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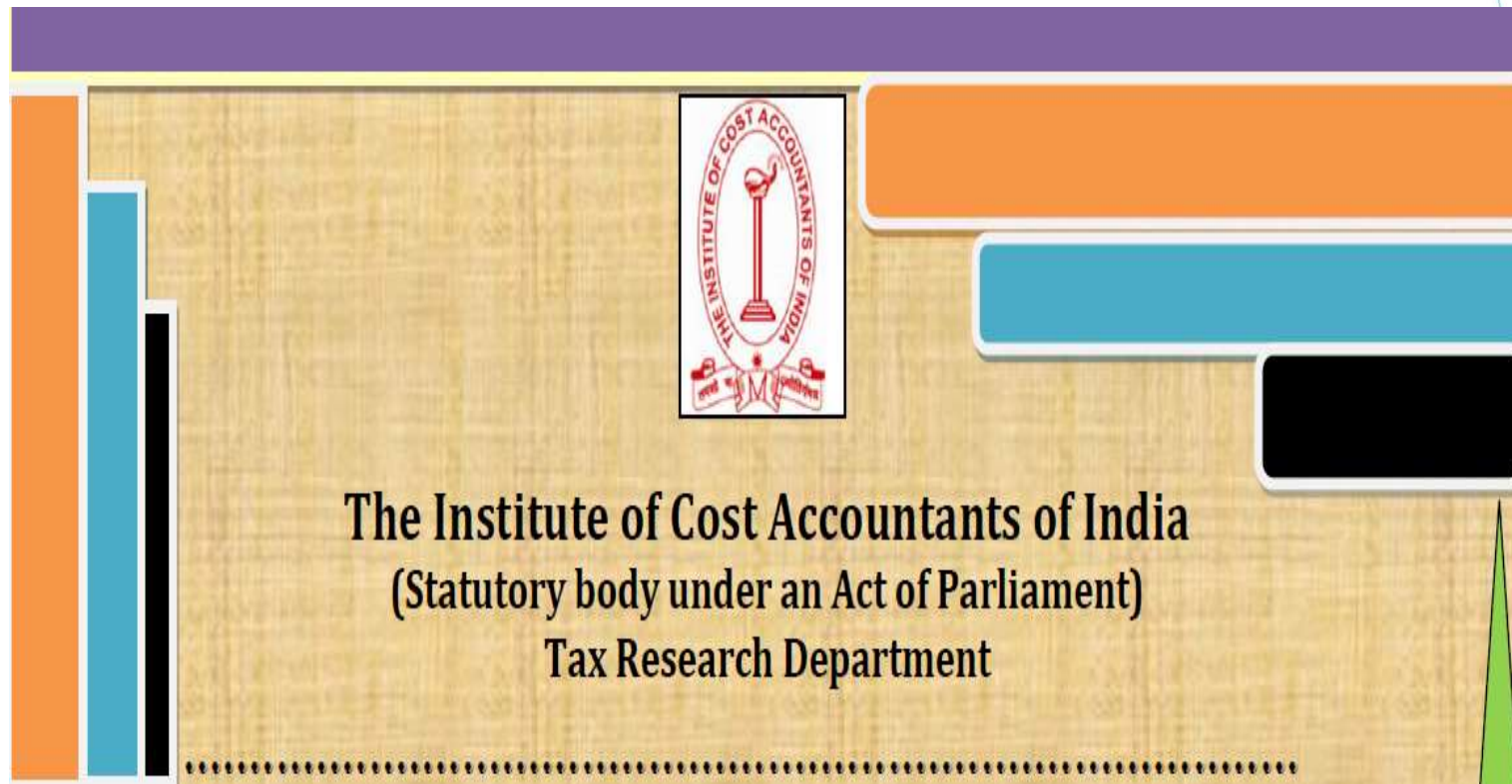
CA CMA Kedarnath

