

# Filing Return Of Income

[Sec 139 to 140B]

## \* Income Tax Return (ITR)

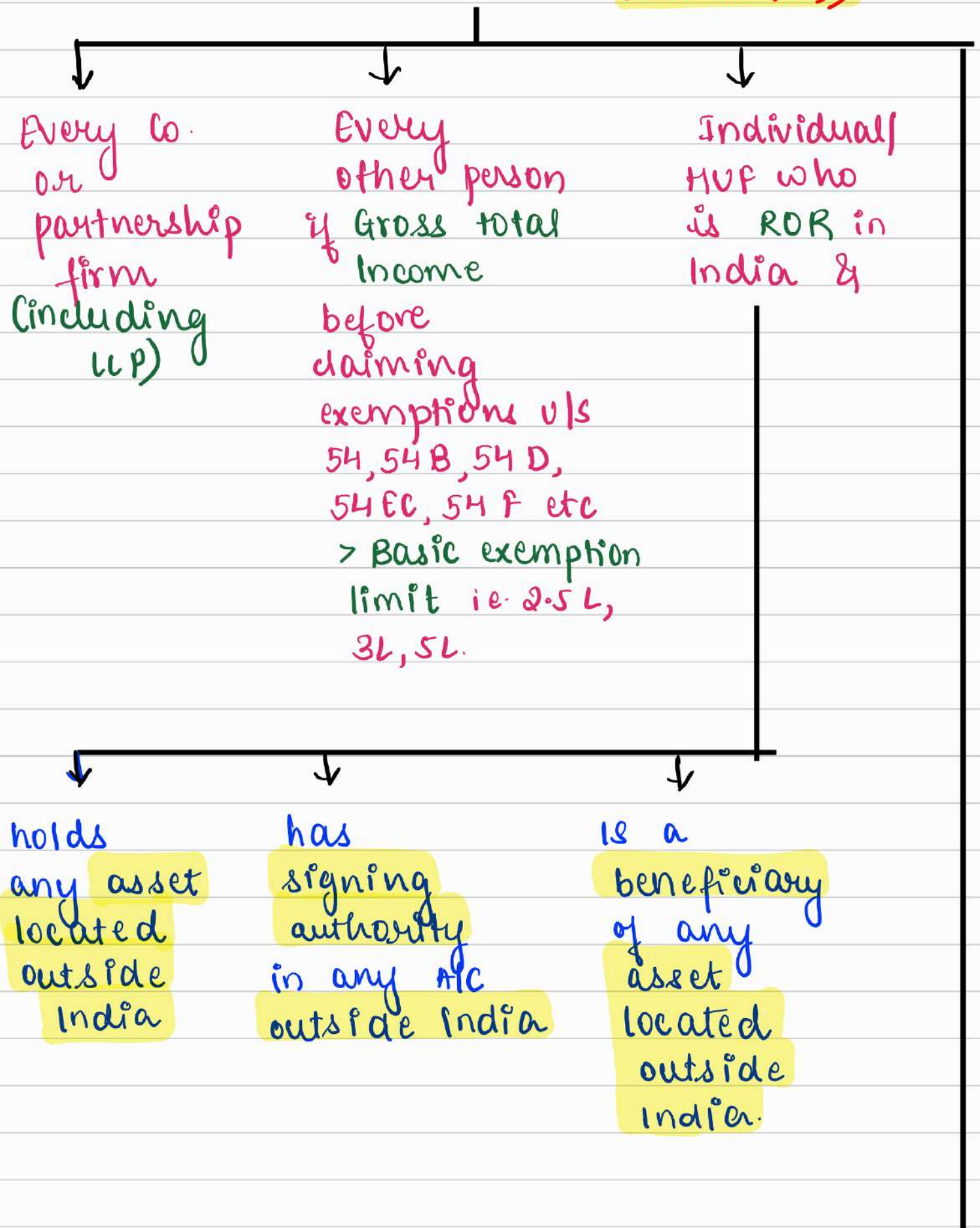
Return is basically a proforma in which the assessee submits its details of total income & tax liability.

