

CHAPTER 15

Return of Income

Return of Income Provision Regarding Filing of Return of Income [Sec 139(1)]

(A) Companies & Firms

Companies & Firms are **compulsorily required to file ROI** for every PY on/before the due date in the prescribed form.

Even in case of Loss, they are compulsorily required to file ROL.

(B) OTHERS

Individual/HUF/AOP/BOI/AJP are required to file ROI only if his Total Income or total income of 'any other person' i.e. which he is assessable during PY exceeds BEL **before claiming Chapter VI-A deductions** or Sec. 54/54B/54D/54EC/54F.

Deposit in bank A/c	has deposited an amount or aggregate of the amounts > Rs. 1 crore / 50 Lakhs in one or more current A/c / saving A/c maintained with a banking company or a co-operative bank; or
Foreign Travel	has incurred expenditure of an amount or aggregate of the amounts > Rs. 2 lacs for himself or any other person for travel to a foreign country;
Electricity	has incurred expenditure of an amount or aggregate of the amounts > Rs. 1 lac towards consumption of electricity; or
Turnover	The Gross T/o of such person from business / profession exceeds Rs. 60L / 10L during the relevant PY.
TDS/TCS	The aggregate of TDS & TCS in case of such person Rs. 25000 or more during the relevant PY (Rs. 50,000 in case of senior citizen)

ROR holding Foreign Assets - 4th Proviso to Section 139(1)

A ROR in India, who is not required to furnish ROI u/s 139(1) in normal circumstances, would be required to file ROI or ROL for the PY, If such person, at any time during the PY:

- (i) holds (as a beneficial owner or otherwise) **any asset located outside India** or
- (ii) has a **signing authority** in any A/c located outside India.

Note: Asset includes any financial interest in any entity o/s India.

Note: This proviso is not applicable to RNOR.

5th Proviso to Section 139(1)

✚ An Individual who is a beneficiary of any asset located outside India is Not required to file ROI under 4th proviso to section 139(1), if such income is includible in the Income of the Beneficial owner.

✚ **Beneficial owner** → Individual who has paid consideration for acquiring the asset for the immediate or future benefit of himself or any other person.

✚ **Beneficiary** → Individual who derives benefits from the asset during PY & consideration for acquiring such asset has been provided by any other person.

Note: Assessee can furnish his ROI even if his Total Income < Basic Exemption Limit.

Due Date for Filing ROI [Sec 139(1)]

	Assessee	Due date
1	Assessee who is required to furnish Transfer Pricing Report u/s 92E relating to International transaction/Specified Domestic transaction.	30th November of relevant AY
2	✚ Any Company (other than company required to furnish TPR u/s 92E); ✚ Any other person whose books of A/cs are required to be audited under this Act or under any other law; or ✚ Partner of Firm whose Accounts are required to be Audited (Working as well as Sleeping partner)	31st October of relevant AY
3	Any other Assessee.	31 July of relevant AY.

Points to Remember:

- DD of filing ROI in case of Non-working partner → 31st July of AY whether A/cs of the firm are required to be audited or not.
- Firm whose A/cs are not required to be audited → Last date for filing ROI by firm as well as partners (whether working or non-working) shall be **31st July of the AY.**

Ex: Mr. X has his own business & his turnover for PY 2023-24 is Rs. 102 lacs. In this case, the last date of filing the return of income shall be 31.10.2024, but if turnover is Rs. 97 lacs, the last date shall be 31.07.2024.

Return of Loss [Sec 139(3)]

ROL is required to be furnished if a person wants to carry forward his losses.

ROL shall be furnished in same manner as of ROI within the time allowed u/s 139(1).

If any person wants to carry forward following losses:

- Business loss u/s 72(1);
- Speculation business loss u/s 73(2);
- Loss from specified business u/s 73A(2);
- Loss u/h "Capital Gains" u/s 74(1);
- Loss from the activity of owning & maintaining race horses u/s 74A(3);

he shall mandatorily furnish a ROL within the time prescribed u/s 139(1) to C/F loss.

- Section 139(3) r/w sec. 80 require that all the provisions of this Act shall apply to ROL as if it is a ROI u/s 139(1).

Note: It is not mandatory to file ROL (Except in case of Company/Firm) as there is No Income.

