



Income Tax Department

Ministry of Finance, Government of India

Return of Income

INCOME-TAX RETURN

FILING OF INCOME-TAX RETURN BY AN INDIVIDUAL OR HUF

Individuals and HUFs is required to file an Income-tax return if their income before claiming specified exemptions or deductions exceeds the maximum exemption limit. Filing is mandatory in certain cases even if income is below the exemption limit, such as foreign assets ownership or high-value transactions.

Mandatory Filing Scenarios

- 1. Income Exceeds Exemption Limit:** If the total income of an individual or HUF, before claiming the following deductions or exemptions, is more than the basic exemption limit:
 - Deduction under Section 10A, 10B, 10BA
 - Exemption under section 54, 54B, 54D, 54EC, 54F, 54G, 54GA or 54GB
 - Deduction under Section 80C to 80U
- 1. Foreign Assets:** Any resident individual who has or is a beneficiary of any asset or financial interest abroad, or if he has signing authority in any overseas bank account.
- 2. High-Value Transactions:**
 - Deposits over Rs. 1 crore in current accounts.
 - Foreign travel expenses exceeding Rs. 2 lakh.
 - Electricity bills exceeding Rs. 1 lakh.
 - Business turnover above Rs. 60 lakh.
 - Gross receipts from the profession above Rs. 10 lakh.
 - TDS/TCS aggregating Rs. 25,000 or more (Rs. 50,000 or more for senior citizens).
 - Deposits exceeding Rs. 50 lakh in savings accounts.

Exemptions from Filing

- Residents aged 75+ with only a pension and interest income from a scheduled bank (Section 194P compliance required).
- Non-residents in specified cases.

Due Dates for Filing Income Tax Returns (ITR)

Situations	Due date for filing of return
If Individual or HUF is required to furnish a report of Transfer Pricing (TP) Audit in Form No. 3CEB	30 th November
If an Individual or HUF is a partner in a firm who is required to furnish a report of Transfer Pricing (TP) Audit in Form No. 3CEB	30 th November
If an Individual is a spouse of a person, being a partner in a firm required to furnish a report of Transfer Pricing (TP) Audit in Form No. 3CEB, and the provisions of section 5A applies to such spouse.	30 th November
If Individual or HUF is required to get his accounts audited under Income-tax Act or under any other law	31 st October
If an Individual is spouse of a person, being a partner in a firm whose accounts are required to be audited, and the provisions of section 5A applies to such spouse.	31 st October
If an Individual is a partner in a firm whose accounts are required to be audited.	31 st October
In any other case	31 st July

Forms and Filing Process

- Applicable Forms: An Individual or HUF can file the return of income in form ITR 1 to ITR 4 depending upon the income type and applicable reporting requirements.
- Filing Modes:
 - E-filing with Digital Signature (DSC), EVC, or Aadhaar OTP.
 - Paper filing (only for super senior citizens filing ITR-1/ITR-4).



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If filed without DSC/EVC, the signed ITR-V form must be sent to CPC Bengaluru within 30 days of uploading. Failure to verify invalidates the return, requiring condonation for belated verification.

When an assessee verifies ITR by sending a signed copy to CPC, Bengaluru, the 30-day limit is counted from the date CPC receives the ITR-V, not the dispatch date as earlier. [Notification No. 02 of 2024, dated 31-03-2024]

Verification of Returns

- Returns must be verified by the individual himself, and in the case of a Hindu Undivided Family (HUF), by the Karta.
- In special circumstances, another authorised person may sign the return.

FILING OF INCOME-TAX RETURN BY COMPANY

All companies are mandatorily required to file an income-tax return, regardless of income or losses. Companies file returns using ITR-6 or ITR-7 (for those claiming exemptions under Section 11).

Key Filing Requirements

- **Mandatory Filing:** Applicable to all companies, including loss-making ones.
- **Due Dates:**
 - **Transfer Pricing Audit (Form 3CEB):** November 30.
 - **If the company is a partner in a Firm with TP Audit:** November 30
 - **Other Cases:** October 31.

Applicable Forms

- **ITR-6:** For companies not claiming exemptions under Section 11.
- **ITR-7:** For companies claiming exemptions under Sections 11 or 12.

Mode of Filing

- **E-Filing:** Mandatory through the e-filing portal (incometax.gov.in).
- **Digital Signature Certificate (DSC):** Required for all filings.