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Hyderabad

21-Jan-21

## ONLINE CERTIFICATE COURSE ON ITR Filing – 5<sup>th</sup> Batch



## ONLINE CERTIFICATE COURSE ON ITR Filing – 5<sup>th</sup> Batch



## 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
  - ✓ Tax Payable
  - ✓ TDS
  - ✓ TCS

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

- ✓ Funding of public infrastructure
- ✓ Development and welfare projects
- ✓ Defense expenditure
- ✓ Scientific research
- ✓ Salaries of state and government employees
- ✓ Operations of the government
- ✓ 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**

- ✓ Loan approvals
- ✓ Visa applications:
- ✓ Self-employed individuals
- ✓ Government tenders:
- ✓ Carrying forward of losses:
- ✓ Claiming tax refunds:
- ✓ High-cover life insurance:

## 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}**
- **Q&A:**
- 1. Mr. Siva age is 30 years whose Gross Total Income is Rs 3,50,000/- does Siva required to file IT Return ?
- 2. M/s ABC Partnership firm suffered with Rs 1,00,000 loss during the FY 2020-21, does it require to file ROI ?
- 3. Mr Ram Gopal aged 85 years whose Gross Total Income is Rs 4,95,000/- does he require to file ?
- XYZ Pvt Ltd earned an amount of Rs 10,000/- as Net Profit from the business, does it require to file ROI ?



## 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)

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

[LA Finance Act, 2020]

❖ Others: 31<sup>st</sup> July of AY

**For AY 2021-22 i.e., FY 2020-21 Extended Due Dates as follows:**

T.P: 31<sup>st</sup> Dec 2021

Tax Audit: 30<sup>th</sup> Nov 2021

Others: 30<sup>th</sup> Sep 2021

## **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

## Circular No.08/2021 issued by CBDT u/s 119

Circular No. 08 /2021

**F.NO.225/49/2021/ITA-II**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**

New Delhi, Dated 30<sup>th</sup> April, 2021

**Subject: Extension of time lines related to certain compliances by the Taxpayers under the Income-tax Act 1961**

1. In view of severe pandemic, the Central Board of Direct Taxes, in exercise of its powers under Section 119 of the Income-tax Act, 1961, provides following relaxation in respect of Income-tax compliances by the taxpayers:

a) Appeal to Commissioner (Appeals) under Chapter XX of the Income-tax Act, 1961 for which the last date of filing under that Section is 1<sup>st</sup> April 2021 or thereafter, may be filed within the time provided under that Section or by 31<sup>st</sup> May 2021, whichever is later;

b) Objections to Dispute Resolution Panel (DRP) under Section 144C of the Income-tax Act, 1961, for which the last date of filing under that Section is 1<sup>st</sup> April 2021 or thereafter, may be filed within the time provided under that Section or by 31<sup>st</sup> May 2021, whichever is later;

c) Income-tax return in response to notice under Section 148 of the Income-tax Act, 1961, for which the last date of filing of return of income under the said notice is 1<sup>st</sup> April 2021 or thereafter, may be filed within the time allowed under that notice or by 31<sup>st</sup> May 2021, whichever is later;

d) Filing of belated return under sub-section (4) and revised return under sub-section (5) of Section 139 of the Income-tax Act, 1961 for Assessment Year 2020-21, which was required to be filed on or before 31<sup>st</sup> March 2021, may be filed on or before 31<sup>st</sup> May 2021;

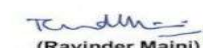
e) Payment of tax deducted under Section 194-IA, Section 194-IB and Section 194M of the Income-tax Act, 1961 and filing of challan-cum-statement for such tax deducted, which are required to be paid and furnished by 30<sup>th</sup> April 2021 under Rule 30 of the Income-tax Rules, 1962, may be paid and furnished on or before 31<sup>st</sup> May 2021;

f) Statement in Form No. 61, containing particulars of declarations received in Form No.60, which is due to be furnished on or before 30<sup>th</sup> April 2021, may be furnished on or before 31<sup>st</sup> May 2021.