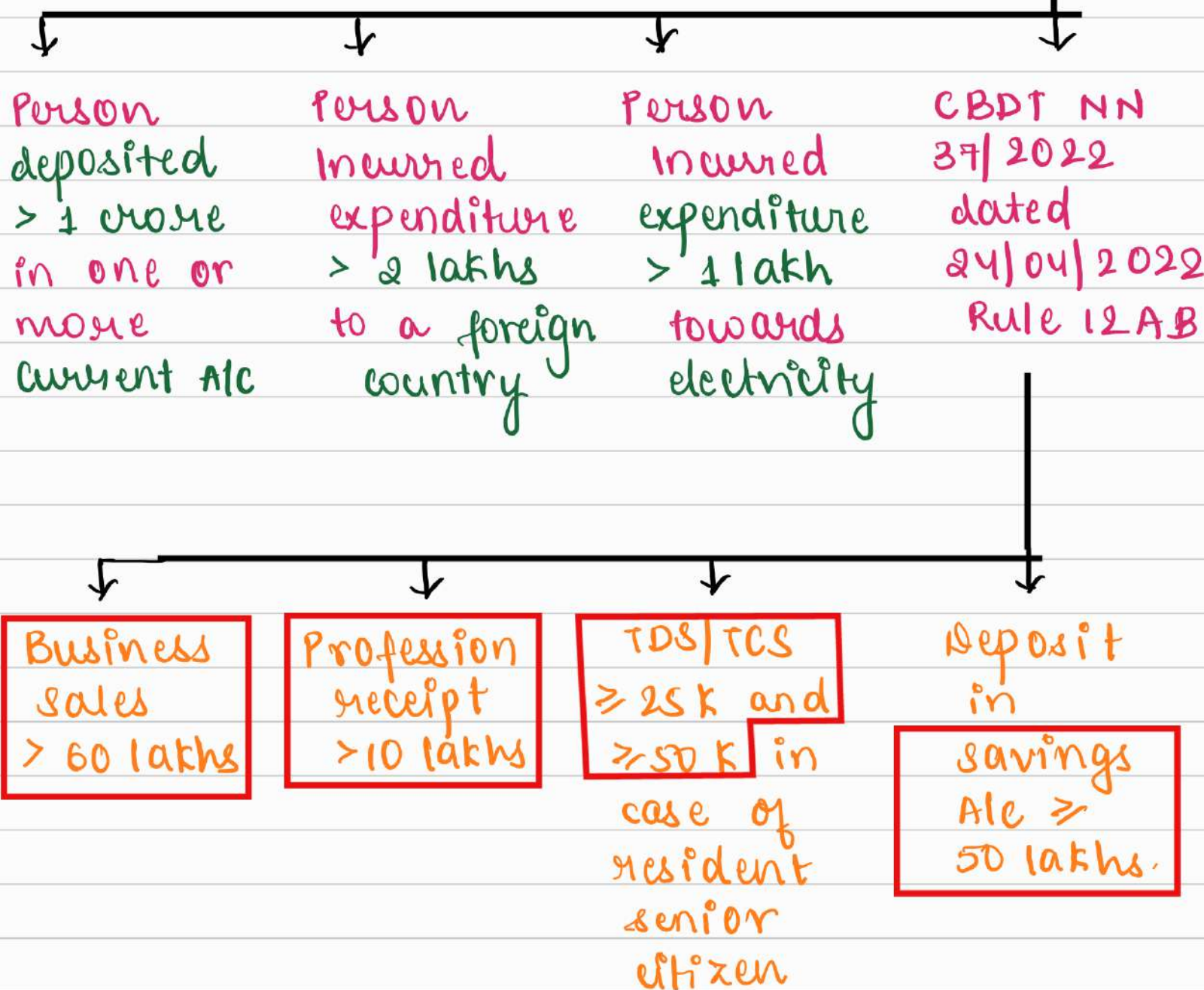
This format is prescribed by **CBDT**

It contains various schedules including head of income, gross total income, deduction, total income & tax liability etc.

# \* Compulsory filing of return of Income

(Sec 139C1)







# \* Due date of Return filing

[sec 139(1)]

31st July  
of AY

↓  
All assessee  
other than  
specified.

