

PREPARATION AND FILING OF RETURN OF INCOME

(A) VOLUNTARY RETURN OF INCOME

> (1) Return by an individual, HUF, AOP, BOI or an artificial juridical person [Sec. 139(1)]

Every individual, HUF, AOP, BOI or an artificial juridical person shall file the return on or before the due date, of his total income or the total income of any person (in respect of which he is assessable), if the income without giving effect to the provisions of *sections* 80C to 80U exceeded the maximum amount which is not chargeable to income tax.

> (2) Return by a Company or a Firm

Every company or a firm shall furnish on or before the due date the return in respect of its income or loss in every previous year.

> (3) Return by ordinarily Resident person having assets located outside India

An ordinarily resident person (who is not required to furnish the return otherwise), who at any time during the previous year (a) holds, as a beneficial owner or otherwise any asset (including financial interest in any entity) located outside India or has signing authority in any account located outside India or (b) a beneficiary of an asset (including any financial interest in any entity) located outside India, shall furnish on or before due date a return in respect of income or loss for the previous year.

> (4) Return on behalf of a Charitable Trust, etc.

If the total income of a charitable or religious trust (without deducting exempted incomes under *sections* 11 and 12) exceeds the non-taxable maximum limit, it shall furnish a return of income for the previous year on or before the due date.

> (5) Return on behalf of a Political Party

The Chief Executive Officer of every political party, if the total income of the party (without deducting exempted incomes under *section* 13A) exceeds the maximum amount which is not chargeable to tax, furnish a return of income of the previous year on or before the due date.

> (6) Return by other Persons

If the total income of a person (without giving exemption under *section* 10) exceeds the maximum amount which is not chargeable to tax, furnish a return of income of the previous year on or before the due date.

> (7) Return of Loss

[Sec. 139(3)]

If any person who has sustained a loss in any previous year under the head 'Profits and Gains of Business or Profession' [Non-speculative business (*Sec.* 72), speculative business (*Sec.* 73), Specified business (*Sec.* 73A)] or 'Capital Gains' (*Sec.* 74) or owning and maintaining race horses (*Sec.* 74A) and claims that the loss should be carried forward, he should furnish a

return of loss on or before the due date. If the return of loss is not filed up to due date, the loss cannot be carried forward and set-off.

However, loss from House Property (Sec. 71B), unabsorbed depreciation [Sec. 32(2)], unabsorbed capital expenses on scientific research (Sec. 35) and unabsorbed capital expenses on family planning [Sec. 36(1)(ix)] can be carried forward and set-off even the return has not been filed.

> **Due Date for filing return**

- (a) Where the assessee is (i) a company, or (ii) a person (other than a company) whose accounts are required to be audited or (iii) a working partner of a firm whose accounts are required to be audited, under this Act or any other law—30th September of the A.Y.;
- (b) Assessee who is required to furnish a report from C.A. regarding international transaction (u/s 92E)—30th November of the A.Y.;
- (c) In any other case—31st July of the A.Y.

(B) COMPULSORY RETURN OF INCOME

[Sec. 142(1)]

Where any person is assessable either in respect of his income or income of any other person and he has not furnished the return of income on or before the due date of furnishing the return [u/s 139(1)] the Assessing Officer may serve a notice on such person requiring him to furnish the return. Such return should be furnished within the time allowed in the notice.

Such a person remains liable to pay interest u/s 234A for late furnishing of return from the due date of furnishing the return till the return is furnished.

