



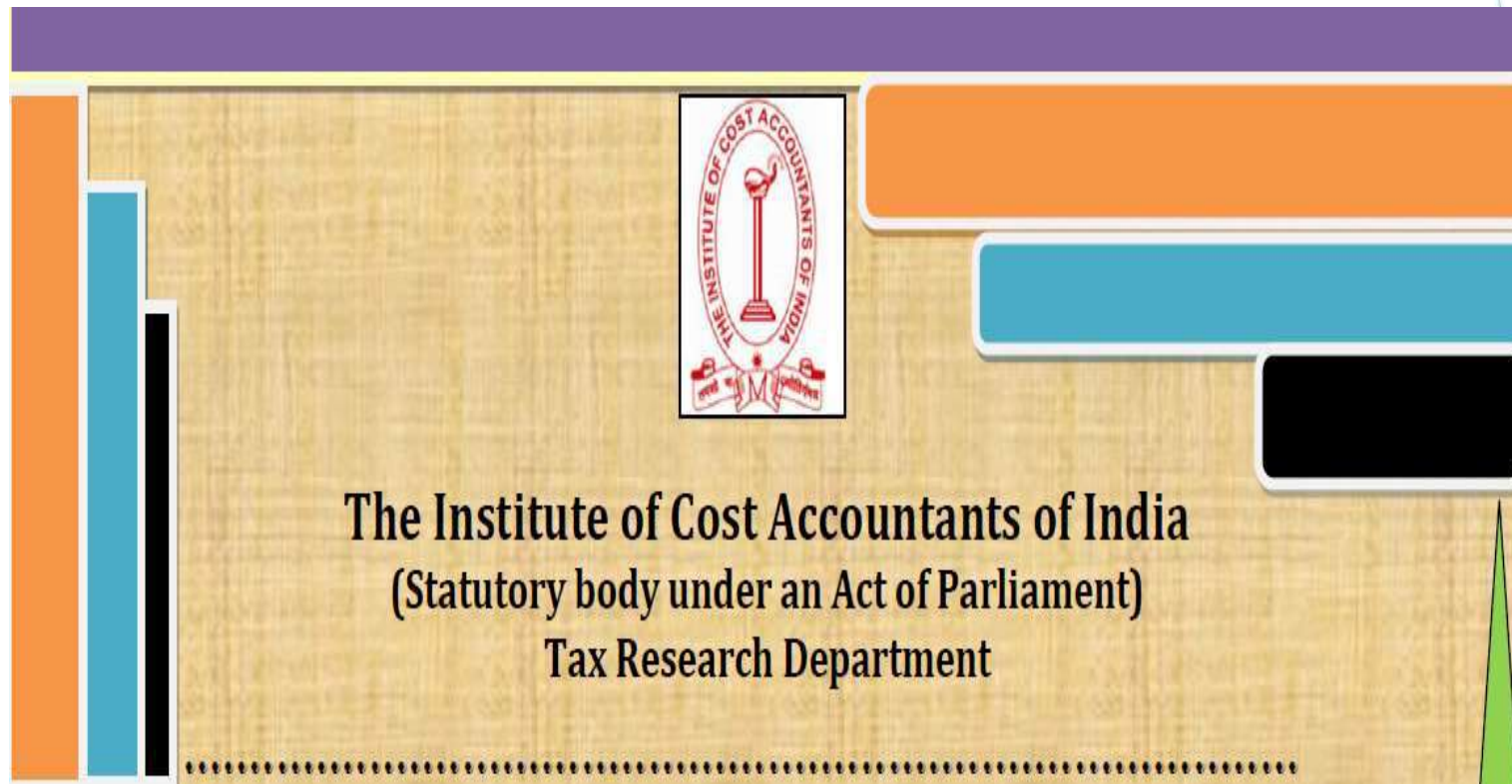
designed by  freepik

**CMA Kedarnath**

**Hyderabad**

29-Aug-22

## ONLINE CERTIFICATE COURSE ON ITR Filing – 7<sup>th</sup> Batch



## ONLINE CERTIFICATE COURSE ON ITR-7 Filing



## Introduction to ITR Filing

### ❖ Why we need to file Income Tax Return:

#### ❑ To inform the Income Tax Department about our

- ✓ Income
- ✓ Expenses
- ✓ Chapter VI-A Deductions
- ✓ Exemptions
- ✓ Rebate
- ✓ Relief
- ✓ TDS
- ✓ TCS
- ✓ Tax Payable if any
- ✓ Payment of tax by way of self assessment tax