Requirement of Section 80: In order to carry forward the above losses, assessee shall file ROL u/s 139(3) on/before DD specified u/s 139(1).

Losses which can be carried forward even if ROL is filed after DD u/s 139(1)

- (i) Loss u/h "Income from house property" u/s 71B &
- (ii) Unabsorbed depreciation u/s 32.

Points to Remember:

1. Section 139(3) r/w section 80 does not prohibit the set off of losses of the current year even if ROI is filed after the due date u/s 139(1). It only prohibits the carry forward of such losses. Thus, Loss can be set off (Inter - Source Set off u/s 70 & Inter - Head Set off u/s 71) even if the ROL is filed after the DD u/s 139(1).
2. But Brought Forward Losses can be carried forward (Loss of earlier years for which ROL was filed within DD in that year) even if No ROL is filed in Current Year.

3. Belated ROI filed u/s 139(4) cannot be said to be filed in accordance with section 139(3) & thus loss cannot be carried forward. However, the assessee may seek remedy by making an application to CBDT for relaxation of time to carry forward the loss. – Circular 8/2001.

Belated Return [Sec 139(4)]

- ✚ If any person has not furnished a ROI within time allowed u/s 139(1), he may still furnish the ROI for any PY at any time

(a) Before 31st December of the relevant AY / Before 3 months prior to end of AY **or**

(b) Before the completion of Assessment u/s 144, whichever is earlier.

Ex: Last date for filing ROI for PY 2023-24 (AY 24-25) is 31.10.2024; but a belated return may be filed at any time on or before 31.12.2024 (before 31/12 of AY 2024-25 or before the assessment is completed, whichever is earlier).

Completion of Assessment: means date of passing Assessment order & not date of service of order. Thus, ROI submitted after assessment is completed but before the notice of demand is served would be invalid.

Notice u/s 142(1) : - AO can issue notice, specify time limit within which assessee required to file his ROI. If assessee fail to file then AO can do BJA u/s 144. No return can be accepted after Sec. 144.

Consequences of not filing return within prescribed time limits:

- Late fees u/s 234F (Rs. 5000/ Rs. 1000)
- Interest u/s 234A for not discharging tax liability (1% PM or Part of Month)
- Can not carry forward of specified loss u/s 80
- No deduction of certain Income Like 10AA, 80JJAA, 80QQB, 80RRB.

Fee for default in furnishing of ROI u/s 234F

If person fail to furnish the return with in the time limit U/s 139(1), he is liable to pay late filing fees of Rs. 5,000.

But, if the total income of an assessee does not exceed 5,00,000 then fees Rs. 1000.

Revised Return [Sec 139(5)]

When a ROI can be revised: - If an assessee after filing ROI

(a) u/s 139(1) → [Original ROI];

(b) u/s 139(4) → [Belated ROI]

Discover any **omission or wrong statement** in filed ROI, he may file a revised return.

Time Limit of filing Revised ROI

Such revised return can be filed at any time: (whichever is earlier)

- (a) Before the 31/12 of the relevant AY or
- (b) Before the completion of assessment u/s 143(3) or u/s 144

Ex: If ROI is filed by the assessee for AY 2024-25 on 15.9.2024 & he afterwards discovers some mistake, he can file a revised return at any time upto 31.12.2024 or before the completion of the assessment, whichever is earlier.

Points to Remember:

1. ROL u/s 139(3) is deemed as ROI u/s 139(1). Thus, ROL can be revised u/s 139(5).
2. If original ROL is revised as per section 139(5), then Revised ROL shall substitute the original ROL from the date original return is filled & such revised ROL shall be deemed to be filed within time limit of section 139(1) & loss claimed in revised ROL can be carried forward.
3. Revised return substitutes the original return.
4. If return filed in respect of a notice issued u/s 142(1) can not be revised.
5. If earlier return has been processed revision shall not be allowed.
6. Belated Return u/s 139(4) can be revised.
7. Even a Revised Return can be revised again within the time limit of section 139(5). (N No.)

Defective Return [Sec 139(9)]

Power of AO

AO has the power to call upon the assessee to rectify a defective return.

Intimation of defect

If AO considers that ROI filed by assessee is defective, he may intimate the defect to assessee & give him an opportunity to rectify defect within 15 days from the date of such intimation.

