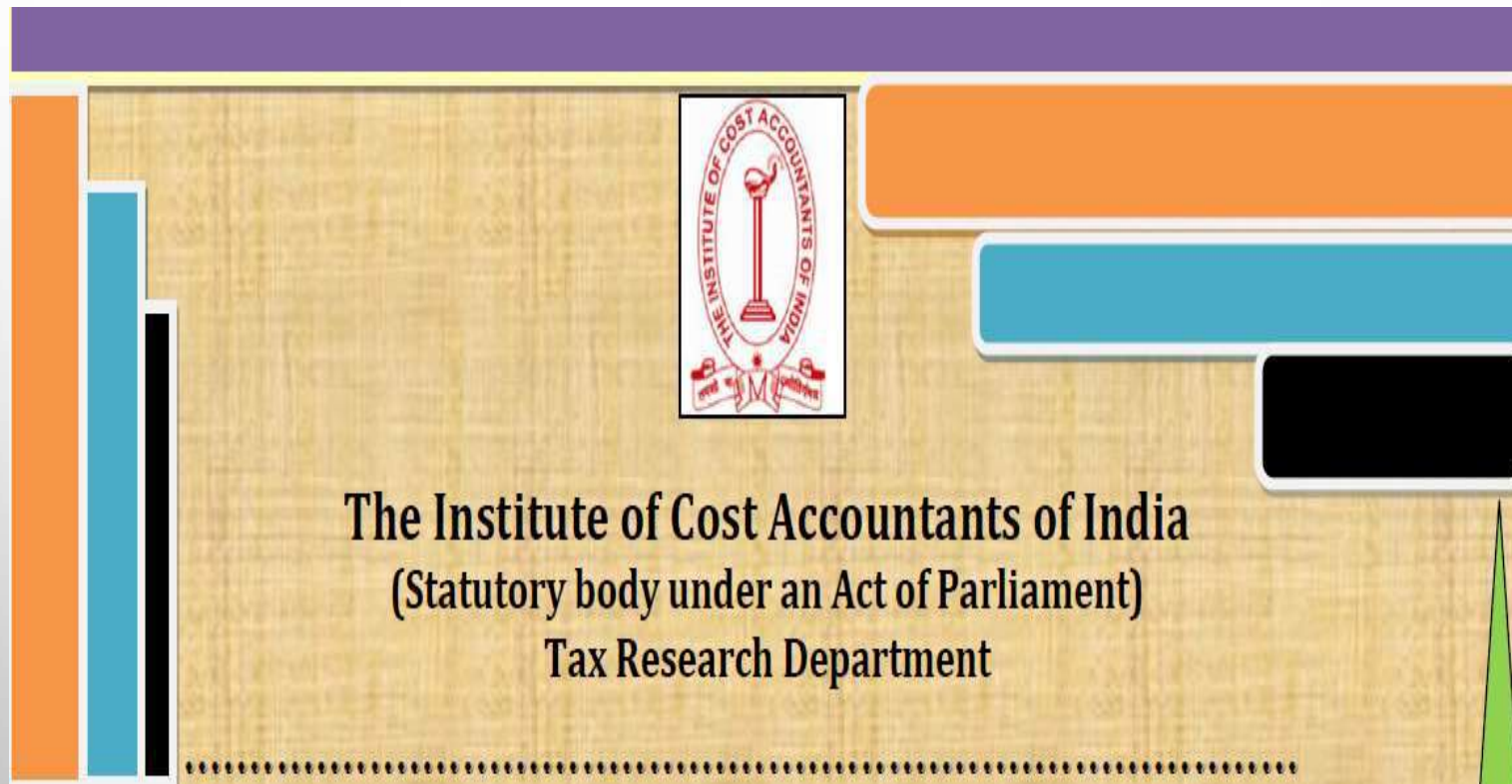




CMA KEDARNATH

HYDERABAD

ONLINE CERTIFICATE COURSE ON ITR FILING – CCITR-9TH BATCH



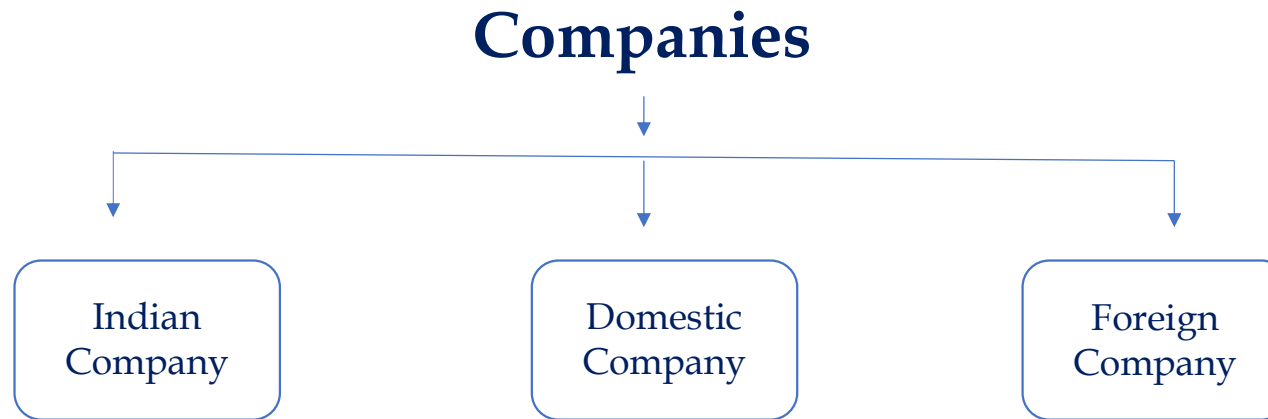
A SESSION ON FILING OF INCOME TAX RETURN : ITR - 6



Who is eligible to file ITR-6

- This Return Form can be used by a Company as per section 2(17) of the Income Tax Act, 1961
- As per section 2(17) of Income Tax Act, **company** means: -
 - ✓ Indian Company (Domestic Company)
 - ✓ Body corporate incorporated by or under the laws of country outside India
 - ✓ Any institution, association or body, whether incorporated or not & whether Indian or Non-Indian which is declared by general or special order of the board to be company, etc.
- ITR-6 is filed by company other than a company which is required to file return in Form ITR-7
- In Simple, Companies other than companies claiming exemption under section 11 of Income tax Act, 1961

Types of Companies as per IT Act:



Nutshell:

All Indian companies = Domestic companies