## **Benefits of Filing & Payment of Income Tax : To the Society**

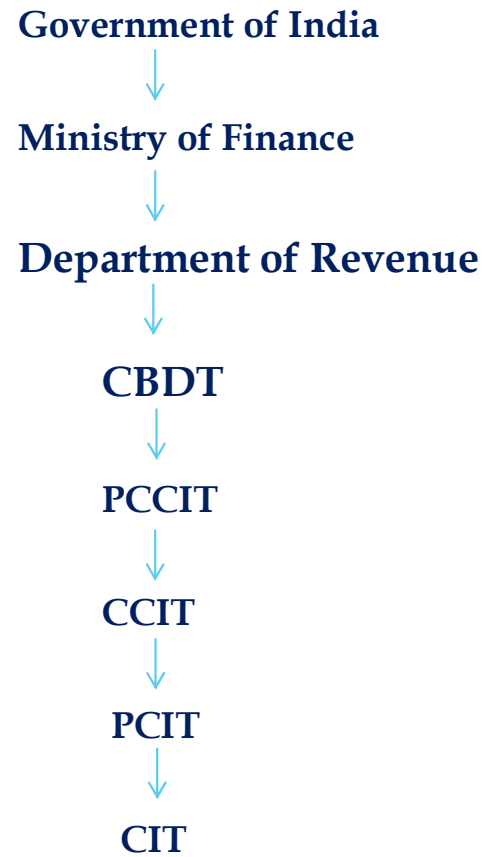
- ✓ Funding of public infrastructure
- ✓ Development and welfare projects
- ✓ Defense expenditure
- ✓ Research & Development
- ✓ Salaries to Government employees
- ✓ Operations & administration of the government entities
- ✓ Public transportation
- ✓ Unemployment benefits
- ✓ Pension schemes
- ✓ Law enforcement
- ✓ Public health
- ✓ Public Education
- ✓ Public utilities such as water, energy, and waste management systems



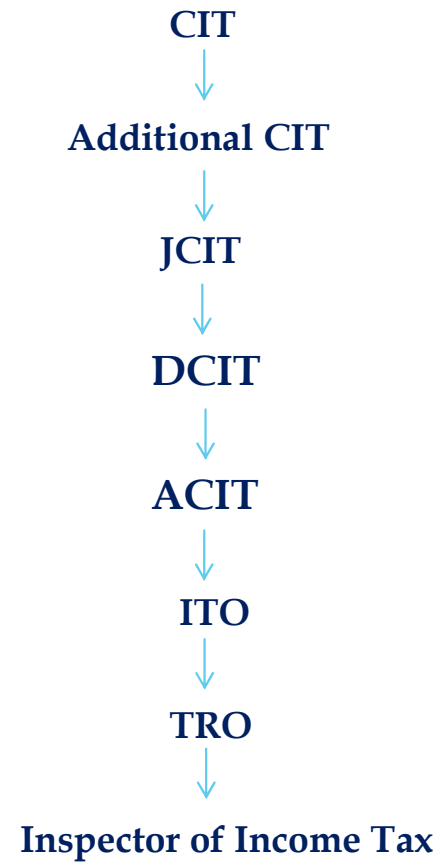
## **Benefits of Filing Income Tax Return: To the Assessee**

