

# ITR-5 Filing - Overview

By

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# Applicability

- Firm
- LLP
- AOP/BOI
- AJP
- Local Authority
- Representative Assessee
- Co-operative Society/Co-operative Bank
- Trust (other than 139(4A), 139(4b), 139(4D))
- Estate of Deceased Person
- Estate of an Insolvent
- Business Trust (Sec.139(4E))
- Investment Fund (Sec.139(4F))

# Who cannot file ITR-5

- Taxpayers/Assessee are not liable to file ITR-5 Form:
  - Individual taxpayers
  - Company
  - HUF
  - Persons who are required to file tax returns under section 139(4A), 139(4B), 139(4C), 139(4D), 139(4E) or 139(4F) i.e. in Form ITR 7

# Preparation - General

- Keep documents ready
  - Registration with efilng website
  - PAN and Password
  - Balance Sheet
  - Profit & Loss Account
  - Schedules and Notes to
    - BS
    - P&L
  - Computation – Working Sheets
  - Applicability of AMT
  - Advance Tax Details
  - TDS/TCS Details – Certificates
  - Download 26as
  - Download AIS
  - Digital Signature of Authorised Person

# Ready with Computation

- Things to Remember – Relating to the Assessee
  - Applicability of Provisions
  - Tax Rates
  - Exemptions
  - Deductions
  - Tax Liability

# Firm

- Sec.184 – Deed of Partnership
  - Registered or Not
- Sec.40(b) – Deductions for Remuneration of Partners
- Authorised Person for filing ITR with DSC

# LLP

- **Statements of Accounts and Solvency**
- All enrolled LLPs are required to have their books of accounts in place and fill in data with respect to the profit made, and other financial data in regards to business, and submit it in Form 8, every year.
- Form 8 must be attested by the signatures of the designated partners and should also be certified by a practising chartered accountant or a practising company secretary or a practising cost accountant. Failing to file, the statement of accounts & solvency report within the specified due date will lead to a fine of Rs.100 per day. The due date to file form 8 is October 30 of every financial year.

# AOP/BOI

- An association of persons (AOP) or a body of individuals (BOI), whether incorporated or not, is treated as a 'person' under [section 2\(31\)](#) of the Income-tax Act, 1961.
- Hence, AOP or BOI is treated as a separate entity for the purpose of assessment under the Income-tax Act.
- Here it is important to note that an AOP or BOI shall be deemed to be a person, whether or not, they were formed or established or incorporated with the object of deriving income, profits or gains.



# Local Authority

- (i) Panchayat as referred to in clause (d) of Article 243 of the Constitution; or
- (ii) Municipality as referred to in clause (e) of Article 243P of the Constitution; or
- (iii) Municipal Committee and District Board, legally entitled to, or entrusted by the Government with, the control or management of a municipal or local fund; or
- (iv) Cantonment Board as defined in Section 3 of the Cantonments Act, 1924 (2 of 1924);

# New Tax Regime -Option

- If someone with a **business income**, one has to file Form 10IE before the due date of filing income tax returns.
- Before filing Form 10IE, study well about both the old and new tax regime.
- Understanding both the tax regimes will help you make an informed decision based on financial goals and investments.
- It's very important to read all the details mentioned above carefully before filing the declaration through Form 10IE.

# Filing Form 10IE

- Mentioned below are the basic details needed to be filled in while filing Form 10IE.
- Name of the individual/HUF
- Date of birth/date of incorporation
- Nature of business/profession
- Confirmation in 'yes/no' if the taxpayer has any unit in IFSC (International Financial Service Centre) as mentioned in sub-section (1A) of Section 80LA. If it is 'Yes', one needs to provide the details of the unit
- Details of Form 10IE previously filed
- Declaration
- Confirmation if the individual or HUF have any income under 'Profit or gains from business and profession'
- PAN details
- Address