Extension of Time by AO

AO has the discretion to extend the time beyond 15 days on application by assessee.

Consequences of non-rectification

If the defect is not rectified within 15 days or such further extended period as allowed by AO, then the return would be treated as an invalid return / void ab initio and it would be deemed that the assessee had failed to furnish the return.

Condonation of Delay

Where the assessee rectifies the defect after the expiry 15 days or the further extended period, **but before assessment is made**, AO may can condone the delay & treat the return as a valid return.

ROI Shall be Regarded as Defective in the Following Conditions:

1. Annexures, Statements & columns in ROI relating to computation of income chargeable under each head of income, computations of GTI & total income have NOT been filled in.
2. ROI is NOT Accompanied by the following:
 - (a) Statement showing the computation of tax payable on the basis of the return.
 - (b) Audit Report u/s 44AB.
 - (c) Proof regarding the tax claimed to have been deducted or collected at source & Advance tax & SAT claimed to have been paid.
 - (d) Proof of the amount of compulsory deposit claimed to have been paid under the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974;
3. If Regular books of A/c are maintained by Assessee → ROI is NOT Accompanied by:
 - (i) Copies of Manufacturing A/c; (ii) Trading A/c; (iii) P&L A/c; (iv) Balance sheet; (v) Personal accounts as detailed below:

Proprietary -Business/Profession	Personal Accounts of the proprietor
Firm/AOP/BOI	Personal Accounts of Partners (Members)
Partner or member of a firm, AOP/BOI.	Partner's Personal account in Firm; Member's Personal Account in AOP/BOI.

4. Regular books of A/c are not maintained by assessee → ROI is NOT Accompanied by
 - (i) Statement indicating Amount of T/o or gross receipts, gross profit, expenses; & NP.
 - (ii) Basis on which such amounts mentioned in (i) above have been computed,
 - (iii) Amt. of total sundry debtors, sundry creditors, SIT & cash balance as at the end of PY.
5. Copies of Audited P&L A/c, Balance sheet & Auditor's report.
6. Cost Audit Report (If Cost A/c of an assessee have been audited u/s 148 of CA, 2013).

139(8A) Updated Return [Inserted by Finance Act, 2022 w.e.f. 01/04/2022]:

- (1) Option to file updated return : Any person may furnish an updated return of income or the income of any other person in respect of which he is assessable.
- (2) Time Limit : Updated return can be submitted within 24 months from the end of the relevant AY.
 This is irrespective of whether or not he has furnished a return u/s 139(1) or belated return u/s 139(4) or revised return u/s 139(5) for that AY.
 For example, an updated return for A.Y. 2024-25 can be filed till 31-3-2027.
- (2) Non applicability of the provisions of updated return: if the updated return
 - (i) Is a **loss return**; or
 - (ii) Has the effect of **decreasing the total tax liability** determined on the basis of return furnished u/s 139(1) or section 139(4) or section 139(5); or
 - (iii) **Results in refund or increases the refund** due on the basis of return furnished u/s 139(1) or section 139(4) or section 139(5)
- (3) Circumstances in which updated return cannot be furnished: where -
 - (a) An **updated return has been furnished** by him for the relevant assessment year; or
 - (b) Any **proceeding for assessment or reassessment** or recomputation or revision of income is pending or has been completed for the relevant assessment in his case; or
 - (c) He is such person or belongs to such **class of persons**, as may be notified by the CBDT.
- (4) Updated return can be filed if original return is a loss return and updated return is a return of income: if any person has a loss in any previous year and has furnished a return of loss on or before the due date of filing return of income u/s 139(1), he shall be allowed to furnish an updated return if such updated return is a return of income.

For example, if Mr. X has furnished his return of loss for A.Y. 2024-25 on 31/5/2024 consisting of ₹ 5,00,000 as business loss, he can furnish an updated return for A.Y. 2024-25 upto 31/5/2027 if such updated return is a return of income.

- (5) Updated return to be furnished for subsequent previous year in case (4) above: if the loss or any part thereof carried forward under chapter VI-A or unabsorbed depreciation carried forward u/s 32(2) or tax credit carried forward u/s 115JD is to be reduced for any subsequent previous year as a result of furnishing of updated return of income for a previous year, an updated return is required to be furnished for each such subsequent previous year.