31st Oct  
of AY

↓  
a) company  
b) LLP  
c) Any person  
whose accounts  
are audited  
under any act.  
d) Partner of a  
firm whose  
accounts are  
audited under  
any act.

30th Nov  
of AY

↓  
a) Assessee who  
is required  
to furnish  
report u/s  
92 E  
b) Any partner  
of above  
firm.

\* Return of loss

[See 139(3)]

Return of loss is to be filed in the same manner as filed u/s 139(1)

Return of loss u/s 139(3) shall be filed on or before due date specified u/s 139(1) in order to carry forward following losses to subsequent AY.

- a) Business loss
- b) Speculation business loss
- c) Specified business loss
- d) loss under head capital Gain
- e) loss from activity of OMRH.

loss can be carried forward even if return is not filed on due date

- a) loss from House Property.
- b) Unabsorbed depreciation.

## \* Belated Return

[Sec 139(4)]

A person who has not furnished return u/s 139(i) within due date can furnish return for a previous year at any time (earlier of following)

Before 3 months prior to end of relevant AY (i.e. 31<sup>st</sup> Dec of AY)

OR

Before completion of assessment (i.e. before passing order under assessment)

## \* Revised Return

Any person who has furnished return u/s 139(i) or 139(4) discovers any omission or any wrong statement, may furnish a revised return u/s 139(5) (earlier of following)

Before 3 months prior to end of relevant AY (i.e. 31<sup>st</sup> Dec of AY)

OR

Before completion of assessment (i.e. before passing order under assessment)



## \* Interest on delay filing of Return of Income.

(Sec 234 A)

If any person has paid income tax after expiry of the last date of filing of return of income, interest is payable @ 1% p.m or part of month from after due date till actual payment.

$$\text{Interest} = \text{Tax paid after due date} \times \begin{matrix} 1\% \text{ p.m} \\ \text{or} \\ \text{part} \end{matrix} \times \text{period subsequent to due date till of actual payment}$$

Principal shall be rounded off in the multiples of ₹100 i.e. any fraction of ₹100 shall be ignored [Sec 119 A]

## \* Updated Return of Income

[Sec 139 C&A]

### Who can file?

Every person whether original return  
[u/s 139(1), 139(4), 139(5)] filed or not.

### Time period to file return

within 24 months from end of relevant  
assessment year.

(i.e. updated return for AY 25-26 can be filed  
upto 31/03/2028)

### When updated return cannot be filed?

In the following cases:-

- 1) Updated return has loss.
- 2) Updated return results in decreasing total tax liability.
- 3) Updated return results in refund.
- 4) Updated return results in increase in refund as compared to original return.
- 5) Where updated return has been submitted for a particular AY.
- 6) Where any type of proceedings is pending.



or has been completed by department for particular AY.

Can updated Return be filed if original return has loss ?

Yes, updated return can be filed but updated return should be return of income & not loss.

Updated return has to be furnished for subsequent years as well since carried forward losses needs to be adjusted in subsequent year.

# \* Tax on Updated Return of Income

[Sec 140 B]

Two kind of tax need to be paid under updated return

Normal tax

Additional tax

where no return furnished earlier (Case 1)

↓

Step 1 ↓  
Tax + Int + Fees under updated return

Step 2 ↓  
Credit of TDS, TCS, relief etc

Step 3 ↓  
Int u/s 234A on net tax payable

where return is furnished earlier (Case 2)

↓

Step 1 ↓  
Tax + Int + Fees under updated return

Step 2 ↓  
Credit of earlier tax + Int paid.

Step 3 ↓  
Credit of TDS, TCS etc if not allowed in earlier return.

Return furnished within 12m from end of relevant AY.

(Case 1)

↓

Additional tax = 25% of Aggregate of tax + interest

Return furnished after expiry of 12m but within 24 months

(Case 2)

↓

Additional tax = 50% of Aggregate of tax + interest.