But

All Domestic companies \neq Indian Companies

Types of Companies:

❖ Indian Company:

Indian Co. means a “Company which is registered under the Co’s Act, 1956/2013”

❖ Domestic Company:

A domestic company is a company “which makes a prescribed and necessary arrangements for declaration of dividends in India” (even a co. incorporated outside India)

❖ Foreign Company:

A foreign company is a company which is not a domestic company.

Basic Concepts:

❖ **Indian Company S.2(26):** Indian company means a company registered in India

❖ **Domestic Company S.2(22A):**

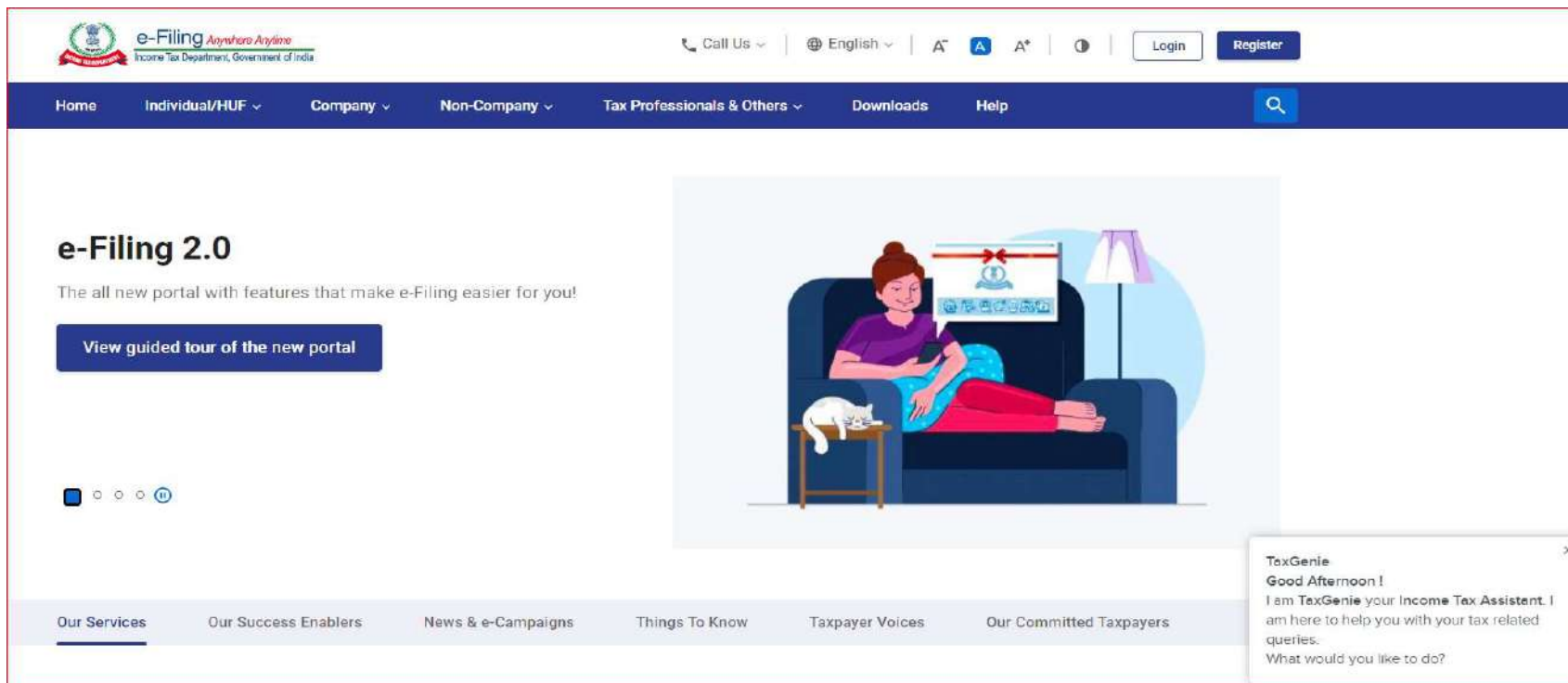
- ✓ A Domestic company means an **Indian company or any other company** which in respect of its income, liable to tax under the Income-tax Act, 1961
- ✓ And has made the prescribed arrangements for the declaration and payment of **dividends** within India,
- ✓ Thus, all Indian Company are treated as Domestic Company but all Domestic Company are not Indian Company.

