

Frequently Asked Questions on AIR (Annual Information Return)

1. What is Annual Information Return (AIR)?

Ans. As per Section 285BA of the Income Tax Act, 1961, read with Rule 114E of the Income Tax Rules, 1962, specified entities (Filers) are required to furnish an Annual Information Return (AIR) in respect of specified financial transactions registered/recorded by them during the financial year (beginning on or after April 1, 2004) to the income tax authority or such other prescribed authority.

2. Who is required to furnish AIR?

Ans. The AIR is required to be furnished by specified persons in respect of specified transactions registered or recorded by them during a financial year. The list of such persons and the specified transactions is given at pages 3 & 4 of this booklet.

3. What is the due date for filing AIR?

Ans. The due date for filing AIR is 31st August immediately following the Financial Year in which the transaction is registered or recorded. For example, in respect of AIR required to be filed for transactions registered or recorded in F Y 2006-07, the due date was 31st August, 2007.

4. What are the consequences of not filing AIR?

Ans. Under section 271FA of the Income Tax Act, 1961, a penalty of Rs. 100/- per day of default may be levied on a person who is required to file Annual Information Return (AIR).

5. Who is an Annual Information Return - Administrator?

Ans. CBDT has appointed the Director General of Income Tax (Systems) as 'Annual Information Return – Administrator' for the purpose of administration of Annual Information Return Scheme.

6. Should an entity who is required to file AIR, file a single AIR for the whole organization or can it file separate AIR for each of its branch/regional office?

Ans. An entity who is required to file AIR has to file one single AIR for the whole organization.

7. Who is authorized to receive AIR?

Ans. CBDT (Central Board of Direct Taxes) has authorized National Securities Depository Limited (NSDL) to receive AIR. NSDL receives the AIRs through its country-wide network of front offices called TIN Facilitation Centres (TIN-FCs) and on-line through web-based facility. The data received by TIN-FCs and data received on-line is collated by NSDL and disseminated to the Income Tax Department.

8. How can I prepare AIR in the electronic/computerized form?

Ans. You can prepare AIR using in-house facilities or any other third party software or NSDL AIR Preparation Utility, which is freely downloadable from NSDL-TIN website at tin-nsdl.com.

9. What are the forms used for preparing AIR?

Ans. AIR should be furnished in Form 61A in digitized form on computer readable media (i.e. CD/floppy), supported by a duly signed verification and control chart in Form 61A (Part A) in paper format.

10. What is the manner in which AIR is to be furnished?

Ans. AIR should be furnished in electronic form by all categories of entities required to furnish AIR. Furnishing of AIR in physical form is not permitted.

11. What is the online upload procedure for AIR through web-based facility?

Ans. The AIR can be directly uploaded through NSDL-TIN website at tin-nsdl.com as per the procedure prescribed at the website. These returns furnished online shall be digitally signed using a digital certificate (Class II or III) issued by a Certifying Authority under the Information Technology Act, 2000 which has been enabled by NSDL. There is no need to furnish Form No 61A (Part A) in physical form to NSDL with respect to the AIR furnished online.

12. What is the Folio Number to be quoted in AIR?

Ans. The Folio Number to be quoted is the TAN (Tax Deduction Account No.) of the organization. In case the filer is a non-government entity, the folio number will be the TAN of the principal office of the entity.

13. Is it mandatory to quote TAN in AIR?

Ans. All filers are required to obtain TAN and quote the same in the column of 'Folio No.' in both Part A and Part B of Form no. 61A.

14. How to apply for TAN?

Ans. The application in Form 49B (available at web-site of Income Tax Department incometaxindia.gov.in or NSDL-TIN website at tin-nsdl.com can be filed at any of TIN Facilitation Centres (TIN-FC) managed by NSDL. List of TIN-FCs is available in NSDL-TIN website at tin-nsdl.com.

15. Can TAN application be submitted online?

Ans. TAN application can also be furnished online at NSDL-TIN website at tin-nsdl.com.

16. Can we quote PAN in place of TAN?

Ans. No. PAN should never be quoted in the field where TAN is required to be quoted. PAN may be quoted in the field where it is required to be quoted.

17. Is PAN of the transacting Parties to be quoted in AIR?

Ans. As per Section 139A(6) of the Income Tax Act, 1961 read with Rule 114C of Income Tax Rules, the specified authorities registering or recording such transactions shall verify that PAN has been quoted correctly by the transacting person, in respect of whom the prescribed transactions (as specified in Section 139A(5)(c) of the Income Tax Act, 1961 read with Rule 114B of Income Tax Rules) have been registered or recorded by such authorities.