# Schedules

- Schedule-HP: Computation of income under the head Income from House Property
- Schedule-BP: Computation of income under the head “profit and gains from business or profession”
- Schedule-DPM: Computation of depreciation on plant and machinery under the Income Tax Act
- Schedule DOA: Computation of depreciation on other assets under the Income Tax Act
- Schedule DEP: Summary of depreciation on all the assets under the Income-tax Act
- Schedule DCG: Computation of deemed capital gains on sale of depreciable assets
- Schedule ESR: Deduction under section 35 (expenditure on scientific research)

# Structure of ITR-5

- Part A: General information
- Part A-BS: Balance Sheet as on 31st March 2019
- Part A-Manufacturing Account for the financial year 2018-19
- Part A-Trading Account for the financial year 2018-19
- Part A-P&L: Profit and Loss Account for the financial year 2018-19
- Part A-OI: Other information
- Part A-QD: Quantitative details

# Sequence for filling out parts and schedules

- The Income Tax Department recommends assesses to follow the sequence mentioned below while filling out the income tax return.
- Part A
- Schedules
- Part B
- Part C
- Verification

- Schedule-CG: Computation of income under the head Capital gains.
- Schedule-OS: Computation of income under the head Income from other sources.
- Schedule-CYLA: Statement of income after set off of current year's losses
- Schedule-BFLA: Statement of income after set off of unabsorbed loss brought forward from earlier years.
- Schedule- CFL: Statement of losses to be carried forward to future years.
- Schedule –UD: Unabsorbed Depreciation
- Schedule ICDS: Effect of income computation disclosure standards on profit

- Schedule- 10AA: Computation of deduction under section 10AA
- Schedule- 80G: Details of donation entitled for deduction under section 80G
- Schedule- 80GGA: Details of donation for scientific research or rural development
- Schedule- RA: Details of donations to research associations etc.
- Schedule- 80IA: Computation of deduction under section 80IA
- Schedule- 80IB: Computation of deduction under section 80IB
- Schedule- 80IC/ 80-IE: Computation of deduction under section 80IC/ 80-IE.
- Schedule 80P: Deductions under section 80P



- Schedule-VIA: Statement of deductions (from total income) under Chapter VIA.
- Schedule –AMT: Computation of Alternate Minimum Tax payable under section 115JC
- Schedule AMTC: Computation of tax credit under section 115JD
- Schedule-SI: Statement of income which is chargeable to tax at special rates
- Schedule IF: Information regarding partnership firms in which you are partner
- Schedule-EI: Statement of Income not included in total income (exempt incomes)
- Schedule PTI: Pass Through Income details from business trust or investment fund as per section 115UA, 115UB

- Schedule TPSA: Secondary adjustment to transfer price as per section 92CE(2A)
- Schedule FSI: Details of Income from outside India and tax relief
- Schedule TR: Details Summary of tax relief claimed for taxes paid outside India
- Schedule FA: Details of Foreign Assets and Income from any source outside India
- Schedule GST: Information regarding turnover/gross receipt reported for GST
- Schedule DI: Schedule of tax-saving investments or deposits or payments to claim deduction or exemption in the extended period from 1 April 2020 until 30 June 2020
- Part B – TI: Computation of total income
- Part B – TTI: Computation of tax liability on total income

# Tax Payments

- 1.Details of payment of advance-tax and tax on self-assessment tax
- 2.Details of tax deducted at source on income other than salary (16A, 16B, 16C)
- 3.Details of collected at source

# Verification

- Fill up the required information in the verification document.
- Strike out whatever is not applicable. Please ensure that the verification has been signed before furnishing the return.
- Choose the designation/capacity of the person signing the return.
- Please note that any person making a false statement in the return or the accompanying schedules shall be liable to be prosecuted under section 277 of the Income-tax Act, 1961 and on conviction be punishable under that section with rigorous imprisonment and with fine.