Verification of Returns

- Returns must be verified by the **managing director**.
- In special circumstances, another authorised person may sign the return.

FILING OF INCOME-TAX RETURN BY A FIRM OR LLP

Firms and LLPs are required to file returns irrespective of income levels. Filing is compulsory even in cases of a loss.

Due Dates for Return Filing

- **If Transfer Pricing (TP) Audit:** November 30
- **If partner in a Firm with TP Audit:** November 30
- **If Tax Audit:** October 31
- **Other Cases:** July 31

Applicable Forms

- **ITR-5:** For regular income-tax return filing.
- **ITR-4:** For resident firms opting for presumptive taxation.
- Partners receiving income such as salary, interest, or profit share from firm must file in **ITR-3**.



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Modes of Return Filing

- **Mandatory DSC:** If tax audit is required.
- **EVC or Aadhaar OTP:** Permitted when no tax audit is required.
- **ITR-V Submission:** For returns without DSC/EVC, verification must be submitted to CPC, Bengaluru, within 30 days.

Verification of Returns

- A managing partner verifies for a firm, and a designated partner verifies for an LLP.
- Special cases allow verification by other authorised persons.

Consequences of Non-Verification

Returns not verified within 30 days are invalid. Condonation requests can be made through the e-filing portal, subject to approval by CPC. Late verification is treated as delayed filing, with applicable consequences.

FILING OF INCOME-TAX RETURN BY OTHER ASSESSEES

Income-tax return (ITR) filing rules differ based on the category of assessee, such as AOP, BOI, Political Parties, and charitable trusts. Filing must be completed in the prescribed forms and manner within the specified due dates.

Obligation to File Returns

The filing of ITR is mandatory for the following categories under specific conditions:

- **AOP/BOI (Section 139(1)(b)):** If income before claiming certain exemptions/deductions exceeds the basic exemption limit.
- **Artificial Juridical Persons (AJP):** Same conditions as AOP/BOI.
- **Co-operative Societies and Local Authorities:** Mandatory in all cases.
- **Charitable/Religious Trusts (Section 139(4A)):** If income before claiming exemptions under Sections 11 and 12 exceeds the exemption limit.
- **Political Parties (>Section 139(4B)):** If income before claiming exemption under Section 13A exceeds the exemption limit.
- **Specified Institutions (Section 139(4C), 139(4D), 139(4E), and 139(4F)):** Filing is mandatory based on specific conditions.

Mandatory Filing in Special Situations

Filing is required even if income is below the exemption limit if:

- Deposits in current accounts exceed Rs. 1 crore.
- Foreign travel expenses exceed Rs. 2 lakh.
- Electricity expenses exceed Rs. 1 lakh.
- Business turnover exceeds Rs. 60 lakh.
- Professional receipts exceed Rs. 10 lakh.
- TDS and TCS are Rs. 25,000 or more (Rs. 50,000 for senior citizens).
- Savings account deposits exceed Rs. 50 lakh.

Due Dates for Return Filing

- **Transfer Pricing Audit Report (Form 3CEB):** November 30.
- **Audit Cases:** October 31.
- **Other Cases:** July 31.

Applicable Forms

- **ITR-5:** AOPs, BOIs, Co-operative Societies, Local Authorities, AJPs, Business Trusts, and Investment Funds.
- **ITR-7:** Charitable/Religious Trusts, Political Parties, and institutions claiming exemption under Section 10, 11 or 12.

Modes of Return Filing

Returns must be filed electronically on the e-filing portal:

- **With DSC:** Mandatory for companies, political parties, and tax audit cases.
- **With EVC/Aadhaar OTP/ITR-V Submission:** Permitted in other cases.

Verification of Returns



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Returns must be signed and verified by the authorised person per the entity type. Failure to verify within 30 days renders the return invalid, with an option to submit a condonation request to CPC.

FILING OF INCOME-TAX RETURN BY NON-RESIDENTS

Non-residents are required to file income-tax returns (ITRs) in India if they have income taxable under Indian law or a Double Taxation Avoidance Agreement (DTAA). Specific exemptions apply in cases where tax has been deducted at source.

