014, prior to their repeal made under the SEBI Act, 1992, shall not be deemed to be or deemed to have been situated in India [Proviso to Explanation 5 to section 9(1)(i)]

Provided also that nothing contained in this Explanation shall apply to an asset or a capital asset, which is held by a NR by way of investment, directly or indirectly, in Category-I foreign portfolio investor under the SEBI (Foreign Portfolio Investors) Regulations, 2019, made under the SEBI Act, 1992

The CBDT has, vide Circular No. 28/2017, dated 07.11.2017, clarified that the provisions of section 9(1)(i) read with Explanation 5, shall not apply in respect of income accruing or arising to a non-resident on account of redemption or buyback of its share or interest held indirectly (i.e. through upstream entities registered or incorporated outside India) in the specified funds (namely, investment funds, venture capital company and venture capital funds) if such income accrues or arises from or in consequence of transfer of shares or securities held in India by the specified funds and such income is chargeable to tax in India.

be deemed to accrue or arise in India in case of a non-resident and be included in his total income, whether or not such services were rendered in India or whether or not the non-resident has a residence or place of business or business connection in India. In the instant case, since the services were utilized in India, the payment received by Mr. Kula sekhar, a non-resident, in Colombo is chargeable to tax in his hands in India, as it is deemed to accrue or arise in India.

- # Section 9(1)(viii): Deemed accrual of gift made to a person outside India
Gift of any money made by resident to NR or foreign company on or after 5th July 2019 shall be deemed to be accrued or arise in India. (Added by FA 2019)
- # Section 9A: Presence of Eligible Fund Manager in India not to constitute Business Connection
1. In the case of an eligible investment fund, the fund management activity carried out through an eligible fund manager acting on behalf of such fund shall not constitute business connection in India of the said fund.
 2. An eligible investment fund shall not be said to be resident in India merely because the eligible fund manager undertaking fund management activities on its behalf is located in India.
 3. The **eligible investment fund means** a fund established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit. Further, it should fulfil the following conditions:
 - (a) The fund should **not be a person resident in India;**
 - (b) The fund should be a resident of a country or a specified territory with **which India entered into DTAA** as per sec 90 or 90A;
 - (c) The aggregate participation or investment in the fund, directly or indirectly, by persons being **resident in India** should not **exceed 5% of the corpus of the fund;** Provided that for the purposes of calculation of the said aggregate participation or investment in the fund, any contribution made by the eligible fund manager during the first three years of operation of the fund, not exceeding ₹25 crore rupees, shall not be taken into account.

- (d) The fund and its activities should be subject to applicable investor protection regulations in the country or specified territory where it is established or incorporated or is a resident;
- (e) The fund should have a minimum of 25 members who are, directly or indirectly, not connected persons
- (f) Any member of the fund along with connected persons shall not have any participation interest, directly or indirectly, in the fund exceeding 10%;
- (g) The aggregate participation interest, directly or indirectly, of ten or less members along with their connected persons in the fund, shall be less than 50%;
- (h) The investment by the fund in any entity shall not exceed 20% of the corpus of the fund;
- (i) No investment shall be made by the fund in its associate entity;
- (j) The monthly average of the corpus of the fund shall not be less than ₹ 100 crore. If the fund has been established or incorporated in the previous year, the corpus of fund shall not be less than ₹ 100 crore rupees at the end of a period of 12 months from the last day of the month of its establishment or incorporation, However, this condition shall not be applicable to a fund which has been wound up in the previous year.
- (k) The fund shall not carry on or control and manage, directly or indirectly, any business in India;
- (l) The fund should neither be engaged in any activity which constitutes a business connection in India nor should have any person acting on its behalf whose activities constitute a business connection in India other than the activities undertaken by The eligible fund manager on its behalf.
- (m) The remuneration paid by the fund to an eligible fund manager in respect of fund management activity undertaken on its behalf should not be less than the amount calculated in such manner as may be prescribed.