# ITR V - Acknowledgement

- ITR-V is a one page document, which you need to sign in BLUE INK and send via ordinary post or speed post. You cannot courier the ITR-V. You do NOT need to send any supporting documents along with the ITR-V. Just the one page signed ITR-V. We strongly recommend that you send your ITR-V at the earliest for your tax refund processing. Don't forget
- Address of CPC, Bangalore for Speed Post:
- Centralised Processing Center, Income Tax Department, Bengaluru, Karnataka 560500

# Guidelines for sending ITR5

- Please use Ink Jet /Laser printer to print the ITR-V Form.
- Avoid printing on Dot Matrix printer.
- The ITR-V Form should be printed only in black ink.
- Do not use any other ink option to print ITR V.
- Ensure that print out is clear and not light print/faded copy.
- Please do not print any water marks on ITR-V. The only permissible watermark is that of “Income tax Department” which is printed automatically on each ITR-V.
- The document that is mailed to CPC should be signed in original in BLUE INK.
- Photocopy of signatures will not be accepted.
- The signatures or any handwritten text should not be written on Bar code.
- Bar code and numbers below barcode should be clearly visible.
- Only A4 size white paper should be used.

# Instructions

- Avoid typing anything at the back of the paper.
- Perforated paper or any other size paper should be avoided.
- Do not use stapler on ITR V acknowledgement.
- In case you are submitting original and revised returns, do not print them back to back. Use two separate papers for printing ITR-Vs separately.
- More than one ITR-V can be sent in the same envelope.
- Please do not submit any annexures, covering letter, pre stamped envelopes etc. along with ITR-V.
- The ITR-V form is required to be sent to Centralised Processing Center, Income Tax Department, Bengaluru, Karnataka-560500, by ordinary post or speedpost.
- ITR-Vs that do not conform to the above specifications may get rejected or acknowledgement of receipt may get delayed.
- Please note, if your verification is pending, then the ITR-V is not a proof for having filed your return.

# DOs

- **1. Organize**
- It is important to keep your documents ready at the go. For filing, you will need all your old [tax](#) receipts, receipts of income and investments, Form 26AS, Form 16 etc. Keep these documents handy when filing for a quicker process; and also remember to keep them safe after you are done filling out the form online. You might need them in case your return is called out for scrutiny later.



- **2. Check your calculation**

- Go over your tax documents and do your calculations. Then, go over your math once again to ensure that all your calculations are correct. If you want help, you can always turn to an expert who will help you check your calculations and ensure accuracy. Besides, e-filing is highly recommended since that itself eliminates the chance of error. Those with income in excess of Rs 500,000 or those seeking a refund, must mandatorily e-file.

- **3. Report all your income**

- It is important to disclose all income that you earn from all sources, irrespective of whether the income is taxable or exempt. Not disclosing information can lead to legal consequences later on, and it would be wiser to be honest while filing.

- . Verify ITR after e-filing
- After you have successfully e-filed your income tax return, you should e-verify your ITR-V via Netbanking, Aadhaar Card or through the EVC process on your mobile number and email. This is important because the IT department will start processing your returns post receiving the verification. Alternatively, you can sign and send the ITR-V to the CPC (via ordinary or speed post only). This has to be done within 120 days from the date of e-filing of tax return.

# Don'ts

- **1. Make mistakes in details**
- During filing, you will be asked to fill in many details such as your bank details (account number, IFSC code, name as per bank records etc.), PAN number, postal address, and email id. Incorrect information can cause problems in your return being processed. You may also not be able to receive important communications from the tax department like refund cheque, error notices etc.

- **2. Forget to claim Section 80 deductions**
- The best way to reduce your tax liability is to use the deductions offered under Section 80 to their fullest. Even if you were not able to submit proof of investment to your employer earlier, you can still claim the deductions while filing the ITR, however keeping all proofs safely is very important, should the assessing officer ask for them later.

- **3. Not report exempt income**

- Income from dividends, PPF interest etc. fall under this category. It is wise to disclose these incomes because they will help you in doing your due diligence. Plus, you will not need to pay any tax on this money. High value inflows to your bank accounts will be easier to explain when these are already reported in your tax return.

- **4. File your return last minute**
- It is highly likely that you may make mistakes while filing at the last minute. So, word to the wise: try not to procrastinate! In the worst case scenario, you may even end up paying more taxes or some penal interest than necessary by leaving it to the last minute.