Step 4  
Int u/s 234B & 234C



## \* Defective return of Income

[Sec 139(9)]

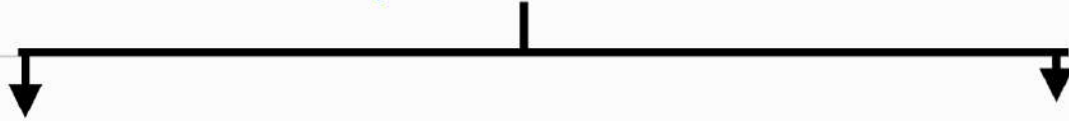
- 1> If Assessing officer (AO) finds any return of income as defective, then he may intimate to the Assessee to rectify within stipulated time [15 days or more]
- 2> If defect is not rectified within allowed time, AO may extend the time limit.
- 3> If defect is rectified within time allowed or extended time allowed, or before completion of assessment, the return can be treated as valid return.
- 4> If defect is not rectified, the return shall be treated as invalid return.
- 5> If defect is rectified after time allowed but before assessment, the AO may condone delay & treat return as valid return.



## \* Fees for default in furnishing return of Income

[ sec 234 F ]

If return not filed within time allowed  
v/s 139 Ci)



Total Income does  
not exceed  
₹ 5,00,000



Fees = ₹1000

Total Income  
exceeds ₹5,00,000



Fees = ₹5000

No fees payable if total income <  
Basic exemption limit

## \* Permanent Account Number (PAN)

[Sec 139 A]

| Person Required to Apply for PAN                                                                                                             | Time limit for Application                            |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 1) Person whose income exceeds the basic exemption limit during PY                                                                           | On or before 31 <sup>st</sup> May of assessment year. |
| 2) PGBP sales, turnover or gross receipts likely to exceed ₹5,00,000 during PY.                                                              | Before end of FY                                      |
| 3) Resident person (other than individual) with financial transaction $\geq$ ₹2,50,000 in FY                                                 | On or before 31 <sup>st</sup> May of following FY.    |
| 4) Every person who is director, partner, trustee, author, founder, Karta, CEO, principal officer or office bearer of person referred in (3) | On or before 31 <sup>st</sup> May of following FY     |

5\* Every person who intends to deposit cash in one or more accounts  $\geq 20,00,000$  during FY.

6\* Every person who intends to withdraw cash in one or more accounts  $\geq 20,00,000$  during FY.

7\* Every person who intends to open current account or cash credit account.

Atleast 7 days before the date on which he intends to deposit cash of  $\geq 20,00,000$ .

Atleast 7 days before the date on which he intends to withdraw cash of  $\geq 20,00,000$ .

Atleast 7 days before the date on which he intends to open such account.



## \* Mandatory Quoting of PAN

| Nature of transaction                                                             | Value of transaction  |
|-----------------------------------------------------------------------------------|-----------------------|
| 1* Sale or purchase of motor vehicle other than two wheeled vehicles.             | All such transactions |
| 2* Opening an account (other than time-deposit & basic saving A/c)                | All such transactions |
| 3* Application for issue of credit or debit card.                                 | All such transactions |
| 4* Opening of Demat Account                                                       | All such transactions |
| 5* Payment to a hotel or restaurant                                               | Cash payment > 50 k   |
| 6* Travel to foreign country or purchase of any foreign currency at any one time. | Cash payment > 50 k   |

|                                                             |                                            |
|-------------------------------------------------------------|--------------------------------------------|
| 7* Payment to a Mutual fund for units                       | Amount > 50,000                            |
| 8* Payment to Co. for debenture or bonds                    | Amount > 50,000                            |
| 9* Payment to RBI for bond                                  | Amount > 50,000                            |
| 10* Deposit with bank, Co-operative bank or post office.    | Cash deposit > 50,000 during any one day.  |
| 11* Purchase of bank drafts, pay orders or banker's cheques | cash payment > 50,000 during any one day   |
| 12* Deposit in time deposit                                 | Amt > 50,000 or agg. > 5,00,000 during FY. |
| 13* Payment for one or more pre-paid payment instruments    | Payment > 50,000 in a FY.                  |
| 14* Payment of life insurance premium                       | Amount > 50,000 in a FY.                   |
| 15* Sale or purchase of securities                          | Amt > 1,00,000 per transaction             |

16) Sale or purchase of unlisted shares

Amt > 1,00,000 per transaction

17) Sale or purchase of Immovable property

Amt or SDV > 10,00,000

18) Sale or purchase of goods or services.