Forms of Return of Income for the Assessment Year 2019-20

- (1) ITR-1 : For Individual who is ordinarily resident having Income from (i) Salary/Pension, (SAHAJ) (ii) Income from one House Property, (iii) Income from Other Sources (excluding winnings from Lottery and Income from Race Horses).
Having total income up to ₹ 50 lakh.
However, an individual cannot file return in ITR-1 (SAHAJ) in the following cases :
Who :
 - (1) is a director in a company;
 - (2) has held any unlisted equity shares at any time during the previous year;
 - (3) has (i) assets (including financial interest in any entity) located outside India; or (ii) signing authority in any account located outside India; or (iii) has income from any source outside India.
 - (4) Who has :
 - (a) Income from more than one house property; or
 - (b) Income from business or profession; or
 - (c) Capital gains; or
 - (d) Income from winnings from lottery or income from Race horses; or
 - (e) Income taxable u/s 115BBDA; or
 - (f) Income taxable u/s 115BBE; or
 - (g) Agricultural income exceeding ₹ 5,000; or
 - (h) Income to be apportioned u/s 5A.
 - (5) Who has any claim of loss/deductions/relief/tax credit etc. of the following nature :
 - (a) any brought forward loss or loss to be carried forward under the head 'Income from house property';

- (b) loss under the head 'Income from other sources';
- (c) any claim of relief under *section 90* and/or *section 91*;
- (d) any claim of deduction under *section 57*, other than a deduction under clause (ia) thereof (relating to family pension); or
- (e) any claim of credit of tax deducted at source in the hands of any other person.

(2) ITR-2 : For Individuals/HUFs not eligible to file return in ITR-1 and not having Income under the head Business or Profession.

(3) ITR-3 : For Individuals/HUFs having income from business or profession.

(4) ITR-4 : For individuals or HUFs ordinarily resident or a firm (other than LLP) which (SUGAM) is resident, whose total income does not exceed ₹ 50 lakh and who has income from :

- (a) Eligible Business (*Sec. 44AD*) or Eligible Profession (*Sec. 44ADA*) or for presumptive income Business of Plying, Hiring or Leasing Goods Carriages (*Sec. 44AE*); or
- (b) Salary/Pension; or
- (c) Income from one House Property (excluding cases where loss is brought forward or loss to be carried forward under this head); or
- (d) Income from Other Sources (excluding winning from Lottery and Income from Race Horses).

However, a person cannot file a return in ITR-4 (SUGAM) in the following cases :
Assessee :

- (1) (a) is a director in a company;
- (b) has held any unlisted equity shares at any time during the previous year;
- (c) has income from any source outside India; or
- (d) has (i) assets (including financial interest in any entity) located outside India; or (ii) signing authority in any account located outside India.

(2) Who has :

- (a) Business income is other than specified in *Sec. 44AD* or *Sec. 44ADA* or *Sec. 44AE* or income from an agency business or income in the nature of commission or brokerage; or
- (b) Income from more than one house property; or
- (c) Capital Gains; or
- (d) Agricultural income exceeding ₹ 5,000; or
- (e) Income from winnings from lottery or income from Race horses; or
- (f) Income from speculative business; or
- (g) Income to be apportioned u/s 5A; or
- (h) Income taxable u/s 115BBDA; or
- (i) Deemed incomes u/ss 68, 69, 69A, 69B, 69C or 69D, taxable u/s 115BBE.

(3) Who has any claim of loss/deductions/relief/tax credit etc. of the following nature :

- (a) any brought forward loss or loss to be carried forward under any head of income;
- (b) loss under the head 'Income from other sources';
- (c) any claim of relief under *section 90*, *90A* or *section 91*;

- (d) any claim of deduction under *section 57*, other than a deduction under clause (ia) thereof (relating to family pension); or
 - (e) any claim of credit of tax deducted at source in the hands of any other person.
- (5) ITR-5 : For persons other than (i) individual, (ii) HUF, (iii) company and (iv) persons filing Form ITR-7.
- (6) ITR-6 : For Companies other than companies claiming an exemption under *section 11*.
- (7) ITR-7 : For persons including companies required to furnish return u/ss 139(4A) or 139(4B) or 139(4C) or 139(4D) or 139(4E) or 139(4F), *e.g.*, for charitable institutions, religious trusts, political parties and persons claiming exemption under *Sec. 10*.

> Preparation of Return Manually

The assessee should choose the return of income keeping in view in which category (Individual, Firm, Company etc.) he falls and the sources of his income. If he is not required to file his return electronically, he can prepare his return manually, verify it and deposit it in the Income Tax Office.

If the assessee is required to file his return electronically, it is suggested that he should fill the return form manually so that at the time of filling the form on-line, there is no hustle.