Payment of additional income tax at the time of updated return {Sec 140B(3)}

Assessee must pay an additional tax of 25% or 50% on the tax amount, depending on when you file the ITR-U.

ITR-U filed within

12 months from the end of relevant AY = 25% of additional tax + interest + late filing fee.

24 months from the end of relevant AY = 50% of additional tax + interest + late filing fee.

Permanent Account Number [Sec 139A] Application for PAN [Sec 139A(1)]

1. LEGAL REQUIREMENT:

- Every person who has not been allotted a PAN shall (within such time as may be prescribed) apply to AO for the allotment of PAN in the following cases:

SN	Persons required to apply for PAN	Time limit for application
1	Every person whose total income or total income of any other person in respect of which he is assessable > BEL	On/before 31st May of AY for which such income is assessable
2	Every person carrying on any business/profession whose total sales, turnover or gross receipts are or is likely to exceed Rs. 5 lakhs in any PY	Before the end of that PY

3	Every person being a resident, other than an individual , which enters into a financial transaction of an amount aggregating to Rs. 2,50,000 or more in a financial year	On/before 31st May of the immediately following FY
4	Every person who is a MD, director, partner, trustee, author, founder, karta, CEO, principal officer or office bearer of any person referred in (3).	On/before 31st May of immediately following FY in which the person enters into specified financial transaction.
5	• Cash deposit aggregating Rs. 20L or more • Cash withdraw aggregating Rs. 20L or more • Opening a current account	At least 7 days before entering into these transactions
	Every person without a PAN must apply if they:	
	 Deposit or withdraw ₹20 lakh or more in cash from bank, co-operative, or post office accounts during a FY.	
	 Open a current or cash credit account with these institutions.	
	 However, non-residents (excluding companies) or foreign companies does not have any income chargeable to tax in India are exempt from this requirement if the transactions are conducted through an IFSC banking unit and do not involve cash deposits or withdrawals.	

2. POWER OF CG:

CG is empowered to specify any class/classes of persons by whom tax is payable by notification in OG for allotment of PAN. Such persons are required to apply within prescribed time in notification for the allotment of a PAN [Sub-section (1A)].

For collecting any useful/relevant information, CG may notify any class or classes of persons & such persons shall apply to AO for allotment of a PAN [Sub-section (1B)].

3. POWER OF AO:

AO may allot PAN to any other person having regard to nature of transactions (whether any tax is payable by him or not) in the prescribed manner.

4. SUO MOTO APPLICATION BY THE ASSESSEE:

Any person (other than mentioned above) may apply to AO for allotment of PAN.

Quoting of PAN (Must Quote PAN)

(a) All Returns to any authority/All challans for the payment of any sum due under the Act;

(b) All documents pertaining to the following transactions entered into by any person.

Transactions Where Quoting of PAN is Compulsory(A) Sale or Purchase of Asset

(i) SECURITIES

Nature of Transaction	Value of Transaction
Sale or Purchase of securities	Transaction Value > Rs. 1 lac
Sale/purchase of Unlisted shares from open market	Transaction Value > Rs. 1 lac
Payment for Purchase of units of MF	Transaction Value > Rs. 50,000.
Payment for acquiring Debenture/Bonds issued by company	Transaction Value > Rs. 50,000
Payment to RBI for acquiring Bonds issued by it	Transaction Value > Rs. 50,000

(ii) Other Assets

Nature of transaction	Value of transaction
Sale/Purchase of Immovable property	If SC/SDV referred in 50C > Rs. 10 lacs.
Sale/Purchase of Goods or Services	Transaction Value > Rs. 2 lacs
Sale/Purchase of Motor Vehicle which requires registration (other than two-wheeler)	All Transactions.