Exception has been made only in case of persons who do not have PAN, or who have only agricultural income, and who file declarations in Form 60/61, and in cases of Government departments/consular offices in which case the specified authority will indicate so in the prescribed manner in the AIR.

18. What may be the consequences of not quoting PAN of the transacting parties in the AIR?

Ans. As per Section 272B of the Income Tax Act, 1961, a Penalty of Rs. 10,000 (ten thousand only) may be levied for failure to comply with the provisions of section 139A of the Income Tax Act, 1961..

19. How will transactions of joint parties be provided in AIR?

Ans. In the case of transactions involving joint parties, the filer shall

- If the share of each of the joint parties is specified and known, give separate line item for each party involved in the joint transaction and mention the separate transaction amount relating to that party; or

- If the shares of the parties to the joint transaction are undefined, give particulars (except amount) of all the joint parties as separate line items and mention the transaction amount against the **first named party alone**.

20. How to mention transactions of joint parties in AIR?

Ans. Each transacting party record will be identified by a unique Transaction-Detail Record Serial Number (Sr. No.). If two or more transacting parties are involved in a Joint Transaction then the Transaction-Detail Record Serial (sr. No.) Number will be common to them.

There is another field 'Joint Transaction Party Count', used to identify the total number of Joint transacting parties involved in a transaction. If the number of joint transacting parties involved in a transaction is 5 (i.e. 1+4 joint holders), filer should specify "5" against the first holder in the field 'Joint Transaction Party Count'. For the rest of the joint holders "0" should be stated in this field. For transactions with a single transacting party, this field will have a default value of 1. For the first Transacting party involved in a Joint Transaction filer should provide all the transaction details. For the rest of the Joint Transacting parties, filer should provide the information that is unique to the Transacting party like Name, PAN, and Address fields (in all the remaining fields in the Transaction Detail no value should be specified). An example explaining the fields is given below:

Example: There are 3 transactions in a file. The first transaction has 3 (1+2) joint parties, the second has no joint parties and the third transaction has 2 (1+1) joint parties. The relevant part of the input file would look as given below. It may be noted that in case of a joint party, only the name, address and PAN are required to be given. Other details like amount, date, transaction code, mode of transaction, name and address of the filers office/branch need not be provided.

Name of transacting party	Transaction Detail Record Number	Joint Transaction party count	Date of transaction
Samir Shah	1	3	01022004
Sharmila Shah	1	0	
Sarla Shah	1	0	
Nitin Sinha	2	1	02022004
Tanuja Sarangi	3	2	02012004
Umesh Sarangi	3	0	

If the share of each of the joint parties is known, give a separate line item for each party involved in the joint transaction and mention the separate transaction amount relating to that party i.e. treat them as separate single party transactions. In this case, the Transaction Detail Record Number would be different for each party and the corresponding Joint Transaction Party count would be 1.

21. In case of Cash deposits in saving Account (transaction Code 001) and Credit Card Payment (transaction code 002), whether every entry for the transacting party is required to be given by the filer?

Ans. No, in case of transaction codes 001 and 002, only the total of all cash deposits or all payments, as the case may be, during the relevant year will be mentioned. The date column in these cases will be the last date of the relevant financial year for which transactions are reported, e.g. 31.03.2007 for transactions in FY 2006-07.

22. What is the data structure (file format) for preparing AIR?

Ans. AIR has to be furnished in computerized form as per the data structure (file formats) specified by the Annual Information Return – Administrator.

23. What are the precautions to be taken while furnishing Form 61A (Part A) in the physical form?

Ans. While submitting Form 61A (Part A), one should ensure that:

- All the fields of Form 61A (Part A) are duly filled.
- Name and PAN of filer and control totals of 'total number of transactions reported in AIR (Part B)' and 'total value of all transactions reported in AIR (Part B)' mentioned on Form 61A (Part A) should match with the respective totals in the AIR in electronic form.
- There is no overwriting/striking on Form 61A (Part A). If there is any, then the same should be ratified (signed) by the authorised signatory.

24. After I prepare my AIR, is there any way I can check/verify whether it conforms to the prescribed data structure (file format)?

Ans. Yes, after you have prepared your AIR you can check/verify the same by using the AIR-File Validation Utility (AIR-FVU). This utility is freely downloadable from NSDL-TIN website at tin-nsdl.com and is also available with TIN Facilitation Centres (TIN-FCs).