Note: Conditions mentioned in point (e), (f) & (g) shall not apply in case of an investment fund set up by the Government or the Central Bank of a foreign State or a sovereign fund or such other fund notified by the Central Government (i.e., an investment fund set up by a Category-I or Category-II Foreign Portfolio Investor registered under the SEBI (Foreign Portfolio Investors) Regulations, 2014, made under the SEBI Act, 1992

Some Exempt Income

Section	Income	Eligible Assessee
10(4)(ii)	Interest on money standing to the credit in a Non-resident (External) account in India	Person resident outside India (under FEMA Act) or a person who has been permitted to maintain said a/c by RBI
10(4C)	Interest payable by Indian company or business trust in respect of monies borrowed from a source outside India by way of issue of rupee denominated bond, as referred in Sec 194LC, during the period beginning from the 17/09/18 and ending on the 31/03/19	NR or Foreign Company
10(4D)	<ol style="list-style-type: none"> 1. Capital Gains on transfer of assets referred u/s 47(viiab) on a recognised stock exchange located in IFSC and consideration paid or payable in foreign currency; 2. Capital Gains on transfer of security (other than shares of company resident in India); 3. Any income from security issued by NR (not being a PE of NR in India); 4. Income from securitisation trust chargeable under PGBP 	Specified fund (Note)

10(23) FBC)	Any Income by Unit holders from specified fund or on transfer of Units of specified fund.	Unit Holder of Specified Fund
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"specified fund" means a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate,—

- (i) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the SEBI (Alternative Investment Fund) Regulations, 2012, made under the SEBI Act, 1992;
- (ii) which is located in any International Financial Services Centre;(iii) of which all the units are held by non-residents other than units held by a sponsor or manager;

10(15)(ix)	Any income by way of interest payable by a unit located in an IFSC in respect of monies borrowed by it on or after the 01/09/ 2019	NR
10(6)(ii)	Remuneration received by Foreign Diplomats/ Consulate and their staff Conditions (a) The remuneration received by our corresponding Government official's resident in such foreign countries should be exempt. (b) The above-mentioned officers should be the subjects of the respective countries and should not be engaged in any other business or profession or employment in India.	Individual (not being a citizen of India)
10(6)(vi)	Remuneration received as employee of a foreign enterprise for services rendered by him during his stay in India, if:	Individual - Salaried Employee (not being a citizen of India)

	such conditions, as may be notified by the CG.	
10(48C) Added by FA 20 w.e.f. AY 20-21	Income from arrangement for replenishment of crude oil stored in its storage facility in pursuance of directions of the Central Government in this behalf. Provided that nothing contained in this clause shall apply to an arrangement, if the crude oil is not replenished in the storage facility within three years from the end of the financial year in which the crude oil was removed from the storage facility for the first time	Indian Strategic Petroleum Reserves Limited, being a wholly owned subsidiary of the Oil Industry Development Board under the Ministry of Petroleum and Natural Gas

Sec 10(23FE) : Exemption of Dividend, Interest or LTCG of specified person from Investment in India (Added by FA 2020 w.e.f. AY 21-22)

Dividend, interest or LTCG arising from an investment made in India by specified person, whether in the form of debt or share capital or unit, shall be exempt, if the investment—

(i) is made between 01/04/20 to 31/03/24,

(ii) is held for at least three years; and

(iii) is in—

(a) a business trust (REIT/INVIT); or

(b) a company or enterprise or an entity carrying on the business of developing, or operating and maintaining, or developing, operating and maintaining any infrastructure facility or such other business as the CG may notify; or

(c) a Category-I or Category-II Alternative Investment Fund regulated under the SEBI (AIF) Regulations, 2012, made under the SEBI Act, 1992, having 100% investment in one or more of the company or enterprise or entity referred to in item (b):

Provided that if any difficulty arises regarding interpretation or implementation of the provisions of this clause, the Board may, with the approval of the Central Government, issue guidelines for the purpose of removing the difficulty:

Provided further that every guideline issued under the first proviso, shall be laid before each House of Parliament and shall be binding on the income-tax authority and the specified person:

Provided also that where any income has not been included in the total income of the specified person due to the provisions of this clause, and subsequently during any PY the specified person fails to satisfy any of the conditions of this clause so that the said income would not have been eligible for such non-inclusion, such income shall be chargeable to income-tax as the income of the specified person of that PY.