Obligation to File Returns

- **Foreign Companies:** Return filing is mandatory if income is taxable in India.
- **Non-resident Individuals:** Return filing is mandatory if income taxable in India exceeds the basic exemption limit.
- **Non-resident Firms:** Return filing is mandatory if income is taxable in India unless the firm qualifies as a fiscally transparent entity under a DTAA, in which case the partner's status determines filing requirements.
- **Other Non-resident Entities:** Return filing provisions as applicable to resident assesses shall apply.

Exemptions from Filing Returns

Certain non-resident taxpayers are exempt from filing an Income Tax Return in India if their income falls under specified categories and tax has been deducted at source (TDS) at the prescribed rates.

1. Non-resident Indian (NRI)

No return required if income consists only of:

- Investment income from a foreign exchange asset; or
- Long-term capital gains from such assets.

2. Non-resident Non-citizen Sportsperson

No return required if income consists of:

- Earnings from participation in games/sports in India (except lottery winnings under Section 115BB);
- Advertisement income;
- Writing articles on sports for Indian newspapers/journals/magazines.

3. Non-resident Sports Association/Institution

No return required if income only consists of any guaranteed amount paid or payable in relation to games/sports played in India (other than lottery winnings).

4. Non-resident Non-citizen Entertainer

No return if income arises from performance in India.

5. Non-residents with Specified Incomes

No return required if income consists only of the following:

- Interest/dividend on specified bonds or GDRs (Section 115AC);
- Dividend income;
- Interest on foreign currency borrowings, Rupee Denominated Bonds, Government securities, Infrastructure Debt Funds, SPVs, etc.;
- Income from mutual fund units purchased in foreign currency;
- Royalty/fees for technical services (not covered under Section 44DA).

6. Foreign Companies with POEM in India

Even if deemed resident (due to Place of Effective Management in India), no return required if income is limited to:

- Dividend;
- Interest on foreign currency borrowings, Rupee Denominated Bonds, Government securities, Infrastructure Debt Funds, SPVs, etc.;
- Income from mutual fund units purchased in foreign currency.



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7. Non-resident with Income from IFSC Investment Fund

No return if:

- Income consists only of income from an IFSC Investment Fund under Section 194LBB;
- Tax is deducted and deposited as per Section 194LBB;
- No notice issued under Sec. 142(1) /148 /153A /153C .

8. Non-resident/Foreign Company with Income from Specified Fund (Category III AIF)

Exempt from filing if:

- Income only from investment made in Category III AIF, being a specified fund under Section 10(4D);
- No other Indian income;
- TDS under Sec. 194LBB is deducted and deposited from such income;
- Basic details (name, email, address, residency declaration, Tax ID in home country) submitted to AIF;
- No notice issued under Sec. 142(1) /148 /153A /153C .

9. Non-resident Eligible Foreign Investor

Exempt if:

- Operates as per SEBI's framework;
- Income from transfer of capital assets under Sec. 47(viiab) , listed on IFSC stock exchange;
- Consideration from such a transfer is in foreign currency;
- No other Indian income;
- Furnishes details (name, contact, address, residency declaration, Tax ID in home country) to stockbroker;
- No notice issued under Sec. 142(1) /148 /153A /153C .

FILING OF RETURN BY ANOTHER PERSON ON BEHALF OF ASSESSEE

Under the Income-tax Act, 1961, certain situations require someone other than the assessee to file their income-tax return. Such scenarios include the death of an assessee, liquidation of a company, or when a representative assessee is appointed.

Filing of Return by Legal Representative in Case of Death

• For Income Earned Before Death:

The legal representative files the return for income earned by the deceased from April 1 of the relevant financial year until the date of death. This income is taxable in the name of the deceased.

• For Income After Death:

- If the deceased had a valid will, income from the estate is taxed in the hands of the executor until the distribution to beneficiaries.
- If no will exists, income from the estate is taxed in the hands of the legal heirs as per personal law.

Tax Filing and Verification Summary:

- **Income Before Death:**Filed under the deceased's PAN, verified by the legal representative.
- **Income After Death (Testate):**Filed under the executor's PAN, verified by the executor.
- **Income After Death (Intestate):**Filed under the legal heir's PAN, verified by the legal heir.

Filing by Representative Assessee

As per Section 160, the following persons can file returns as representative assessee:

- **Non-residents:**Agents appointed by the non-resident.
- **Minors, Lunatics, or Idiots:**Guardians or managers.
- **Courts or Wards:**Administrators, official trustees, or receivers.
- **Trusts:**



These representatives are deemed assesseees for tax purposes and can file returns on behalf of the individual or entity they represent.