25. What is File Validation Utility (FVU)?

Ans. FVU is a program developed by NSDL which is used to verify the format level correctness of the return file. When you pass AIR through FVU, it generates an 'error file' if there is any error related to format in the input file. The error file will display the error code and error description. You can rectify these errors and pass the file again through the FVU till you get an error free AIR file. If there is no error in the file, a message "File Validation Successful" will be displayed. For detailed help on use of FVU, refer to the "AIR setup readme.txt" and the instructions available upon clicking the 'readme' icon in the opening screen of the AIR FVU.

26. After validating the return using AIR-FVU, which file should I furnish?

Ans. The AIR-FVU will generate an upload file with the same filename as the 'input file' but with extension '.fvu'. (Example 'input file' name is FORM61A.txt, the upload file generated will be FORM61A.fvu). This upload file is required to be furnished, either with the front offices of NSDL called TIN Facilitation Centres (TIN-FCs) or on-line through web-based facility available on the NSDL-TIN website at tin-nsdl.com.

27. Where can I furnish my AIR?

Ans. You can furnish your AIR at any of the TIN-FCs managed by NSDL. TIN-FCs are set-up at various locations across the country. Details of the TIN-FCs are given on the NSDL-TIN website. Alternatively, you can directly upload the AIR through NSDL-TIN website as per the procedure prescribed at the website. These returns furnished online shall be digitally signed using a digital certificate (Class II or III) issued by a Certifying Authority under the Information Technology Act, 2000 which has been enabled by NSDL. There is no need to furnish Form No 61A (Part A) in physical form to NSDL with respect to the AIR furnished online.

28. What is the manner of submission of AIR to TIN FC?

Ans. The AIR should be submitted in a CD/floppy alongwith Form No. 61A (Part A), duly filled and signed, in paper form to any TIN-Facilitation Centres of NSDL.

29. What if any of the control totals mentioned in Form 61A Part A do not match with that in the AIR?

Ans. In such a case the AIR will not be accepted by the TIN-FC. You should ensure that the control totals mentioned in the AIR and that mentioned on Form 61A (Part A) match.

30. What are the charges for furnishing AIR with TIN-FCs?

Ans. You have to pay charges as follows:

Number of records	Upload Fee* (Rs.)
Up to 100	28
101 to 1000	168
More than 1000	562

* Inclusive of service tax

31. Can more than one AIR be furnished in a single computer media (CD/ floppy)?

Ans. No, each AIR should be in a separate CD/floppy along with separate Form 61A (Part A) for each return.

32. Can a single AIR be furnished in two or more floppies?

Ans. No, if the size of the return is more than what can be stored in one floppy then it should be stored in a CD.

33. Can AIR be furnished in compressed form?

Ans. Yes, if the return file is furnished in compressed form, it should be compressed using Winzip 8.1 or ZipItFast 3.0 or higher version compression utility only, so as to ensure quick and smooth acceptance of the file.

34. Do I have to affix a label on the AIR CD/floppy?

Ans. Yes, you should affix a label on the AIR CD/floppy for the purpose of identification. You should mention name of filer, PAN (except Government Filers), TAN, Form No. (viz. 61A) and period (viz. Financial Year) to which the return pertains, on the label affixed on the CD/floppy containing the AIR.

35. What are the precautions to be taken while furnishing AIR?

Ans. You should ensure the following while furnishing AIR:

- Each AIR file is saved in a separate CD/floppy.
- Each AIR file is in one CD/floppy. It should not span across multiple floppies.
- In case the size of an AIR file exceeds the capacity of one floppy, it is furnished on a CD.
- Each AIR file is accompanied by a duly filled and signed (by an authorized signatory) Form 61A (Part A) in physical form.
- In case the AIR file is in compressed form, it is compressed using Winzip 8.1 or ZipItFast 3.0 or higher version compression utility only to ensure smooth acceptance of the file.
- A label is affixed on each CD/floppy mentioning name of the Filer, his PAN (except Government Filers), TAN, Form No. and period to which the return pertains.
- There is no overwriting/striking on Form 61A (Part A). If there is any, then the same is ratified by an authorized signatory.
- CD/floppy is virus free.

36. Will the TIN-FC give any acknowledgement/receipt for AIR?

Ans. In case the AIR file is complete in all aspects TIN-FC will issue a provisional receipt to you. The provisional receipt issued by TIN-FC is deemed to be the proof of AIR furnished by you.