- ✓ Housing Loan Sanctions
- ✓ Proof of Income for Self-employed individuals
- ✓ Government tenders
- ✓ Carrying forward of losses:
- ✓ Claiming tax refunds
- ✓ High-cover life insurance
- ✓ Visa Approvals

## Administration / Hierarchy of Direct Taxes : Code - C PC PC AJD AI TI



## Administration/ Hierarchy of Direct Taxes : Code - C PC PC AJD AI TI





## Introduction to ITR Filing

- ❖ Who has to file the ROI ?
- **Every Company & Firm (including LLP):** Irrespective of Income / loss mandatorily they have to file the ROI on or before the due date specified u/s 139(1)
- **Other Assessee:** (Individual/HUF/AOP/BOI/AJP/LA): whose Total Income before giving Chapter VI-A Deductions & Exemptions u/s 54,54B,54D,54EC,54G,54GA & 54GB exceed Maximum amount not chargeable to income tax **{GTI >BEL}**

## Who is Compulsory required to file ROI ?

- ❖ **RBOR:** Compulsory required to file ROI (irrespective of his income/loss)
  - If he is a beneficial owner for any asset located outside India, including Financial interest (or)
  - he has a signing authority in any account located outside India (including a Bank account)

- ❖ **Remaining/ Other Assesses:**

- As per law he doesn't require to file ITR but, as per the seventh proviso to S.139(1) if

- (i) He has deposited an amount **more than 1 Crore** in aggregate in one or more current account maintained with a banking company or a co-operative bank; (or)

- (ii) He has incurred foreign travel expenditure of **more than Rs 2,00,000/-** for himself or any other person (or)

- (iii) He had incurred expenditure of an amount or aggregate of the amounts exceeding **Rs 1,00,000/-** towards consumption of electricity; (or)

- (iv) fulfils such other conditions as may be prescribed.

*{Added in FA 2019}*

## Due Dates for Filing ROI u/s 139(1)

- ❖ Transfer Pricing Audit u/s 92E - 30<sup>th</sup> Nov of AY
- ❖ Company
- ❖ Tax Audit cases
- ❖ Partner of firm (where firm a/c's are Tax Audit)
- ❖ Others: 31<sup>st</sup> July of AY

31<sup>st</sup> Oct of AY

{LA Finance Act, 2020}

### Note:

Filing of Tax Audit Report: 30<sup>th</sup> Sep of AY

## **Powers of CBDT u/s 119**

**U/s 119 CBDT has an exclusive powers to issue**

- ✓ Notifications
- ✓ Circulars
- ✓ Guidelines
  - From time to time
  - To clarify and remove the doubts of “Both”
- ✓ Assessee and
- ✓ A.O

### **Note:**

- ✓ Circulars issued by the CBDT is binding on AO but not on Assessee
- ✓ If it is favorable Assessee can adopt the same

## Types of ITR

### ITR-1:

- ✓ Name of the Form: SAHAJ
- ✓ Applicable for Individual only
- ✓ Salary / Pension + 1 HP + Other Sources + Agriculture Income up to Rs 5,000/-

*Note: This return is applicable for a Resident (other than Not Ordinarily Resident) Individual i.e., RBOR having Total Income from any of the following sources up to ₹ 50 lakh*

### ITR-2:

- ✓ Applicable for Individual & HUF
- ✓ Who is Not eligible to File ITR-1
- ✓ Ind / HUF having all incomes except Income under the head PGBP

## Types of ITR

### ITR-3:

- ✓ Applicable for Individual & HUF
- ✓ Who is Not eligible to File ITR-1, 2 & 4
- ✓ Individual / HUF having Income under the head **PGBP**

### ITR-4:

- ✓ Name of the Form: SUGAM
- ✓ Applicable for Individual / HUF / Firm (Other than LLP)
- ✓ Salary / Pension + 1 HP + Other Sources + Agriculture Income up to Rs 5,000/- + PGBP Income computed u/s 44AD / 44ADA / 44AE