Filing in Case of Company Liquidation

Although the Income-tax Act does not explicitly define the procedure for filing returns for companies under liquidation, the Ministry of Corporate Affairs (MCA) vide Circular No. 41/2011, dated 6-7-2011 clarifies that:

- The official liquidator must obtain the company's PAN for filing.
- The liquidator uses their personal PAN to verify the return under the verification section of the ITR.

FORMS FOR FILING INCOME-TAX RETURNS

ITR-1 (Sahaj): For ordinary resident individuals with income up to Rs. 50 lakhs from salary/pension, one house property, family pension, or other sources (not income taxable at special rates). Not for directors, NRIs, those with foreign assets, capital gains (except LTCG u/s 112A up to Rs. 1,25,000), business income, current account deposit exceeding Rs. 1 crore.

ITR-2: For individuals/HUFs (residents & non-residents) having salary, multiple house properties, capital gains, or other sources (including income taxable at special rates), but no business/profession income.

ITR-3: For individuals/HUFs with income from business or profession.

ITR-4 (Sugam): For ordinary resident individuals/HUFs/firms (not LLPs) opting for presumptive taxation u/s 44AD, 44ADA, or 44AE, plus salary/pension, one house property, or other sources (not at special rates). Not for non-residents, directors, those with foreign assets, multiple houses, capital gains (except LTCG u/s 112A up to Rs. 1,25,000), speculative/agency income, or total income above Rs. 50 lakhs.

ITR-5: For firms, LLPs, AOPs, BOIs, cooperative societies, local authorities, business trusts, investment funds, and others not filing ITR-7.

ITR-6: For companies (except those claiming exemption u/s 11 for charitable/religious purposes).

ITR-7: For charitable/religious trusts, political parties, certain institutions, and companies claiming exemption u/s 11 or 12.

Updated Return: Any assessee can file applicable ITR (1–7) with additional schedules 'Part A Gen_139(8A)' and Schedule 'Part B ATI' to disclose additional income and tax thereon.

Modified Return: Filed in ITR-A by the successor company after business reorganisation, limited to details as per the order of the competent authority.

Block Assessment Return: Filed in ITR-B in case of search/requisition (u/s 132 /132A) for undisclosed income of the block period, within the time prescribed in the notice.

BELATED RETURN OF INCOME

A belated return refers to a return of income filed after the expiry of the due date of filing the original return. Filing a belated return is allowed, subject to certain conditions and consequences.

Definition and Timeline

- A belated return is a return filed after the due date specified under Section 139(1).
- The time limit for filing a belated return is three months before the expiry of the relevant assessment year or before the completion of the assessment, whichever is earlier.
- For example, for Assessment Year 2025-26, the last date to file a belated return is 31st December 2025 unless the assessment is completed earlier.

Revision of Belated Returns

- A belated return can be revised to correct errors or omissions.

Consequences of Filing Belated Returns

- **Loss of Benefits:**



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Certain benefits, such as carrying forward losses or claiming certain deductions, are not allowed in case the return is filed belatedly.

- **Late Filing Fees and Interest:**

- Fees under Section 234F.
- Interest on outstanding tax liability under Section 234A.

Condonation of Delay

- In exceptional cases, the CBDT (Central Board of Direct Taxes) may condone the delay in filing a return, allowing the assessee to:
 - Carry forward losses.
 - Claim deductions.

REVISED RETURN OF INCOME

A revised return of income is filed to rectify errors or omissions in the original return. It can be submitted within the statutory timeline specified under the Income-tax Act, 1961.

Key Provisions

- **Definition:** A revised return replaces the original return when it contains errors or omissions.
- **Time Limit:**
 - It can be filed at any time up to 3 months before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.
 - **Multiple Revisions:**
 - There is no limit to the number of times a return can be revised.
 - Subsequent revisions can be made if errors or omissions exist in the earlier revised return.
 - **Status of Revised Return:**
 - A revised return substitutes the original return, rendering the original as withdrawn.
 - For all legal purposes, the filing date of the original return applies to the revised return.

MODE OF FILING INCOME-TAX RETURN

Income-tax returns (ITRs) can be filed electronically through the Income-tax Department's e-filing portal. The return must be verified via Digital Signature Certificate (DSC), Electronic Verification Code (EVC), Aadhaar OTP, or by submitting a signed physical acknowledgment to the Centralized Processing Centre (CPC) in Bengaluru. Specific categories of taxpayers are required to verify their returns using DSC.