37. What if my AIR is not accepted by TIN-FC, how will I know the reason for rejection?

Ans. In case of non acceptance of your AIR file, TIN-FC will issue a Non-Acceptance Memo which will state reason for rejection.

38. Under what circumstances the AIR will not be accepted?

Ans. The AIR will not be accepted in the following cases:

- Improper label affixed on the computer media. Label must have Filer's name, TAN, PAN (except Government Filers), Form No. and Financial Year.
- Computer media not submitted or found to be corrupt or contains virus or is non-readable.
- More than one computer media is used for furnishing one AIR.
- Physical Form 61A (Part A) not submitted along with AIR file.
- Form 61A (Part A) not duly filled in or signed/verified.
- Overwriting/striking on Form 61A (Part A) not ratified by person who has signed Form 61A (Part A).
- AIR file compressed using compression utilities other than Winzip 8.1 or ZipltFast 3.0 or higher version.
- The return file present on the computer media is not the upload file generated by the AIR FVU.
- Mismatch of PAN or TAN mentioned on Form 61A (Part A) with AIR file.
- Mismatch of name of filer mentioned on Form 61A (Part A) with AIR file but no document submitted in support of name appearing on Form 61A (Part A).
- Mismatch of control totals mentioned on Form 61A (Part A) with the totals displayed by SAM (Statement Acceptance Module) at the TIN Facilitation Centre.
- Financial Year is not valid.

39. Can I file my AIR if I do not have the PAN of the transacting parties and these transacting parties have not given the Form No. 60/61?

Ans. Yes, the return can be furnished after providing the flag "N" as specified in the data structure. In such cases the provisional receipt issued to you will mention this deficiency.

40. What is Supplementary AIR Information?

Ans. A Filer can furnish only one original AIR for a given financial year. However, in case the Filer wants to rectify genuine/bonafide mistakes or if it wants to furnish additional transactions to be included in AIR, it may do so through 'Supplementary AIR Information'.

41. How should Supplementary Information be filed?

Ans. The data structure (file format) for furnishing Supplementary Information has been specified. The supplementary information may be filed as per this data structure.

42. When should the Supplementary Information be filed?

Ans. There may be three situations when Filer may file Supplementary Information:
a) in response to a notice issued by CIT (CIB), within the time allowed by CIT (CIB)
b) Suo moto - to furnish additional details not submitted in original AIR
c) in response to deficiency indicated by TIN-FC in provisional receipt

43. What are the special precautions to be taken while furnishing Supplementary Information?

Ans. At the time of furnishing Supplementary Information, the filer should ensure that:
a) Supplementary Information is as per the data structure specified by ITD.
b) Supplementary Information is incremental, i.e. contains information only on transactions reported earlier which are to be revised or if it wants to furnish additional information which is not provided in the previous return.
c) Supplementary Information is filed at the same TIN-FC where the original AIR was filed. (In case the original AIR was filed online, Supplementary Information should also be filed online.)
d) Supplementary Information is filed in the same form and manner as the AIR with upload type as "R" for Supplementary Information.
e) Instructions should be read carefully before filling Supplementary information. These instructions are available on the NSDL-TIN website at tin-nsdl.com.

44. What are the charges to be borne by the Filer for furnishing Supplementary Information?

Ans. The Filer has to pay upload charges as given below for original AIR as well as Supplementary Information:

Number of records	Upload Fee (Rs.)*
Up to 100	28
101 to 1000	168
More than 1000	562

* Inclusive of service tax.

45. What should be Upload Type for supplementary Information?

Ans. Value should be "R" signifying Supplementary Information.

46. What should be F.Y. for Upload Type for supplementary Information?

Ans. When uploading the Supplementary Information the FY will be of the original return for which it is being filed.

47. How can I rectify the transactions which are given in the previous return or provide the additional transactions which are not given in the previous return?

Ans.

(I) In case of correction in details of any transaction originally furnished in the previous return, two 'Transaction Detail' records should be furnished in the Supplementary Information. The 1st record should carry 'Revision Mode' as 'D' and the field 'Transaction Detail Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding transaction to be revised as per the previous return filed for the same financial year and 2nd record should carry revision mode as 'A' and the field 'Transaction Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding 'D' mode.

(II) If a transaction originally furnished in the previous return is required to be deleted, then only one transaction detail record needs to be provided in the supplementary Information which would carry 'Revision Mode' as 'D' and the field 'Transaction Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding transaction to be deleted as per the previous return filed for the same financial year.