## Types of ITR

### ITR-5: Applicable to

1. Firm
2. Limited Liability Partnership (LLP)
3. Association of Persons (AOP)
4. Body of Individuals (BOI)
5. Artificial Juridical Person (AJP) referred to in clause (vii) of Section 2(31)
6. Local Authority referred to in clause (vi) of Section 2(31)
7. Representative Assessee referred to in Section 160(1)(iii) or (iv)
8. Cooperative Society
9. Society Registered under Societies Registration Act, 1860 or under any other law of any State
10. Trust other than Trusts eligible to file Form ITR-7
11. Estate of Deceased Person
12. Estate of an Insolvent
13. Business Trust referred to in Section 139(4E) and Investment Fund referred to in Section 139(4F)

## Types of ITR

### ITR-6: Applicable to

- ✓ Indian Company
- ✓ Body corporate incorporated by or under the laws of country outside India
- ✓ Any institution, association or body, whether incorporated or not and whether Indian or Non-Indian which is declared by general or special order of the Board, to be Company, etc.

### ITR-7: Applicable to

- ✓ 139(4A) - Income derived from Property held under Trust wholly / in part for charitable or religious purposes
- ✓ 139(4B) - Chief Executive Officer of every Political Party
- ✓ 139(4C) - Various entities like Research Association, News Agency, etc. mentioned in Section 10
- ✓ 139(4D) - University, College or other Institution referred in Section 35

## Concept of ITR-7

### ITR-7: Applicable to

The Firms, Companies, Local authority, Association of Person (AOP) and Artificial Judiciary Person are eligible for filing Income Tax Return through ITR-7 Form if they are **claiming exemption** as one of the following categories:

- ❑ Under Section 139 (4A)- if they earn from a charitable /religious trust
- ❑ Under Section 139 (4B)- if they earn from a political party
- ❑ Under Section 139 (4C)- if they earn from scientific research institutions
- ❑ Under Section 139 (4D)- if they earn from university or colleges or institutions or khadi and village industries

## Concept of ITR-7

### Who are Not Eligible to File ITR 7 Form Online?

Taxpayers who are **not claiming** exemption under Section 139 (4A), Section 139 (4B), Section 139 (4C) or Section 139 (4D) are not liable to file ITR 7 Form for Income Tax Return.

### What is the Eligibility Criteria for Filing Online ITR 7 Form?

Any taxpayer can use the ITR-7 Form for filing Income Tax Return if they file as a Trust, Company, Firm, Local authority, Association of Person (AOP) or Artificial Judicial Person and claims exemption under Section 139 (4A), Section 139 (4B), Section 139 (4C) or Section 139 (4D).

## Concept of ITR-7

### What is the Last Date for Filing ITR 7 Form?

The due date for filing ITR-7 Form is different depending upon the audit of the accounts.

- ❑ Tax Assessee whose accounts are not required to be audited can file till 31st July 2022 for AY 2022-23
- ❑ while for audit cases, the due date is 31st October 2022 for FY 2021-22 (AY 2022-23)

## How to Download **ITR-7** from New Income Tax Portal: [www.incometax.gov.in](http://www.incometax.gov.in)

The screenshot displays the 'Downloads/Income Tax Returns' page on the Income Tax Portal. The page features a header with the portal's name, a navigation menu, and a search bar. The main content area is titled 'ITR 7' and provides information for persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) only. It lists various download options with their respective file sizes and release dates.

Download Option	File Size	Release Date
Utility	101.1 MB	19-Aug-2022
Utility Excel Based (Version 1.3)	4 MB	01-Aug-2022
Schema	44 KB	20-May-2022
Schema Change Document (Version 1.3)	170 KB	27-Aug-2022
Validations	565 KB	05-May-2022
ITR 7 Notified Form_AY 2022-23	1186 KB	25-Jul-2022



## **ITR-7**

ITR-7 Can be filed through

Online

(or)

Offline

### **Note:**

**Online:** Through IT Portal

**Offline:**

- ✓ First prepare in private software or Govt provided utility
- ✓ Generate Jason File
- ✓ Upload in the IT portal

