

3. RETURN OF INCOME

Govind Nagar Sugar Ltd Delhi	Case: Can Unabsorbed Dep. can be claimed if ROI is Not Filled	Held: Yes, unabsorbed dep. becomes part of next years dep. allowance and is allowed to be setoff as per normal provision of Income Tax
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Multiple Choice Questions

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| <p>1) The due date for filing of a return of income for a company for A.Y is</p> <p>a) 31st July b) 31st Oct
c) 30th Nov d) 31st Aug</p> <p>2) For filing returns of income in respect of various entities, Act has prescribed</p> <p>a) 1 due date b) 2 due dates
c) 3 due dates d) 4 due dates</p> <p>3) The return of a co to be verified by</p> <p>a) MD/Director b) Manager
c) Secretary</p> <p>4) As per sec 139(1), filing of returns is compulsory irrespective of whether profit is earned or loss incurred, in case of -</p> <p>a) Co only b) Firms only
c) both a & b d) All Assesseees</p> <p>5) All companies other than those covered u/s 25 are required to file return of Income in ?</p> <p>a) Form ITR 6 b) Form ITR 5
c) Form ITR 4 d) Form ITR 7</p> | <p>6) Aadhar is mandatory u/s</p> <p>a) 139AA b) 139A c) 139B</p> <p>7) Which section mandates filing of return of political party?</p> <p>a) 139(1) b) 139(4C)
c) 139(4A) d) 139(4B)</p> <p>8) E-filing of return in case of an office of the government /co & a firm whose accounts are liable to be audited assessee is</p> <p>a) Mandatory b) Optional</p> <p>9) Due date of filling a ROI in case of non- co assessee is 31st July of the relevant A.Y</p> <p>a) True b) False</p> <p>10) It is mandatory for a company assessee to furnish the return electronically</p> <p>a) True b) False</p> |
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Answers :

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| 1) b | 2) c | 3) a | 4) c | 5) a | 6) a | 7) d | 8) a | 9) a | 10) a |
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3. RETURN OF INCOME

For Your Practice - Solved Questions

P.1 State whether the following assesseees have to file return of income and if so, the due date for the AY 21-22 :

- i) A public charitable trust registered under the Act, running an educational institution with aggregate annual receipt of ₹2 crores and total income of ₹3,20,000. Is the accounts of the trust liable for audit u/s 44AB of the Act.
- ii) A registered trade union having income from let out property of ₹1,00,000
- iii) A public trust hospital having an aggregate annual receipt of ₹200 lakhs & availing exemption u/s 10(23C)(via) with total income of ₹1,10,000 [M'11]

Solution:

The requirement to file the Return of Income in respect of the following assesseees are as under:

- i) As per sec 139(4A) of the Income Tax Act, if the total income of a charitable or religious trust or institution before exemption u/s 11 & 12 exceeds the maximum amount not chargeable to tax, then the trust or institution is under an obligation to furnish the return of income within the time allowed u/s 139(1) and all provisions of the Income-tax Act shall apply as if it were a return furnished u/s 139(1).

Therefore, in the present case, the charitable trust is required to file their return of income u/s 139(4A). The due date of filing of return of Income is 31st Oct of the AY. The Trust of the accounts is liable to be audited as per the requirement of section 11 & 12. However, tax audit u/s 44AB is not required since trust is not carrying any business or profession.

- ii) As per section 139(4C), every specified institute shall, if the total income, without giving effect to the provisions of sec 10, exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed and all the provisions of this Act shall, so far as may be, apply

3. RETURN OF INCOME

as if it were a return required to be furnished under sub-section (1).

Therefore, in the present case, the Trade Union is not required to file the return since its TI before exemption u/s 10(23C) does not exceed ₹2,50,000.

iii) As per section 139(4C), every specified institute shall, if the total income, without giving effect to the provisions of sec 10, exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the PY in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed and all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (1).

Therefore, in the present case, the public trust hospital is required to file the return of Income as its income before exempt exceeds ₹2,50,000. Since the audit is compulsory if the public trust hospital is claiming exemption u/s 10, therefore, the due date of filing of return is 31st October of AY.

P.2 Ram, an individual, filed his return of income for AY 2021-22 on 15.6.2021. He later discovered that he had not claimed deduction u/s 80C in the said return. He claimed the said deduction through a letter addressed to the AO. The AO completed the assessment without allowing the deduction claimed by Ram. Is the Assessing Officer justified in doing so?

Solution:

The Supreme Court has, in Goetze (India) Ltd. v. CIT (2006), ruled that the assessing authority has no power to entertain a claim for deduction made after filing of the return of income otherwise than by way of a revised return. In the instant case, Ram has claimed the deduction u/s 80C, which he omitted to claim in the original return of income, through a letter addressed to the AO and not by filing a revised return u/s 139(5). In view of the decision of the Supreme Court cited above, the AO was justified in completing the assessment without allowing the deduction u/s 80C.

3. RETURN OF INCOME

Know Your Exams

- P.1 State with reasons whether return of income is to be filed in following cases for the Assessment Year: [M 12]
- (i) Mr. X, an individual, aged 80 years, has a gross total income of ₹6.5L & he is eligible for deduction of ₹1.6L under Chapter VI-A.
- (ii) ABC, a partnership firm, has a loss of ₹10,000 during the P.Y
- (iii) A registered association, eligible for exemption u/s 10(23B), has income from house property of ₹2.6L.
- (iv) Mr. Y, aged 45 years, an employee of ABC (P) Ltd, draws a salary of ₹4.9L and has income from fixed deposits with bank of ₹10,000.
- P.2 Smt. Kanti engaged in business of growing, curing, roasting & grounding of coffee after mixing chicory had a total income of ₹6L from this business which was her only source of income during year ended. She consults you to have an opinion whether she is required to file ROI for the A.Y. as per provisions of section 139(1). [N 07]
- P.3 X, an individual, has got his books of account for the PY audited u/s 44AB. His total income for the AY is ₹2,60,000. He desires to know if he can furnish his return of income for the AY through a Tax Return Preparer. [N07 modified]
- P.4 Discuss, with reasons, whether the following statement are correct: Mahesh, ROR in India & having house property & a bank account outside India, is not required to file return of income for A.Y, if his total income is below the maximum amount not liable to tax. [M 13]