Filing Methods

E-filing with DSC:

- Mandatory for companies, political parties, and taxpayers (excluding individuals and HUFs) subject to tax audit under Section 44AB, except those filing ITR-7.

E-filing without DSC:

- Verification can be done through EVC, Aadhaar OTP, or submission of ITR-V to CPC Bengaluru.

Paper Filing:

- Available only to super senior citizens (aged 80 years or above) filing ITR-1 (Sahaj) or ITR-4 (Sugam). Updated returns cannot be filed in paper format.

Verification Methods

- **Digital Signature Certificate (DSC):** Required for mandatory categories as listed above.
- **Electronic Verification Code (EVC):** A 10-digit alphanumeric code generated through net banking, bank account, Demat account, or ATM.
- **Aadhaar OTP:** Verification through an OTP sent to the Aadhaar-registered mobile number.
- **Submission of ITR-V:** Unsigned ITRs must be verified by sending the signed ITR-V to CPC Bengaluru within 30 days of filing.



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Consequences of Non-verification

- Returns not verified within 30 days are treated as invalid. A condonation request can be submitted to CPC, subject to acceptance.
- The verification date will be considered the date of return filing for all compliance purposes.

VERIFICATION OF INCOME-TAX RETURN

Verification of an Income-tax Return (ITR) is mandatory for completing the return filing process. An unverified return is treated as invalid and remains unprocessed by the Income-tax Department.

Who Shall Verify a Return?

Individual

- **By the Individual:** An individual must personally verify the ITR.
- **By an Authorized Person**(if the individual is unable):
 - If absent from India: By a person with a valid power of attorney.
 - If mentally incapacitated: By a guardian or a competent person.
 - If a minor: By a guardian or a competent person.
 - For other reasons: By an authorized person with a valid power of attorney.
 - On death: By the legal representative or executor.

Hindu Undivided Family (HUF)

- **By the Karta:** The return must be verified by the Karta.
- **By another Member:** If the Karta is absent from India or incapacitated, any other adult family member may verify.

Company

- **By the Managing Director (MD):** Generally, the MD verifies the return.
- **By a Director or Authorized Person:** If the MD cannot verify or is absent.
- **For Insolvency:** By an insolvency professional as per NCLT appointment.
- **For Non-resident Companies:** By a person holding a valid power of attorney.
- **For Winding-up or Government Takeover:** By the liquidator or principal officer, respectively.

Partnership Firm

- **By the Managing Partner:** If unavailable, any major partner may verify.

Limited Liability Partnership (LLP)

- **By the Designated Partner:** If unavailable, any partner or an NCLT-appointed professional may verify.

Local Authority

- Verified by its principal officer.

Political Party

- Verified by the Chief Executive Officer (e.g., Secretary).

Other Associations

- Verified by any member or the principal officer.

Other Persons

- Verified by the individual or someone competent to act on their behalf.



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DEFECTIVE INCOME-TAX RETURN

A return of income is deemed defective if it lacks the required information. Section 139(9) of the Income-tax Act outlines conditions under which a return is considered defective. The defect must be rectified within 15 days of intimation, failing which the return will be treated as invalid.

Circumstances Leading to Defective Returns

- **Incomplete Forms:** Return forms not duly filled or essential details omitted.
- **Incorrect Form:** Filing in an incorrect return form.
- **Missing Statements:** Failure to file required forms. For example, claiming relief under section 89 in the return of income without filing Form 10E.
- **Updated Returns Without Proof of Payment:** Updated returns not accompanied by proof of tax payment under Section 140B.

CBDT's Powers

The Central Board of Direct Taxes (CBDT) may modify or exempt certain conditions for treating a return as defective via notifications.

Process for Intimation and Rectification

- **Notification of Defect:** The Assessing Officer issues a notice specifying defects.
- **Response Period:** The assessee has 15 days to rectify, extendable upon request.
- **Submission of Rectified Return:** Rectified returns must be submitted electronically without the need for personal appearances.

Consequences of Non-rectification

- **Invalid Return:** Non-rectified returns are treated as not filed, invoking penalties and potential Best Judgement Assessment.
- **Condonation of Delay:** The Assessing Officer may accept rectifications made after the deadline but before assessment.