Explanation.—For the purposes of this clause, "specified person" means—

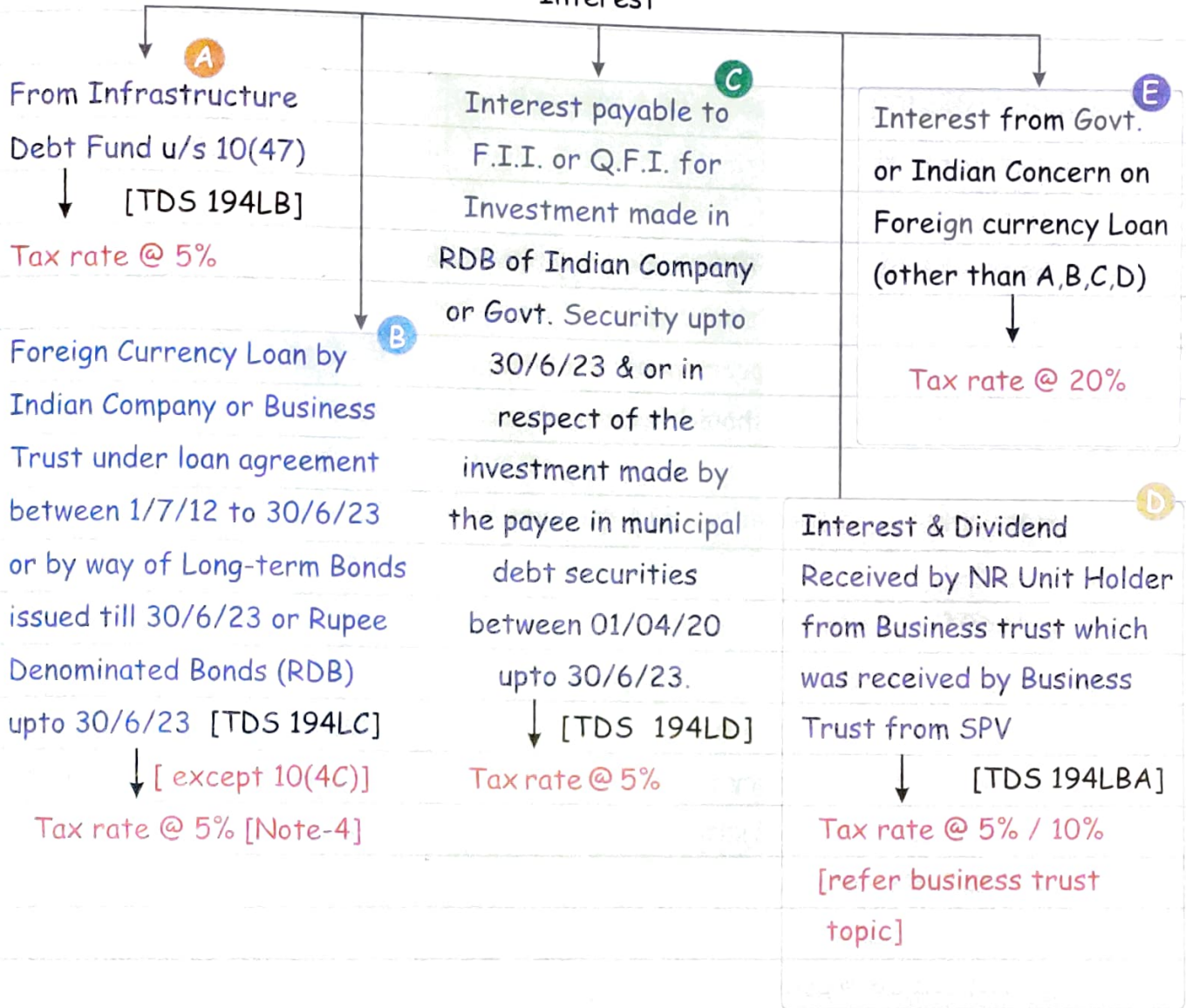
- (a) a wholly owned subsidiary of the Abu Dhabi Investment Authority which—
- (i) is a resident of the United Arab Emirates; and
 - (ii) makes investment, directly or indirectly, out of the fund owned by the Government of the Abu Dhabi;
- (b) a sovereign wealth fund which satisfies the following conditions, namely:—
- (i) it is wholly owned and controlled, directly or indirectly, by the Government of a foreign country;
 - (ii) it is set up and regulated under the law of such foreign country;
 - (iii) the earnings of the said fund are credited either to the account of the Government of that foreign country or to any other account designated by that Government so that no portion of the earnings inures any benefit to any private person;
 - (iv) the asset of the said fund vests in the Government of such foreign country upon dissolution;
 - (v) it does not undertake any commercial activity whether within or outside India; and
 - (vi) it is specified by the Central Government, by notification in the Official Gazette, and fulfils conditions specified in the notification
- (c) a pension fund, which—
- (i) is created or established under the law of a foreign country including the laws made by any of its political constituents being a province, State or local body, by whatever name called;