(B) Transaction with Banking Company/Co-Operative Bank/Post Office

Nature of transaction	Value of transaction
Opening a Bank account (other than Time Deposit)	All Transactions
Making Application for Issue of Credit/Debit Card	All Transactions.
Opening Demat Account	All Transactions.
Cash Deposit with Bank	Total Cash Deposit > Rs. 50,000 in a day.
<u>Note:</u> Cash Deposits > Rs. 2,50,000 during 9th Nov 2016 - 30th Dec 2016 → PAN required	
Purchase of Bank Draft/Pay orders/Cheque	Payment in cash > Rs. 50,000 in one day.
Time deposit with	
(i) Banking company/Co-operative bank/Post office	Deposit > Rs. 50,000 at a time OR Total Deposit > Rs. 5 Lacs during a FY.
(ii) Nidhi Company [Ref. in Sec 406 of CA, 2013]	
(iii) Registered NBFC.	
Payment for Prepaid Payment to Instruments	Total Payment in cash/bank draft/pay order > Rs. 50,000 during the FY.
Banking company/Co-operative bank.	

(C) Other Transactions

Nature of Transactions	Value of Transaction
Hotels/Restaurants bills at any one time	Cash Payment > Rs. 50,000
Payment for Travel to Foreign Country or Payment for Purchase of Foreign Currency at any one time	Cash Payment > Rs. 50,000
Payment of Life Insurance Premium to Insurer	Total amount >Rs 50,000 in a FY

Note: In case of Change in Address/Name & Nature of Business → Intimate such change to AO.

✚ Minor → shall quote PAN of his Parent or Guardian while entering into above transactions.

✚ Person not having PAN → Declaration in Form No. 60 giving details of such transaction

✚ However, this provision does not apply to companies or firms. A foreign company without taxable income in India and no PAN, conducting transactions in an IFSC banking unit, must submit a declaration in Form No. 60.

✚ Non-Applicability: Provisions of this rule shall not apply to:

(i) CG/SG; (ii) Consular Offices.

✚ Intimation of PAN to Deductor of TDS - [Sub-section (5A)]

- Every Payee (person who receives any amount from which TDS has been deducted) shall intimate his PAN to the deductor (person responsible for deducting such tax).

✚ Quoting of PAN in Certain Documents - [Sub-section (5B)]

- Where any amount has been paid after TDS, deductor shall quote the PAN of payee (person to whom the amount was paid) in the following documents:
 - ❖ Statement furnished u/s 192(2C) giving particulars of Perquisites/Profits in lieu of salary;
 - ❖ Certificates for Tax Deducted issued to the person to whom payment is made (payee);

- ❖ Returns made to the prescribed income-tax authority u/s 206; - Statements prepared & delivered in accordance with section 200(3).

Exception to sub-sections (5A) & (5B):

Above sub-sections (5A) & (5B) shall NOT apply to:

- (i) Person who does not have taxable income or
- (ii) Person who is not required to obtain PAN; if such person furnishes a declaration u/s 197A that Tax on his Total Income for PY will be NIL.

Inter-changeability of PAN with the Aadhaar number

Every person who is required to furnish or intimate or quote his PAN may furnish or intimate or quote his Aadhaar Number in lieu of the PAN if he

- ✓ has not been allotted a PAN but possesses the Aadhaar number
- ✓ has been allotted a PAN and has intimated his Aadhaar number to prescribed authority in accordance with the requirement contained in section 139AA(2). PAN would be allotted in prescribed manner to a person who has not been allotted a PAN but possesses Aadhaar number.

Computerized PAN

- ✚ CBDT had introduced a new scheme of allotment of computerized 10-digit PAN.
- ✚ Such PAN comprises of 10 Alphanumeric characters & is issued in the form of laminated card.
- ✚ All persons who were allotted PAN earlier (Old PAN) & all person who were required to apply for PAN & did not apply, shall apply to AO for new series PAN within specified time.
- ✚ Once the new series PAN is allotted to any person, the old PAN shall cease to have effect.
- ✚ No person who has obtained the new series PAN shall apply, obtain or process another PAN.

Quoting of Aadhaar Number [Sec 139AA]

Every person eligible to obtain Aadhaar Number must mandatorily quote Aadhaar Number in:

(a) Application form for Allotment of PAN; (b) ROI.

NO Aadhaar → Quote Enrolment Id

If a person does not have Aadhaar Number, he is required to quote Enrolment ID of Aadhaar application form. But from 01/10/2024 Enrolment ID option not available.

Enrolment ID: 28 Digit Enrolment Identification Number issued to a resident at the time of enrolment for Aadhar.

Update Aadhar No. to Authorities

Every person who has been allotted PAN & who is eligible to obtain Aadhar Number, shall intimate his Aadhar No. to the prescribed authority before date notified by CG.