CONDONATION OF DELAY IN FILING INCOME-TAX RETURN

The Central Board of Direct Taxes (CBDT) is authorised to condone delays in filing income-tax returns in certain cases. Competent authorities for condonation are determined by the monetary value of claims.

Key Guidelines for Condonation of Delay

1. Admissibility of Condonation

Under Section 119(2)(b), the CBDT can condone the delay for:

- Returns claiming a refund of tax or carry forward of losses.
- Supplementary refund claims (where an additional refund is due after assessment).
- Returns claiming deductions from gross total income.
- Returns in cases of amalgamation, merger, or demerger.

1. Returns Claiming Refunds or Losses

CBDT may condone the delay in filing a return claiming a refund or carry forward of losses, subject to the following guidelines:

- The applications are handled by the designated competent authority based on the amount of claim [Circular No. 11/2024, dated 01-10-2024]:
 - Up to 1 crore: Principal CIT or CIT
 - Exceeding Rs. 1 crore but upto Rs. 3 crore: CCIT
 - Exceeding 3 crore: Principal CCIT
- Application must be filed within 5 years from the end of the assessment year for which the application/claim is made. If a refund arises due to a Court order, the time the case was pending in Court is not counted in the 5-year limit. However, in such a case, the application must be filed within 6 months from the Court order or the end of the financial year, whichever is later.
- Application should be decided within 6 months from the end of the month in which it is received.
- The delay should be due to a genuine reason and the case must involve hardship to the taxpayer.
- The competent authority may ask the Assessing Officer to check facts.
- If return filing was done but verification (sending ITR-V) was delayed, the Commissioner of Income-tax (CPC, Bengaluru) can condone.
- In case of supplementary refund claims, the following additional conditions must also be satisfied:



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- Refund should arise as result of excess payment of tax by way TDS, TCS, advance tax or self-assessment tax.
- No interest is admissible on belated claim of refund.

1. Returns Claiming Deduction under Section 80P

A co-operative society cannot claim a deduction under Section 80P if it fails to file its return by the due date specified under Section 139(1). However, the CBDT has allowed Chief Commissioners or Directors General of Income Tax to condone the delay for assessment years 2018-19 to 2023-24.

To get this relief, the society must prove that the delay was due to-

- Reasons beyond its control
- Late completion of audits under State laws,
- Delay was not intended to evade tax.

The authorities must decide the application within three months and provide a hearing before rejecting it.

1. Returns in case of Amalgamation, Merger, or Demerger

When a company goes through a merger, demerger, or amalgamation, Section 170A (introduced from 1 April 2022) allows it to file a modified return of income to reflect the changes arising from the business reorganisation order by the High Court, Tribunal, or an Adjudicating Authority. This modified return must be filed within six months from the end of the month in which the order is issued.

However, this provision applies only if the order is issued on or after 1 April 2022. Companies whose orders were issued before 1 April 2022 could not earlier file modified returns electronically. To resolve this, the CBDT has allowed such companies (where the order was issued between 1 June 2016 and 31 March 2022) to file revised returns through the e-filing portal under a special category — “u/s 119(2)(b) – after condonation of delay/Court Order or Sanction Order of Business Reorganisation.”

To use this facility, successor companies must:

1. Inform the Jurisdictional Assessing Officer (JAO) using a prescribed proforma by 30 April 2024.
2. The JAO will verify the details and enable e-filing within 30 days.
3. The successor company must then file the return online by 30 June 2024.

In these cases, no separate application under Section 119(2)(b) is needed.

CONSEQUENCES OF DEFAULT IN FILING OF RETURN

If a person does not file an income tax return on or before the due date, or fails to file it at all, he may face several consequences which include denial of deductions/exemptions, restriction on carry forward of losses, levy of interest penalties, and possible prosecution.

Key Implications of Default

1. Denial of Deductions and Exemptions

- Deductions under Part C of Chapter VI-A (e.g., Sections 80-IA, 80-IAC, 80-IB, etc.) and exemptions under Sections 10A, 10AA, and 10B are disallowed if the return is not filed on or before the due date specified under Section 139(1).
- Political parties lose exemption under Section 13A, and registered trusts under Sections 12AA or 12AB lose exemptions if returns are not filed on or before the due date specified under Section 139.
- Refund claims cannot be made without filing an ITR.