❖ **Foreign Company S.2(23A):**

- ✓ Foreign company means a company which is not a domestic company, i.e. a company registered outside India in any other foreign country.
- ✓ The Foreign Company may be treated as Domestic Company **if such company makes prescribed arrangement** in India for declaration and payment of **dividends** within India

Manner of Filing ITR-6

- Electronically through e-filing Portal
- The new Income Tax Portal (i.e., 2.0) : www.incometax.gov.in
- Digitally Signed with DSC Key of the Authorized signatory



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

❖ Transfer Pricing Audit u/s 92E - 30th Nov of AY

❖ Company

❖ Tax Audit cases

❖ Partner of firm (where firm a/c's are Tax Audit)



31st Oct of AY

{LA Finance Act, 2020}

❖ Others: 31st July of AY

Note:

Filing of Tax Audit Report: 30th Sep of AY

Rule - 12

Rule 12(1) Explains the “Form of Return of Income” i.e., ITR-1 / 2 / 3 / 4 / 5 etc., ...

Rule 12(2) provides that returns shall **not** be accompanied by

- Any statement showing the computation of the tax payable, or
- Proof of the tax TDS / TCS / advance tax / tax on self-assessment, if any paid or
- Any document or copy of any account

Rule - 12

Rule 12(3) explains Manner of Furnishing Return of Income

❑ **Companies** = Electronically + DSC

❑ **Individual / HUF**

✓ Having Tax Audit u/s 44AB = Electronically + DSC

✓ Individual / HUF = Electronically + DSC (or) EVC

✓ Individual whose Age > 80 Years: Electronically (or) **Paper mode** + DSC (or) EVC

