

28 Statement of Financial Transactions

Income tax department has made it mandatory to file statement of financial transaction in the Form 61A for the person involved in following special transactions:

| Nature and value of Transaction | Responsible for filing of Return |
|--|-------------------------------------|
| Cash Deposit aggregating Rs. 10 Lakh or more in a FY in Saving A/c | Bank |
| Cash deposit of Rs.10 Lakh for DD, pay order, banker's cheque or purchase of RBI instruments | |
| Cash deposit aggregating Rs.50 lakh in a FY in current account(s) | |
| Cash withdrawal aggregating Rs.50 lakh in a FY from current account(s) | |
| Time deposit (except renewals) aggregating Rs.10 lakh or more in a FY | Credit Card issuing Agencies |
| Payment of Rs.1lakh in cash or 10 lakh or more in a FY by Credit card holder to Credit Card issuing Agencies | |
| Receipt from any person of Rs. 10 Lakh or more in a financial year for acquiring bond/debenture/share/Units of Mutual fund | Mutual fund/ issuing company |
| Purchase/Sale of Immovable Property for on amount (or value of stamp duty) of Rs. 30 Lakh or more | Registrar / Sub-Registrar |
| Receipt in cash exceeding Rs.2 Lakh for sale of goods or services of any nature | Any person liable to audit u/s 44AB |

So the person who are involved in above transactions should required to obtain Registration with income tax department u/s 285BA and keep the records of the transaction and should also include the details of above transactions in the return.

29 Hindu Undivided Family (HUF)

Hindus have a typical concept of family. Normally an elder person of the family acts as a chief. Other persons residing in the house are family members. Every family member, including the chief, has the right on income of the family either gained through ancestors or earned by the members combined. But individually earned income remains in that particular person's name who earned it & after his death he can nominate somebody as heir through will.

Income Tax Department has given recognition to this type of family pattern. According to this, liability of payment of income tax on income earned by individual lies with the individual but if income belongs to HUF, then the liability of payment of income tax goes to the chief of HUF. If HUF has any source of income, then for better Tax planning, Tax liability can be divided into individual & HUF & returns for both can be filed separately.

Other facts regarding HUF are :

- Minimum two members are required for HUF. Daughters-in-law & unmarried daughters can also be the members.
- Tax liability for HUF is normally same as for individual e.g. Income up to 1.8 Lakh is Tax free for Financial Year 2011-12 etc.
- Capital of HUF can be made through ancestral property, gifts or income earned by combined efforts of members.
- HUF can utilise its fund by way of their investment, partnership in firms or by purchasing property.

Gift should not be taken from member of HUF because of clubbing provision. But gift from non-member relative can be taken as it does not attract clubbing of income.