Consequences of Failure

If a person fails to intimate Aadhar Number, PAN allotted to such person shall be deemed to be inoperative & Provisions of the Act shall apply, as if the person had not applied for allotment of PAN.



Not able to file ITR.



Pending return will not be processed.



Pending refund cannot be issued.



Pending proceeding cannot be completed.



TDS/TCS will be at higher rate. (For transactions made up to 31.03.2024, and if the PAN becomes operative by 31.05.2024 (due to Aadhaar linkage), the TDS/TCS deductor/collector is not required to deduct/collect tax at a higher rate under sections 206AA/206CC.)

Additionally, tax payer may face difficulty at various form like bank and other financial portal.

Fees for default relating to intimation of AADHAR Number Sec 234H

- Rs.500 if such intimation is made upto 30th June 2022
- Rs.1000 in other cases.

Exceptions: Provisions of Sec 139AA would not apply to individual who does not possess Aadhar number or Enrolment ID & is:

- Residing in States of Assam, Jammu & Kashmir and Meghalaya;
- Non-Resident
- Super Senior Citizen [Age $\geq$ 80 years at any time during PY];
- Not a Citizen of India.

Submission of ROI Through Tax Return Preparers [Sec 139B]

CBDT has framed the Tax Return Preparer Scheme, 2006, whereby a specified class of person file their ROI through TRPs.

TRP → Any Individual who has been issued a TRP Certificate & Unique Identification Number to carry on the profession of preparing ROI as per the provisions of this Scheme.

Educational Qualification for Tax Return Preparers

Individual, who holds a bachelor's degree from recognised Indian University/institution, or

Individual who has passed Intermediate level exam conducted by ICAI, ICSI, ICMAI.

Who Can Act as Tax Return Preparer? [V. Imp]

Tax Return Preparer can be any Individual, **OTHER THAN**

- Officer of Scheduled bank in which assessee maintain current A/c or has regular dealings.
- Legal practitioner who is entitled to practice in any civil court in India.
- Chartered Accountant.
- Employee of "Specified class of Person".

Specified Class of Persons → Any Person **Other Than**

- Company;
- Person whose accounts are required to be audited u/s 44AB & is required to furnish ROI.

Note: We have studied that Employees of "specified class of persons" cannot act as TRP. & we know that "Specified class of persons" excludes Company & Person whose accounts are required to be audited u/s 44AB & who is required to furnish ROI. Thus, Employees of companies & persons whose accounts are required to be audited u/s 44AB can act as TRP.

Compensation to TRP

The department pays the **lower** of the following 2 amt. as commission to a TRP

- 3% of the tax paid by the assessee on the income
- Rs. 1000

A TRP is entitled to receive a minimum commission of Rs. 250 in total. If commission received from the department is less than Rs 250 deficit is payable by assessee.

Following Persons Cannot Furnish ROI Through TRPs:

- (a) Any Person other than Individual & HUF. [Only Individual & HUF are eligible person]
- (b) Individual/HUF carrying out Business or Profession during PY & their Accounts are required to be audited u/s 44AB or under any other law for the time being in force; or
- (c) Individual/HUF who is a Non-Resident in India during the previous year.

Note: Eligible person cannot furnish a Revised ROI for any AY through a TRP unless he has furnished original ROI for that AY through such or any other Tax Return Preparer.

Power of CBDT to Dispense with Furnishing Documents with the ROI & Filing of ROI in Electronic Form [Section 139C & 139D]

CBDT has power to may make rules to exempt any class/classes of persons from the requirement to furnish documents, statements, receipts, certificate, audit reports etc, along with ROI.

However, on demand, the said documents, statements, receipts, certificate, reports of audit or any other documents have to be produced before the Assessing Officer - [Section 139C]

Self-Assessment Tax (SAT) [Sec 140A]

Payment of Tax, Interest & Fee before filing ROI

If any tax is payable on the basis of total income in ROI filed u/s 139(1), such tax shall be paid by the assessee himself after taking credit of

(i) Any tax already paid (ii) TDS/TCS (iii) Advance Tax (iv) Relief u/s 89.

Any Interest u/s 234A/B/C or Fees payable for any delay in filing ROI or any default Shall also be paid with the tax payable before filing ROI.