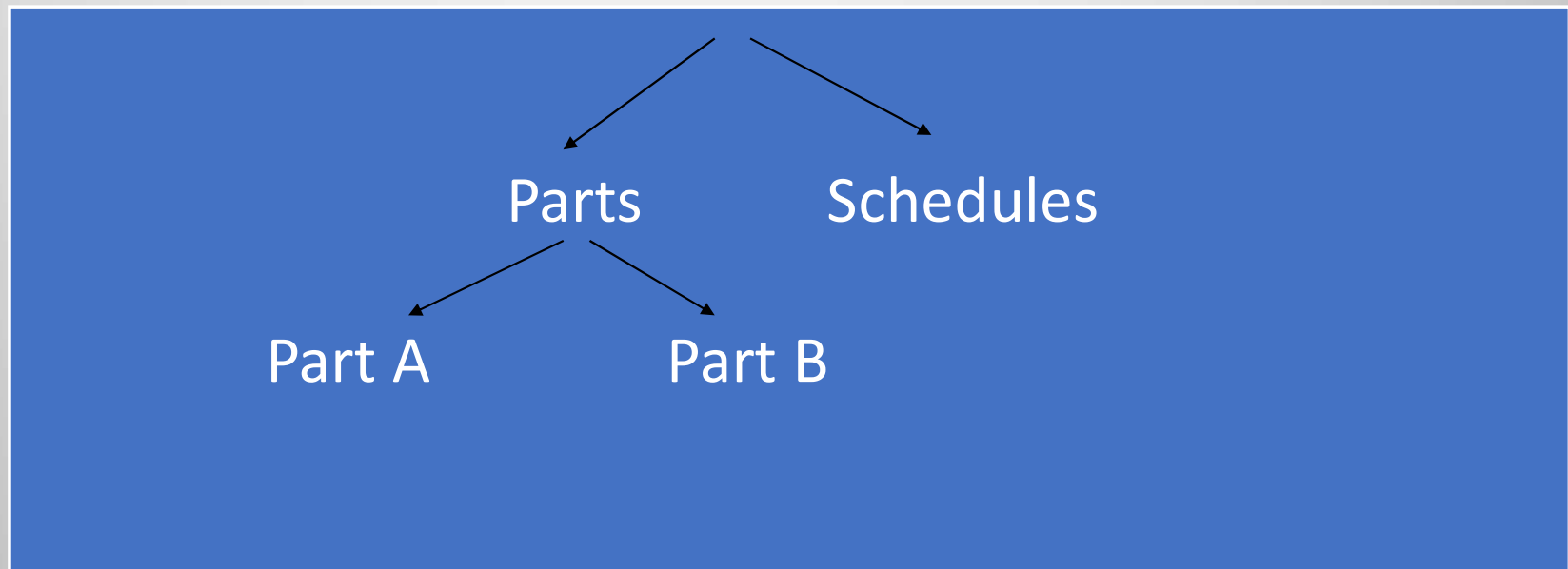
❑ **Person required to File ITR-7:** Electronically + DSC (or) EVC

❑ **Firm/LLP:**

✓ Having Tax Audit u/s 44AB = Electronically + DSC

✓ Other Cases = Electronically + DSC (or) EVC

Structure of ITR-6




Part-A : General information

- BS: Balance Sheet as on 31st March 2023
- BS-Ind AS: Balance Sheet as on 31st March 2023 or as on the date of the business combination
- Manufacturing Account for the financial year 2022-23
- Trading Account for the financial year 2022-23
- P&L: Profit and Loss Account for the financial year 2022-23
- Manufacturing Account-Ind AS: Manufacturing Account for the financial year 2022-23
- Trading Account Ind-AS: Trading Account for the financial year 2022-23
- P&L Ind-AS: Profit and Loss Account for the financial year 2022-23
- OI: Other information
- QD: Quantitative details
- OL: Receipt and payment account of company under liquidation
- Schedules as mentioned below

Key Changes in ITR-6

- ❖ In case of domestic company, the rate of income-tax for the FY 2022-23 shall be **25%** of the total income,
- ❖ If the total turnover or gross receipts of the previous year 2020-21 does not exceed 400 Crores rupees.
- ❑ In AY 2020-21 , the threshold limit for a person **carrying on business** was increased from **1 crore** rupees to **5 crore** rupees in cases where the cash receipts or payments by a business don't exceed 5% of the such receipts or such payments,
- ❑ However in AY 2021-22 , the limit of 5 crore rupees is increased to **10 crore** rupees

IMP Points:

- CIN: Refer MCA portal
 - 92CD: If this is a modified return, filed in accordance with an Advanced Pricing Agreement (APA)
 - S.115BA: 25% Tax Rate + Form - 10 IB
 - S.115BAA: 22% Tax Rate + Form - 10 IC
 - S.115BAB: 15% Tax Rate + Form - 10 ID
- 
- Filed on or before 139(1) due date
- These forms filed only in the First year of opting the scheme
 - NR - Permanent Establishment
 - If liable to furnish other audit report under the Income-tax Act: S.10AA / 50B / 80-IA / 80 JJ AA

Part-A Balance Sheet

- ❖ Fill the details of the Balance Sheet items as on 31st March, 2022
- ❖ If you are domestic company **and** is liable to maintain books of accounts as per section 44AA, then it is **mandatory** to fill
 - *Balance sheet and*
 - *Manufacturing or*
 - *Trading or profit & loss account as applicable,*
- ❖ Otherwise the return will be treated as *defective* u/s 139(9) of the Act.
- ❖ **Part A-BS – Ind AS:**
 - *Applicable for a company whose financial statements are drawn up in compliance to the Indian Accounting Standards specified in Annexure to the companies (Indian Accounting Standards) Rules, 2015*