Special Rates of Tax for NR

Sec 115A: Interest, Royalty, Fees for Technical Service received by NR/Foreign Company

1.

Interest



Notes:

1. Dividend received by NR/FC: 20% Taxable.
2. Income received from UTI/MF: 20% taxable.
3. F.I.I./Q.F.I.: Foreign Institutional Investor or Qualified Foreign Investor.
4. Tax & TDS rate shall be 4% instead of 5% in respect of monies borrowed by it from a source outside India by way of issue of any long-term bond or RDB on or after the 01/04/20 upto 30/06/23, which is listed only on a recognised stock exchange located in any International Financial Services Centre.

Double taxation means the same income **getting taxed twice** in hands of same assessee. Any country taxes income on basis of two rules i.e. **Residence Rule & Source Rule**. Double taxation is possible when assessee is Resident of one country & derives income from another country.

Suppose Mr. BB is Resident of India & deriving income from UK, then India will tax such income on the basis Resident rule and UK will tax such income on the basis of source rule.

There are two type of Double taxation relief



[Tax exemption method & tax credit method]

Under Tax Exemption method, income is taxed in one country and exempt in another country. Under Tax Credit method income is taxable in both the countries and the country of resident allowed tax credit of tax paid in source country. In India Double Taxation relief is provided by combination of two methods.

Sec 90: Agreement with Foreign countries (DTAA)

Central Govt, may enter into agreement with Govt of **foreign country** or **specified territory outside** India.

a) For granting relief for Doubly taxed income, without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in the said agreement for the indirect benefit to residents of any other country or territory.

b) Exchange of information with each other for prevention of tax evasion transaction, investigation of such cases & co-operation with each other for recovery of taxes.

Note:

1. Provision of DTAA or Income Tax Act whichever is **more beneficial** to the assessee shall apply [sec 90(2)] However provision of GAAR shall apply even if such provisions are not beneficial to assessee
2. The charge of tax in respect of a foreign company at a rate higher than the rate at which a domestic company is chargeable, shall not be regarded as **less favourable** charge or levy of tax in respect of such foreign company

Sec. 165A of FA 2016: Charge of equalisation levy on e-commerce supply of services
(Added by FA 2020 w.e.f. AY 1/4/20)

On or after 01/04/20 Equalisation levy @ 2% applicable of the consideration received or receivable by an e-commerce operator from e-commerce supply or services made or provided or facilitated by it—

- (i) to a person resident in India; or
- (ii) to a NR in the specified circumstances; or
- (iii) to a person who buys such goods or services or both using internet protocol address located in India.

Equalisation levy not applicable :

- (i) where the e-commerce operator making or providing or facilitating e-commerce supply or services has a PE in India and such e-commerce supply or services is effectively connected with such PE;
- (ii) where the equalisation levy is leviable under section 165; or
- (iii) sales, turnover or gross receipts, as the case may be, of the e-commerce operator from the e-commerce supply or services made or provided or facilitated is less than 2 crore during the PY.