2. Loss of Carry-Forward of Losses



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- Business losses, speculation losses, capital losses, and losses under "Other Sources" cannot be carried forward unless returns are filed on time.
- Losses under "House Property" may still be carried forward even if returns are filed late.

3. Loss of Interest on Refunds

- Interest on tax refunds is calculated from the actual date of filing, not April 1 of the assessment year, if filed late.

Penalties and Prosecution

1. Interest and Late Fees

- Interest under Section 234A is charged for delayed filing.
- Late filing fees under Section 234F may apply.

2. Penalties

- Institutions required to file under Sections 139(4A) or 139(4C) may face penalties under Section 272A for failure to file returns.

3. Prosecution

- Non-filing may lead to imprisonment and fines under the Income-tax Act.

Assessment and Notices

1. Assessment Process

- Assessing Officers may issue notices to file returns (Sections 142 and 148).
- Non-filing may result in "Best Judgment Assessment" under Section 144.

2. Income Escaping Assessment

- Unreported income may trigger reassessment proceedings under Section 148.

Updated Return of Income

Introduction

To promote voluntary tax compliance and provide flexibility beyond the timelines for filing belated or revised returns, the concept of an updated return was introduced. It allows taxpayers to file a return of income even after the expiry of the time limits for belated or revised returns.

When and Who Can File

Any person may file an updated return, whether or not an original, belated, or revised return has been filed earlier, and even in cases where a return of loss was previously filed.

The updated return must be a return of income and not a return of loss.

Time Limit

Effective April 1, 2025, an updated return can be filed within 48 months from the end of the relevant assessment year.

Form and Manner of Filing

The updated return shall be furnished in the applicable ITR Form, completing Schedules Part A Gen_139(8A) and Part B ATI.

It must be filed electronically under DSC in the case of a company, a political party, or any person (other than an individual or HUF) whose accounts are required to be audited under Section 44AB, except those filing ITR-7. All other taxpayers can verify their updated return either through a DSC or EVC.

Mandatory Disclosures in ITR

The assessee must provide:

- Basic identification details, prior return information, and eligibility to file;
- Reasons for filing and period of filing;
- Head-wise additional income and tax computation



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- Details of tax payments, credits, and reliefs.

Restrictions on Filing

An updated return cannot be filed:

- If it results in a **loss**, reduction of tax liability, or increase in refund or results in refund of tax;
- If a search (Section 132), requisition (Section 132A), or survey (Section 133A) has been conducted (except TDS/TCS-related surveys). In such a case, an updated return cannot be furnished for the year in which the search/requisition/survey is made or for any earlier year;
- If assets or documents seized/requisitioned in another's case belong to the assessee and notice has been issued. In such a case, an updated return cannot be furnished for the year in which the search or requisition is made or for any earlier year;
- If an updated return has already been filed for the same year;
- Where assessment, reassessment, recomputation, or revision is pending or completed;
- If the Assessing Officer has information under the PMLA, Black Money Act, Benami Transactions Act, SAFEMA, or under DTAA/TIEA, and the same is communicated before filing;
- If prosecution proceedings have been initiated for the relevant assessment year; or
- If the person/class of persons is notified by CBDT as ineligible.

Curative Updated Return

If filing an updated return for one year results in reduction of carried-forward loss, unabsorbed depreciation, or MAT/AMT credit in subsequent years, the assessee must also furnish updated returns for those affected years.

Tax Computation on Updated Return (Section 140B)

- The assessee must pay self-assessment tax, interest, fee, and additional income-tax before filing.
- If no earlier return was filed, tax and interest are computed on the updated income after considering advance tax, TDS/TCS, reliefs, and credits.
- Where an earlier return was filed, tax is computed on the incremental income.
- Additional tax is payable at prescribed rates, depending on the timing of the updated return. If return is filed within 12 months from the end of the relevant year, the additional tax is 25% of the total tax and interest payable. If filed between 12 and 24 months, it is 50%. If filed between 24 and 36 months, it is 60% and if filed between 36 and 48 months, it is 70%. For this calculation, "tax" includes surcharge and cess and any interest already paid earlier will be reduced from the total interest payable.

Assessment in case of updated return

In case of updated return, the assessment under Section 143(3) or Section 144 can be made at any time before the expiry of 12 months from the end of the financial year in which the updated return is furnished.

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INCOME TAX DEPARTMENT