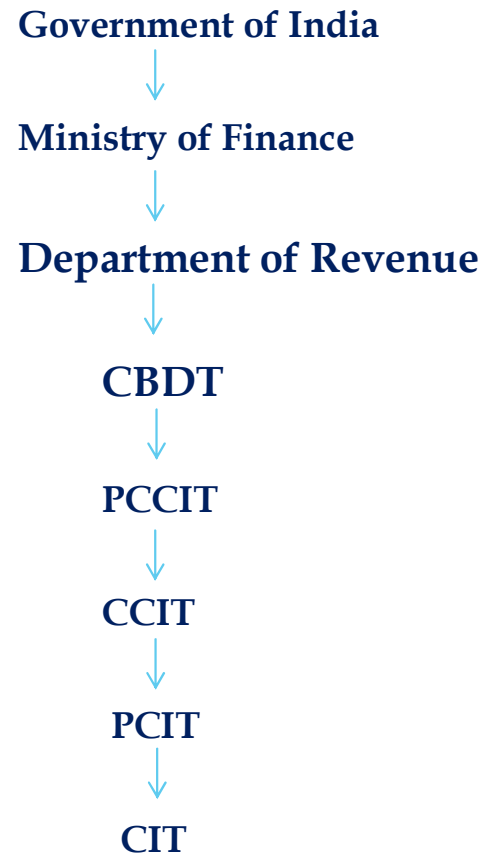
  
**(Ravinder Maini)**  
**Director to the Government of India.**

**Copy to:**

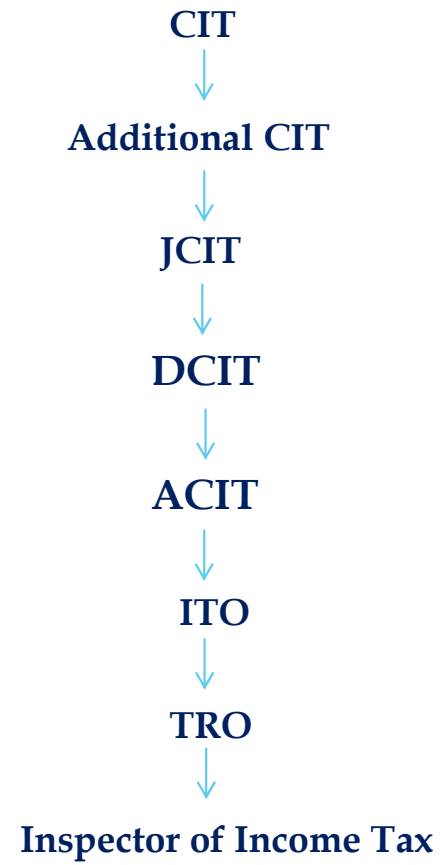
1. PS to F.M./PS to MoS (F).
2. PS to Revenue Secretary.
3. Chairman (CBDT) & All Members of CBDT.
4. All Pr. CCsIT/CCsIT/Pr. DGsIT/DGsIT.
5. All Joint Secretaries/CsIT, CBDT.
6. Directors/Deputy Secretaries/Under Secretaries of CBDT.
7. Web Manager, with a request to place the order on official Income-tax website.
8. CIT (M&TP), Official Spokesperson of CBDT with a request to publicize widely.
9. JCIT, Data Base Cell for placing it on [irsOfficersonline.gov.in](http://irsOfficersonline.gov.in).
10. The Institute of Chartered Accountants of India, IP Estate, New Delhi.
11. All Chambers of Commerce.
12. The Guard File.

  
**(Ravinder Maini)** 30/04/2021  
**Director to the Government of India.**

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



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



## 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 **NOT** having 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

### ITR-3 : Additional Conditions for Applicability

If the total income chargeable to tax does not exceed the basic exemption limit but any of the following conditions are satisfied, then the taxpayer needs to file **ITR-3**:

- ✓ The taxpayer holds the position of a **director** in a Company
- ✓ Taxpayer holds an Investment in **unlisted equity shares** at any point of time during the financial year
- ✓ The taxpayer is a **partner** in a firm and has income from the firm
- ✓ Deposit of amount or aggregates of amount exceeds **Rs 1 crore** in one or more current accounts held by the taxpayer
- ✓ The taxpayer incurs an expense for **travel to a foreign country** for yourself or any other person. The total amount of expense exceeds Rs. 2 lakhs
- ✓ The taxpayer incurs an expense on the **consumption of electricity** of an amount exceeding Rs. 1 lakh.
- ✓ Tax Payer can also file income from salary or pension, house property, and other sources along with income from business and profession under ITR-3