Part-A: Compulsory Books of Accounts

In case Regular Books of *accounts* are ***maintained*** u/s 44AA

- ☐ *Manufacturing Account : fill items 1 to 3*
- ☐ *Trading Account : fill items 4 to 12*
- ☐ *P&L A/c: fill items 13 to 60*

Section 44AA:

- ✓ Specified Profession: If Gross Receipts > Rs 1,50,000/- (3 PPY's)

Other Assessee (Business):

- ✓ If PGBP Income > Rs 1,20,000 & Turnover > Rs 10,00,000 (3 PPY's)
- ✓ Individual & HUF if PGBP Income > Rs 2,50,000 & Turnover > Rs 25,00,000 (3 PPY's)
- ✓ S.271A: If Assessee fails to maintain books of accounts Rs 25,000 penalty may attract.

Part-A: Not Compulsory Books of Accounts

In case Regular Books of *accounts* are **NOT maintained** u/s 44AA

Fill Items 61 to 62

61. Computation of presumptive income from goods carriages under section 44AE

- ✓ Presumptive income u/s 44AE for the goods carriage
- ✓ Computed @ Rs.1000 per ton per month in case tonnage exceeds 12MT, or else @ Rs.7500 per month or
- ✓ The amount claimed to have been actually earned,
- ✓ Whichever is higher

NOTE:

- ✓ *If the profits are lower than prescribed under S.44AE (or) the number of goods carriage owned / leased / hired at any time during the year **exceeds 10**, then ,*
- ✓ *it is mandatory to maintain books of accounts and*
- ✓ *have a tax audit under section 44AB*

Part-A: Not Compulsory Books of Accounts

In case Regular Books of *accounts* are **NOT maintained** u/s 44AA

Fill Items 61 to 62

62. In case of Foreign Company whose total income comprises solely of profits and gains from business referred to in sections 44B, 44BB, 44BBA or 44BBB, furnish the following information

Gross receipts / Turnover ***

Net profit ***

Note: NR Carrying PGBP & Offering under presumptive basis on Income

S.44B: Shipping Business – **7.50%** of Gross Receipts

S.44BB: Exploration of mineral oil etc., - **10 %** of Gross Receipts

S.44BA: Operation of Aircraft - **5 %** of Gross Receipts

S.44BBB: Civil constructions etc., in Turnkey projects - **10 %** of Gross Receipts

Part-A – OI & QD & OL

- ❖ **Other Information** : *mandatory, if liable for audit under section 44AB, for other fill, if applicable*
- ❖ **QD (Quantitative details)** : *mandatory, if liable for audit under section 44AB*
- ❖ **OL: Receipt and payment account of company *under liquidation*:** in case of company under liquidation

Clarifications:

- **Insurance Agent** can follow Cash / Accrual method of Accounting:
- If the commission reflects in the Form - 26AS we need to offer for the same year
- TDS should not claimed

❖ **Audit to a S.8 Company / Trust Registered u/s 12AA**

- ❑ Section 12A states **two conditions** for availing the exemption available under the Act,
- ❑ The first condition is regarding registration
- ❑ The second condition is regarding audit by qualified chartered accountant.
- ✓ It means audit is pre-requisite for claiming exemption under section 11 and 12,
- ✓ Where the total income of the trust computed without giving effect to the provisions of section 11 and 12 exceeds Rs 2,50,000 in any previous year, then the accounts of the trust for that year should be audited by a Chartered Accountant.
- ✓ Form - ITR-6 (or) 7
- ✓ Rates: <https://www.incometax.gov.in/iec/foportal/help/non-company/return-applicable-0#taxslabs>

Clarifications:

❖ Audit to a S.8 Company / Trust Registered u/s 12AA

- ✓ Trust Registered u/s 12AA = Individual Tax Rates
- ✓ Trust NOT Registered u/s 12AA = Considered as AOP & Tax Rate: 30%

12AA Trust Registered

- ✓ Audit Compulsory
- ✓ Form – 10B
- ✓ If Exceed > 2,50,000/-
- ✓ Form – 7 (including Section 8 companies)

12AA NOT Trust Registered

- ✓ Audit NOT Compulsory , because 30% Tax Rate
- ✓ Form – 10B
- ✓ If Exceed > 2,50,000/-
- ✓ Form – 5