Amt > 2,00,000 per transaction.

If person making above transactions is minor → Quote PAN of father or mother or guardian.



## \* Penalty for failure to apply for PAN or quoting PAN

[Sec 272 B]

A) Failure to apply for PAN as per Sec 139 A

↓  
₹ 10,000

B) Failure to quote PAN

↓  
₹ 10,000 for each default.

## \* Quoting of Aadhar Number

[Sec 139 AA]

1) In Application form for allotment of PAN

2) In return of Income w.e.f. 01/07/2017

a) Mandatory quoting of Enrolment ID where person does not have Aadhar number.

b) Every person who has PAN shall intimate Aadhar No. to prescribed authority on or before 31/03/2022.

## \* Failure to Intimate Aadhar Number.

→ PAN shall become inoperative after 31/03/2022

→ Payment of fees u/s 234 H of ₹1000 after 31/03/2022.

If Aadhar is intimated after 31/3/2022, PAN shall become operative within 30 days from date of intimation.

Consequence of PAN becoming inoperative  
(till date of becoming operative again)  
w.e.f. 01/07/2023

① No refund of any amount of tax.

② Interest would not be payable on refund for such period.

③ TDS shall be deducted at higher rate u/s 206 AA.

④ TCS shall be collected at higher rate u/s 206 CC.



## \* Submission of Returns through Tax Return Preparers (TRP)

[Sec 139 B]

TRP means an individual authorised to act as TRP, other than below

1) Any officer of bank with which assessee maintains a current A/c or has regular dealings.

2) Any legal practitioner who is entitled to practice in any civil court.

3) An Accountant

4) An employee of the 'specified class or classes of persons'

↓

means any person who is required to furnish return but other than company or person whose accounts are audited  
u/s 44 AB.

i.e. an employee of a company or of a person whose A/c are audited u/s 44 AB is eligible to act as TRP.



\* Tax Return Preparer Scheme, 2006 w.e.f. 1/12/2006.

Eligible Person & preparation of return through TRP

Individual or HUF can opt  
→ to file return through TRP other than

i) whose accounts are required to be audited u/s 44 AB.

ii) Non-Resident in India during PY.

Person cannot furnish Revised return through TRP unless original return is furnished by same TRP or other TRP.

Tax Return Preparer

An Individual who has been  
→ issued 'TRP certificate' & a 'Unique Identification Number' other than those who are not eligible.

Educational Qualification

→ 1) Bachelor degree from recognised Indian University or  
2) Passed CA Intermediate exam or  
3) Passed CS executive exam or  
4) Passed CMA Intermediate exam

## \* Persons authorised to verify return of Income

[Sec 140]

### Individual

→ Generally → Himself.

→ Absent from India →

- Either himself or
- Authorised person having power of attorney.

→ Mentally Incapacitated →

- his guardian or
- Any other person competent to act on his behalf.

→ Not able to verify due to any other reason →  
Authorised person having Power of Attorney.

### HUF

→ Generally → Himself.

→ Karta absent from India →

Any other adult member.

→ Karta mentally incapacitated →

Any other adult member.



## Company

- Generally → Managing Director (MD)
- MD not able to verify } Any director or any other  
or no MD } person authorised.
- Company is NR → MD or  
person who holds power of  
attorney.
- Company is being wound up → Liquidator.
- Management of company takeover → Principal  
by Ct or SG officer of Co.
- Application for Insolvency admitted → Insolvency professional.

## Firm

- Generally → Managing Partner of firm (MP)
- MP not able to verify } Any Partner not  
or no MP } being minor.

## LLP

→ Generally → Designated Partner (DP) of firm.

→ DP not able to verify or no DP } Any Partner of LLP or any other person as authorised.

## Local Authority

- Principal officer

## Political Party

- chief executive officer of such party.

## Any other Association

- Principal officer or any member of organisation

## Any other Person

- That person or some other person competent to act.