## ITR-3

### Who cannot file ITR 3 for the AY2020-21?


- An individual taxpayer and HUF who is eligible to file
- ITR 1 Sahaj,
- ITR 2, or
- ITR 4 Sugam
- **cannot file ITR 3.**
- In such a case the Assessee needs to file ITR 1 Sahaj, ITR 2, or ITR 4 Sugam as applicable according to the conditions.

## Q&A

1. Mr. A is a retired Govt employee and he receives pension from the Govt, also he has Bank FD's and earns interest income, which ITR is applicable to Mr. A?
2. Mr. X has income from Salary as well as he is doing part time business, which ITR is applicable to him ?
3. Mr. Y wants to file ITR-3, where as he is having income from House Properties and Capital Gains, can he file ITR-3?
4. M/s LMN Pvt Ltd company wants to file ITR and they don't have any income during the FY 2020-21, suggest them whether they need to file IT Return or not? If yest suggest ITR No.?
5. M/s ABC LLP wants to file the IT Return, which ITR is applicable to them?
6. TTD wants to file IT Return suggest the applicable ITR?
7. Mr. K is a Chartered Accountant, which ITR is applicable to him?
8. Which ITR applicable to AOP / BOI?
9. What is the maximum amount of deduction can be claimed u/s 80C?
10. Mr. X paid an amount of Rs 15,000/- for health insurance of self and the payment done in the form of Cash mode, what is the eligible amount of deduction u/s 80D?
11. What is the amount of standard deduction eligible for a salaried employee?

## How to Download **ITR-3** from New Income Tax Portal: [www.incometax.gov.in](http://www.incometax.gov.in)

https://www.incometax.gov.in/iec/foportal/downloads/income-tax-returns

 **e-Filing** *Anywhere Anytime*  
Income Tax Department, Government of India

Call Us | English | A | A+ | Login | Register

Home Individual/HUF Company Non-Company Tax Professionals & Others **Downloads** Help

### Downloads

Income Tax Returns

DSC Management Utility

Assessment Year \*  
**2021-22**

[Read General Instructions](#)

- > Common Offline Utility (ITR 1 to ITR 4)
- > Common Offline Utility (ITR 5 to ITR 7)
- > ITR 1
- > ITR 2
- ▼ **ITR 3**
  - For individuals and HUFs having income from profits and gains of business or profession
  - [Instructions](#) (1098 KB)
  - [Schema](#) (76 KB)
  - Date of first release of JSON Schema 17-May-2021
  - [Validations](#) (680 KB)

## ITR-3

ITR-3 Can be filed through

Excel based Utility

(or)

Java based Utility

### Steps:

Fill the Data

Validate each sheet

Save Draft

Then prepare **XML** document &

Upload the XML document in the IT Portal

Verification



## Structure of ITR-3 :

PART A- General	Personal Info., Filing Status, Audit Info	Details of Personal Information and filing status
Nature Of Business	Nature Of Business	Nature of business or profession, if more than one trade name
Part A – BS	Part A-BS	Balance Sheet as on 31st Day of March 2020 (fill items 1 to 5 in a case where regular books of accounts are maintained, otherwise fill item 6)
Manufacturing Account	Schedule Manufacturing Account	Manufacturing Account for the financial year 2019-20 (fill items 1 to 3 in a case where regular books of accounts are maintained, otherwise fill items 61 to 64 as applicable)
Trading Account	Schedule Trading Account	Part A-Trading Account -Trading Account for the financial year 2019-20 (fill items 4 to 12 in a case where regular books of accounts are maintained, otherwise fill items 61 to 64 as applicable)
Profit and Loss	Part A-P & L	Profit and Loss Account for the previous year 2019-20(fill items 1 to 52 in a case where regular books of accounts are maintained, otherwise fill item 53)