(III) If the transaction has to be added, then only one transaction detail record needs to be provided in the supplementary Information which would carry 'Revision Mode' as 'A' and no value should be specified in the field 'Transaction Serial No to be Revised'.

For e.g. :

Name of transacting party	Transaction Detail Record Number	Joint Transaction party count	Date of transaction	Revision Mode	Transaction Detail Record Number (Sr. No.) to be Revised
Nitin Sinha	11	1	02022004	D	2
Nitin Sinha	12	1	02022004	A	11
Tanuja Sarangi	13	1	02012004	D	3
Amol Sharma	14	1	02032004	A	

48. How can I rectify the transactions which are given in the previous return or provide the additional transactions which are not given in the previous return for joint transactions?

Ans.

(I) In case of correction in details of any transaction originally furnished in the previous return, two 'Transaction Detail' records should be furnished in the Supplementary information. 1st record should carry 'Revision Mode' as 'D' for all transactions in the joint parties provided in the previous return and the field 'Transaction Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding transaction to be revised as per the previous return filed for the same financial year for all transactions in the joint parties and 2nd record should carry revision mode as 'A' for modifying the transactions in one or more transactions in the joint parties alongwith the transactions in the joint parties which are not modified and the field 'Transaction Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding 'D' mode.

(II) If a transaction originally furnished in the previous return is required to be deleted; two transaction detail records should be furnished in the Supplementary information. 1st record should carry 'Revision Mode' as 'D' for all transactions in the joint parties provided in the previous return and the field 'Transaction Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding transaction to be deleted as per the previous return filed for the same financial year for all transactions in the joint parties and 2nd record should carry revision mode as 'A' for all transactions in the joint parties which are not to be deleted and the field 'Transaction Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding 'D' mode.

(III) If the transaction has to be added; two transaction detail records should be furnished in the Supplementary information. 1st record should carry 'Revision Mode' as 'D' for all transactions in the joint parties provided in the previous return and the field 'Transaction Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding transaction to be deleted as per the previous return filed for the same financial year for all transactions in the joint parties and 2nd record should carry revision mode as 'A' for transactions which are to be added alongwith the transactions in the joint parties provided in the previous return and the field 'Transaction Serial No to be Revised' should mention "Transaction Detail Record Number" of the corresponding 'D' mode.

Example:-

Name of transacting party	Transaction Detail Record Number	Joint Transaction party count	Date of transaction	Revision Mode	Transaction Detail Record Number (Sr. No.) to be Revised
Samar Banwat	11	3	01022004	D	1
Sharmila Banwat	11	0		D	1
Sarla Banwat	11	0		D	1
Samar Banwat	12	3	01022004	A	11
Sharmila Banwat	12	0		A	11
Sarla Banwat	12	0		A	11
Tanuj Kothiyal	13	2	02012004	D	2
Umesh Pai	13	0		D	2
Umesh Pai	13	1		A	13
Dinesh Khedkar	14	1	02032004	D	3
Dinesh Khedkar	15	2	02032004	A	14
Amol Jadhav	15	0		A	

49. What Transaction Detail Record Number (Sr. No.) should be given for the first transaction in the Supplementary information?

Ans. For the 1st transaction in supplementary information, value of this field should be equal to the value of 'Transaction serial number' of last transaction in the previous return + 1.

50. What is 'Transaction Detail Record Number (Sr. No.) to be Revised' in the Supplementary File Format?

Ans. If Revision mode is 'D' then the value in this field should be equal to the "Transaction Detail Record Number" of the corresponding transaction to be revised as per the previous return filed for the same financial year.

If Revision mode is 'A' and corresponding transaction with revision mode 'D' is present then the value in this field should be equal to the "Transaction Detail Record Number" of the corresponding 'D' mode Transaction detail otherwise no value should be specified. The value should be same across all the transaction details in a particular joint transaction.

51. What is Response Type Flag, CIT(CIB) Letter Date and CIT(CIB) Reference Number in the Supplementary File Format?

Ans. The Filer should mention in the Response Type Flag "S" in case the Supplementary information is being filed by Self (Suo moto)", "C" in case the Supplementary information is being filed in response to "CIT(CIB) Letter", "T" in case the Supplementary information is being filed in response to "Deficiency indicated by TINFC in Provisional Receipt". Further if the Response Type Flag is "C" then CIT (CIB) Letter date and Reference Number should be specified.