For the purposes of this section, "specified circumstances" mean—

- (i) sale of advertisement, which targets a customer, who is resident in India or a customer who accesses the advertisement though IP address located in India; and
- (ii) sale of data, collected from a person who is resident in India or from a person who uses IP address located in India.

"e-commerce operator" means a non-resident who owns, operates or manages digital or electronic facility or platform for online sale of goods or online provision of services or both

"e-commerce supply or services" means—

- (i) online sale of goods owned by the e-commerce operator; or
- (ii) online provision of services provided by the e-commerce operator; or
- (iii) online sale of goods or provision of services or both, facilitated by the e-commerce operator; or
- (iv) any combination of activities listed in clause (i), (ii) or clause (iii)

Sec 166 of FA 2016 : Collection & recovery of equalisation levy
 Every resident person carrying on Business or profession or a non-resident having P.E. in India shall deduct the equalisation levy referred in see 165 from the amount paid/ payable to NR @ 6%. If aggregate amount of consideration for specified service is more than ₹ 1,00,000 in P.Y.

Note:

1. Equalisation levy deducted shall be deposited to C.G. up to 7th of next month.
2. If any person fails to deduct equalisation levy then also he's liable to pay levy to Govt.
3. Interest @ 1% per month or part of the month shall be applicable on late deposit of levy u/s 165 or 165A [Sec 170].

Sec. 166A of FA 2016: Collection and recovery of equalisation levy on e-commerce supply or services

The equalisation levy referred to in section 165A, shall be paid by every e-commerce operator to the credit of the CG for the quarter of the FY year ending within following time limit:

Date of ending of the quarter of financial year	Due date
30th June	7th July
30th September	7th October
31st December	7th January
31st March	31st March

Sec 171 of FA 2016: Penalty for Failure to deduct or pay equalisation levy
 Any assessee or e-commerce operator who—

- (a) fails to deduct the whole or any part of the equalisation levy as required under section 166; or
- (aa) fails to pay the whole or any part of the equalisation levy as required under section 166A; or
- (b) having deducted the equalisation levy referred in section 165, fails to pay such levy to the credit of the Central Government in accordance with the provisions, shall be liable to pay,—

(i) in the case referred to in clause (a), in addition to paying the levy, or interest, if any, in accordance with the provisions of section 170, a penalty equal to the amount of equalisation levy that he failed to deduct;

(ia) in the case referred to in clause (aa), in addition to the levy, or interest, if any, in accordance with the provisions of section 170, a penalty equal to the amount of equalisation levy that he failed to pay; and

(ii) in the case referred to in clause (b), in addition to paying the levy and interest in accordance with the provisions of section 170, a penalty of one thousand rupees for every day during which the failure continues, so, however, that the penalty under this clause shall not exceed the amount of equalisation levy that he failed to pay

Sec 167 of FA 2016 : Furnishing of Statement (Return Filing)

1. Every assessee or e-commerce operator has to file return in FORM NO. 1 on or before 30th June of immediately following financial year.
2. Belated/ Revised Return: If or e - Commerce operator assessee has not furnished the return within time limit or furnished return within time, noticed any mistake, may furnished revised return. Such belated return or revised return has to be furnished within 2 years from the end of FY in which specified service was provided, or E-commerce supply or service was made or provided or facilitated.
3. If assessee or e-commerce operator fails to furnish the statement within the prescribed time, the AO may serve a notice upon such assessee requiring him to furnish the statement. If AO issue notice then assessee has to file return within 30 days from the date of serving of such notice

Sec 168 of FA 2016: Processing of Return (Intimation)

Where a statement has been made under section 167 by the assessee or e-commerce operator such statement shall be Processed u/s 168. In processing if there is an arithmetical error then it has to be rectified. After Processing AO will issue Intimation specifying sum payable or refunded to assessee or e-commerce operator. Intimation has to be sent within 1 years from the end of the FY in which the return was filed.