## Structure of ITR-3 :

Part A – OI	Part A -OI	Other Information (optional in a case not liable for audit under section 44AB)
Quantitative Details	Part A-QD	Quantitative details (optional in a case not liable for audit under section 44AB)
Schedule S	Schedule S	Details of Salary
House Property	Schedule HP	Details of Income from House Property
BP	Schedule BP	Computation of income from business or profession
DPM – DOA	Schedule DPM, Schedule DOA	Depreciation on Plant and Machinery, Depreciation on other assets
DEP_DCG	Schedule DEP, Schedule DCG	Summary of depreciation on assets, Deemed Capital Gains on sale of depreciable assets
ESR	Schedule ESR	Deduction under section 35
CG	Schedule CG	Details of income under the head Capital Gains
Schedule 112A	Schedule 112A	LTCG on sale of listed equity shares, equity-oriented mutual funds, and business trust

## Structure of ITR-3 :

Schedule 115AD(1)(iii) proviso		Non Resident Indian- LTCG on sale of listed equity shares, equity-oriented mutual funds, and business trust
OS	Schedule OS	Income from other sources
CYLA – BFLA	Schedule CYLA, Schedule BFLA	Details of Income after set-off of current years losses, Details of Income after Set off of Brought Forward Losses of earlier years
CFL	Schedule CFL	Details of Losses to be carried forward to future Years
Unabsorbed Depreciation	Schedule UD	Unabsorbed depreciation and allowance under section 35(4)
ICDS	Schedule ICDS	Effect of Income Computation Disclosure Standards on profit
10AA	Schedule 10A, 10AA, 10B,10B	Deduction under section 10A, Deduction under section 10AA
80G	<u>Schedule 80G</u>	Details of donations entitled for deduction under section 80G
80D	<u>Schedule 80D</u>	Details of health insurance for deduction under Section 80D

## Structure of ITR-3 :

RA	Schedule 80RA	Details of donations to research associations etc.
80	Schedule 80-IA, IB, IC	Deductions under section 80-IA, Deductions under section 80-IB, Deductions under section 80-IC
VI-A	Schedule VIA	Deductions under Chapter VI-A
SPI-SI-IF	Schedule SPI, Schedule SI, Schedule IF	The income of specified persons (spouse, minor child, etc.) includable in the income of the assessee, Income chargeable to Income tax at special rates IB, Information regarding partnership firms in which you are a partner
AMT	Schedule AMT	Computation of Alternate Minimum Tax payable under section 115JC
AMTC	Schedule AMTC	Computation of tax credit under section 115JD
EI	Schedule EI	Details of Exempt Income (Income not to be included in Total Income)
PTI	Schedule PTI	Pass-Through Income details from business trust or investment fund as per section 115UA, 115UB
TPSA	Schedule TPSA	Schedule for Transfer Pricing Secondary Adjustment

## Structure of ITR-3 :

FSI	Schedule FSI	Details of Income from outside India and tax relief
TR_FA	Schedule TR, Schedule FA	Summary of tax relief claimed for taxes paid outside India, Schedule FA Details of foreign assets
Sch 5A	Schedule 5A	Information regarding apportionment of income between spouses governed by Portuguese Civil Code
AL	Schedule AL	Asset and Liability at the end of the year (other than those included in Part A – BS)
DI	Schedule DI	Schedule for Details of investment
GST	Schedule GST	Information regarding turnover/ gross receipt reported for GST
Part B – TI TTI	Part B-TI, Part B-TTI	Computation of total income
IT	Tax Payments	Details of payments of Advance Tax and Self-Assessment Tax
TDS	Tax Payments(TDS1, TDS2, TDS3)	Details of Tax Deducted at Source from SALARY, Details of <u>Tax Collected at Source</u>
Verification	Verification	Verification of the income tax return alternatives



## ITR-3 : 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 "Centralized Processing Center, Income Tax Department, Bengaluru - 560500" within 120 days from the date of filing.
- Click on the 'Preview and Submit' button to preview and verify all the details before finally submitting ITR 3.
  - Now, 'Submit' the ITR.
- 
- **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
  4. 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.





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



By

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