**IMP:** Verification is mandatory in both the cases

## Concept of ITR-7

#	<p><b>Sec 139(4A): Return of Trust</b></p> <p>If total income before giving exemption u/s 11 &amp; 12 is more than basic exemption, then trust is required to file returns.</p> <p><b>Note :</b> If Trust file late return then penalty of 100 per day u/s 272 A for default period also applicable in addition to fess u/s 234F</p>
#	<p><b>Sec 139(4B): Return of political Party</b></p> <p>If total income before giving exemption u/s 13A more than basic exemption, then political party is required to File the return.</p>
#	<p><b>Sec 139(4C) : Returns of Hospitals, institutions etc.</b></p> <p>If total income before giving exemption u/s 10 more than Basic exemption, then Hospitals, Medical Institutions, infrastructure debt fund, mutual fund, securitisation Trust, Venture capital Co. Venture capital funds, research association, news agency, trade union, investor protection fund, fund for the welfare of employees and their dependents, core settlement guarantee fund are required to file return.</p> <p><b>Note :</b> If above institution file late return then penalty of 100 per day u/s 272A for default period also applicable in addition to fess u/s 234F</p>
#	<p><b>Sec 139(4D): College, University or Educational Institution.</b></p> <p>Approved u/s 35 - Return Filing is mandatory.</p>

## ITR-7 : Verification Process

One can verify the Income Tax Return through any of the following options:

1. I would like to e-Verify
2. I would like to e-Verify later within 120 days from the date of filing.
3. I don't want to e-Verify and would like to send a signed ITR-V through normal or speed post to

To,

Centralized Processing Center,

Income Tax Department,

Bengaluru - 560500

within 120 days from the date of filing.

Now, 'Submit' the ITR.

## ITR-7 : Verification Process

- Follow the following steps to proceed to E-verification on your return:
- On Choosing 'I would like to E-Verify' option, you can e-Verify through the following options. All you need to do is enter the EVC/OTP when asked for.
  1. EVC generated through bank ATM or Generate EVC option under My Account
  2. Aadhaar OTP
  3. Prevalidated Bank Account / Prevalidated Demat Account
- The EVC/OTP should be entered within 60 seconds else, the Income Tax Return (ITR) will be auto-submitted. You can verify the ITR later through your ITR login account. Just login and click on the 'My Account > e-Verify Return' option. You can also verify by sending a signed ITR-V to CPC, Bengaluru.

## Key aspects needs to consider while filing ITR-7

### Income related:

- ❖ **Form-26AS** : Downloaded from IT Portal
- ❖ **AIS**: Annual Information Statement
- ❖ **TIS**: Tax Payer Information Summary
- ❖ **Bank Statements**: Verify Credit amounts like House Rentals, Capital Gains etc.,
- ❖ **Capital Gain Statement**: Obtain from share broker like Share khan, Zerodha etc.,
- ❖ **Mutual Fund**: Sale summary Statements
- ❖ **Interest Income**
- ❖ **Dividend Incomes**

## Q&A

1. M/s. ABC trust running school, do they need to file ITR ?
2. What is the due date for the ABC trust if books of accounts are not required to be audited?
3. Can the trust earn dividend and interest income ?
4. Can ITR-7 filed by any one ?
5. If there is no receipts for a trust do they need to file ITR ?
6. If trust fails to file the return on or before the due date, what are the implications ?
7. Income from House Property is taxable or exempted to a political party ?
8. In order to claim exemption by the trust, under which section they need to register ?
9. Mr. X who donates Rs 10,000 to TTD can he eligible to claim deduction and under which section?
10. What is the maximum amount of cash donations allowed to claim under S.80G ?
11. What is the maximum amount of cash donations allowed to claim under S.80GGC ?





*{Arise, awake and stop not until the goal is reached}  
- Swami Vivekananda*



By

CA CMA Kedarnath

#9985162155

kedarnath.potnuru@gmail.com