Part-B:

- ❑ **TI: Computation of Total Income**
- ❑ **TTI: Computation of Tax Liability on Total Income**
- ❑ **Tax Payments**

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)
- 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: Details of unabsorbed depreciation and allowance under section 35(4)
- 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 donations 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 or 80IE: Computation of deduction under section 80IC or 80 IE
- Schedule-VIA: Statement of deductions (from total income) under Chapter VIA.
- Schedule-SI: Statement of income which is chargeable to tax at special rates
- Schedule PTI: Pass through income details from business trust or investment fund
- Schedule-EI: Statement of Income not included in total income (exempt incomes)
- Schedule-MAT: Computation of Minimum Alternate Tax payable under section 115JB
- Schedule-MATC: Computation of tax credit under section 115JAA

- Schedule BBS: Details of tax on distributed income of domestic company on buy back of shares, not listed on stock exchange
- 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: Summary of tax relief claimed for taxes paid outside India
- Schedule FA: Details of Foreign Assets and income from any source outside India
- Schedule SH-1: Shareholding of unlisted company
- Schedule SH-2: Shareholding of Start-ups
- Schedule AL-1: Assets and liabilities as at the end of the year
- Schedule AL-2: Assets and liabilities as at the end of the year (applicable for start-ups only)
- 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
- Schedule GST: Information regarding turnover/gross receipt reported for GST
- Schedule FD: Break-up of payments/receipts in Foreign currency

ITR-6 : Verification Process

ITR-6 can be verified through DSC only & the following procedure adopted

- ❖ DSC key is mandatory for e-verification
- ❖ DSC of the one of the Director is required
- ❖ Such DSC must be registered in the individual IT logins
- ❖ After successful registering Individual IT logins, again in the Company logins register with same DSC
- ❖ Then we can eligible to sign and file the ITR-6

LA: Returns filed on or after 01.08.2022 the time limit reduced to **30 Days** to e-verify the return either online or offline.

Steps to be followed for Digital Sign of ITR-6:

- Login into the IT Portal using the User ID (PAN of the Company) & Password
- Add Directors names in the portal
- Select any one or more directors as Authorized Signatory
- Authorized Signatory should possess a valid DSC
- The DSC first added in the “Director Logins” as “Add DSC”
- Then only it will be signed for the company ITR Acknowledgement Copy
- E-verification will be done
- ✓ with in 120 days for the returns filed up to **31.07.2022**
- ✓ with in 30 days for the returns filed from **01.08.2022** onwards

Key aspects needs to consider while filing ITR

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
- ❖ High value transactions
- ❖ Transactions between company and Share holders / Directors / Stake Holders

Q&A: ITR-6

1. M/s. ABC Pvt Ltd is holding 65% stake in the XYZ Pvt Ltd, now we are filling ABC Pvt Ltd ITR-6, Do we require to give details of XYZ Pvt Ltd ?
2. Does ITR-6 is applicable to Foreign Companies ?
3. LMN Pvt Ltd incurred ROC charges of Rs 35,000/- and no business operations started for the FY 2021-22, do they required to file IT Return?
4. Income earned by the Mr. Mukesh Ambani who is a Director of Reliance, under which head the income would be taxable to Mr. Mukesh Ambani?
5. What is the full form of CIN and its implication?
6. What is the meaning of De-merger?
7. Particulars of persons who were **beneficial owners of shares holding not less than ****% of the voting power** at any time of the previous year (5% or 10% or 15% or 20%)
8. What is the rate of depreciation for laptop?
9. Depreciation rate for Furniture?
10. Depreciation rate for Intangible Assets?

Q&A:

1. In case Plant and Machinery for Rs 10,00,000/- is purchased on 01.01.2022 and put to used on same date, what is the eligible amount of depreciation for the FY 2021-22?
2. Rate of depreciation on Buildings?
3. Can we c/f business losses and how many years we can do the same?
4. Income Tax Rate of Short Term Capital Gain on listed securities?
5. Income Tax Rate of Short Term Capital Gain on other than listed securities?
6. What is the deduction u/s 80TTA available?
7. What is the deduction u/s 80D available?
8. What extent we can make payment of donations in cash?
9. Mr. X received an amount of Rs 60,000 as a cash gift from his friends on the occasion of his Birthday, what is the amount taxable?
10. Mr. K is a CA who received honorarium of Rs 15,000/- for doing observer in CA exams under which head it is taxable?



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Thank you

By
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