ROI shall be accompanied by Proof of Payment.

Order of adjustment of amount paid by the assessee

If SAT paid u/s 140A(1) < Tax + Interest + Fees; then Amount so paid shall first be adjusted towards [Order of Adjustment]

- fees payable &
- thereafter towards Interest &
- Balance amount shall be adjusted towards Tax payable.

Consequence of Failure to Pay Tax/Interest/Fee

Assessee shall be deemed to be Assessee in Default in respect of such unpaid Tax or Interest or fees.

Best Judgment Assessment [Sec 144] - Theory Question

AO shall make assessment of Total Income or Loss to the best of his judgment & determine tax payable by the assessee, if:

- (a) Assessee does not file ROI u/s 139.
- (b) Does not comply with notice issued u/s 142 to file ROI/books/furnish required information.
- (c) Does not get his Accounts Audited as directed by AO.
- (d) Does not comply with all the terms of a notice issued u/s 143(2).

Persons Authorised to Verify Return of Income [Sec 140]

	Assessee	ROI Verified by:
1	Individual	Himself
	Individual is Absent from India	Person duly authorised by him in this behalf holding a valid power of attorney from such individual.
	Individual is Mentally Incapacitated	His guardian; or Any other person competent to act on his behalf
	Individual cannot to verify ROI for any other reason	Any person duly authorised by him in this behalf holding a valid power of attorney from the individual.
2	Hindu Undivided Family	Karta
	Karta is Absent from India or Mentally Incapacitated.	Any other adult member of the HUF.

3	Company	Managing Director
	There is No MD or MD cannot verify ROI for any unavoidable reason	By any Director
	Company is Non-Resident	Any person who holds Valid Power of Attorney. Such Power of attorney should be attached to ROI.
	Company in Liquidation/Winding up	The Liquidator
	Company's Management is taken over by CG/SG.	The Principal Officer.
	Where an application for corporate Insolvency Resolution Process has been admitted by Adjudicating Authority under the IBC, 2016.	Insolvency Professional appointed by such Adjudicating Authority
4	Firm/LLP	Managing Partner/ Designated partner
	There is No MP/DP or MP/DP cannot verify ROI for unavoidable reason	Firm: Any adult Partner of the firm. LLP: Any Partner
5	Local authority	Principal officer.
6	Political party	CEO of such party (whether known as Secretary).
7	Any other association	Any Member of Association or Principal Officer.
8	Any other person	Such Person or his Agent.

Some Other Residual Sections

Option to Furnish ROI to the Employer - Sec 139(1A)

-  Salaried employee of eligible employer has the option to file ROI for any PY to his employer, in accordance with the scheme notified by CBDT & subject to specified conditions.
-  Such employer shall furnish all the ROIs received by him on/before DD in such form (including on a floppy, diskette, magnetic cartridge tape, CD-ROM).

Specified Terms & Conditions are:

- ✚ This option is not available to employee having PGBP income.
- ✚ 'Eligible Employer' means an employer having minimum 50 employees with income exceeding BEL & who has been allotted Tax Deduction Account number (TAN).

Tax Return Through Computer Readable Media [Sec 139(1B)]

- ✚ It enables taxpayer to file ROI in computer readable media, without interface with the department in such form (including on a floppy, diskette, magnetic cartridge tape, CD-ROM)

Power of CG to Exempt Specified Persons from Filing ROI [Sec 139(1C)]

- ✚ CG may by notification in OG exempt any class or classes of persons from filing ROI subject to satisfying prescribed conditions.

Particulars to be Furnished with the Return [Sec 139(6)]

- ✚ Income exempts from tax;
- ✚ Assets of the prescribed nature & value, held by him as a beneficial owner
- ✚ His bank account & credit card held by him;
- ✚ Expenditure exceeding the prescribed limits incurred by him under prescribed heads; &

Particulars to be Furnished with ROI by Assessee Engaged in Business [Sec139(6A)]

- ✚ Audit Report referred to in section 44AB.
- ✚ Particulars of the location & style of the principal place where he carries on the business.
- ✚ Names & addresses of his partners in such business or profession.
- ✚ If he is a member of AOP/BOI:
 - Names of the other members of AOP/BOI &
 - Extent of the share of the assessee & the shares of all such partners or members in the profits of the business or profession.