

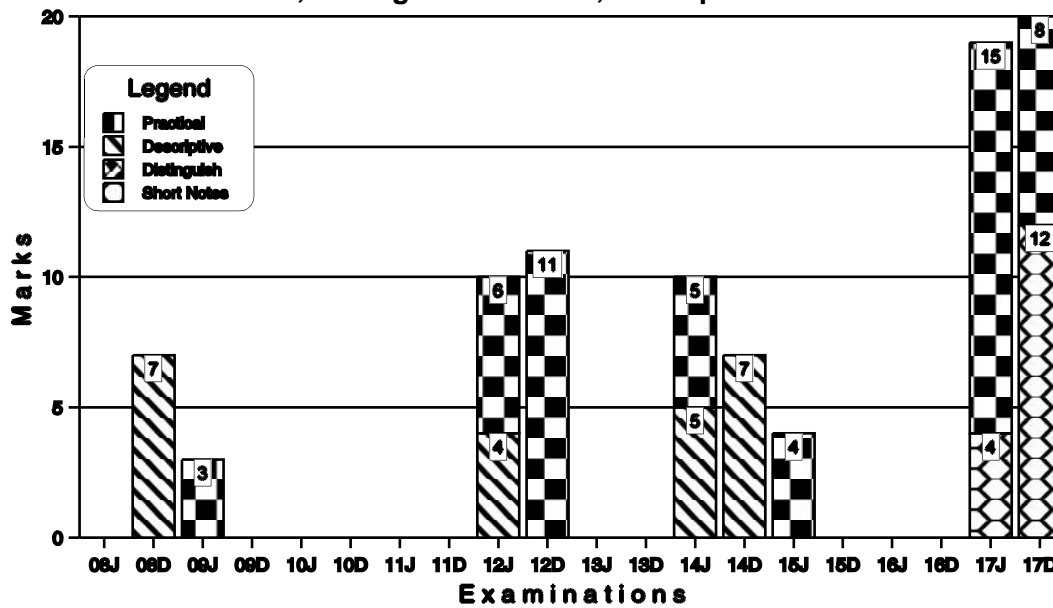
# 1

## *RETURN OF INCOME & ASSESSMENT PROCEDURE*

### THIS CHAPTER INCLUDES

- Return of Income
- Assessment Procedure
- Annual Information Return
- Income Computation and Disclosure Standards (ICDS)

Marks of Short Notes, Distinguish Between, Descriptive & Practical Questions



## CHAPTER AT A GLANCE

Topic	Important Highlights
<b>Return of Income</b>	<b>ITR-1 (Sahaj)</b> {For Individuals having income from Salaries, one house property, other sources (Interest etc.) and having total income upto ₹ 50 lakh}
	<b>ITR-2</b> {For Individuals and HUFs not carrying out business or profession under any proprietorship}
	<b>ITR-3</b> {For Individuals and HUFs having income from a proprietary business or profession}
	<b>ITR-4 (Sugam)</b> {For Presumptive income from Business & Profession}
	<b>ITR-5</b> {For persons other than,- (i) individual, (ii) HUF, (iii) Company and (iv) person filing Form ITR-7}
	<b>ITR-6</b> {For Companies other than Companies claiming exemption under section 11}
	<b>ITR-7</b> {For persons including companies required to furnish return under sections 139(4A) or 139 (4B) or 139 (4AC) or 139 (4E) or 139 (4F)}
	<b>ITR- V: Acknowledgement</b>
<b>Assessment Procedure</b>	Assessment procedure covers <ul style="list-style-type: none"> <li>• Regular assessment <b>U/s 143(3)</b></li> <li>• Self Assessment <b>u/s 140A</b> – payment of self assessment tax alongwith Challan No 280</li> </ul>

	<ul style="list-style-type: none"> <li>• Summary Assessment <b>u/s 143(1)</b></li> <li>• Best Judgment assessment <b>u/s 144</b></li> <li>• Income escaping assessment under <b>section 147</b></li> <li>• Assessment under search cases</li> </ul>
<b>Annual Information Return</b>	<b>Annual Information Return – section 285 BA</b> Obligation to furnish statement of financial transaction or reportable account [ <b>section 285BA</b> ]
<b>Income Computation and Disclosure Standards (ICDS)</b>	<b>Section 145 of the Income Tax Act 1961 provides</b> <ol style="list-style-type: none"> <li>1. Income chargeable under the head "Profits and gains of business or profession" or "Income from other sources" shall, subject to the provisions of sub-section (2), be computed in accordance with either cash or mercantile system of accounting regularly employed by the assessee.</li> <li>2. The Central Government may notify in the Official Gazette from time to time income computation and disclosure standards to be followed by any class of assessees or in respect of any class of income.</li> <li>3. Where the Assessing Officer is not satisfied about the correctness or completeness of the accounts of the assessee, or where the method of accounting provided in sub-section (1) has not been regularly followed by the assessee, or income has not been computed in accordance with the standards notified under sub-section (2), the Assessing Officer may make an assessment in the manner provided in <b>Section 144</b>.</li> </ol>

## SHORT NOTES

**2017 - June [8]** Write Short note:  
(c) Best Judgement Assessment

**(4 marks)**

**Answer:****Section 144:** Best Judgement Assessment

If any person

- (a) fails to furnish a return of income under **section 139(1)** and has not furnished the return under **section 144**, or
- (b) fails to comply with all terms of a notice issued under **section 142(1)(i)** or **section 142(1)(ii)**, or
- (c) fails to comply with a direction for special audit issued under **section 142(2A)**, or
- (d) fails to comply with all terms of a notice issued under **section 143(2)**, then the assessing officer after taking into account all relevant material which he has gathered shall make an assessment to the best of his judgement and determine the tax payable by the assessee.

**2017 - Dec [8]** Write short notes on the following:

- (a) Regular assessment
- (b) Protective assessment
- (c) Best judgement assessment

**(4 marks each)**

**DESCRIPTIVE QUESTIONS**

**2008 - Dec [1] {C}** (a) Provide brief answers to the following:

- (viii) Nathan Aviation Pvt. Ltd. wishes to challenge the order dated 10.03.2011 of the Assessing Officer directing them to undergo special audit u/s. 142(2A) on the ground that no opportunity was given to them. Advise. **(2 marks)**

**Answer:**

The direction given by the Assessing Officer is bad under in law. **Section 142(2A)** has been amended, as per which the assessee should be given an opportunity of being heard before issuing directions for special audit.

**2008 - Dec [5]** (c) The accounts of a firm are subject to tax audit under section 44AB of the Income-tax Act, 1961. Mr. X. is a working partner of the firm; he is however not entitled to receive any remuneration as per the

partnership deed. He files his return of income for the assessment year 2018-19 on September 30, 2018. The Assessing Officer charges interest u/s. 234A for delay in filing of return. Is the Assessing Officer justified?

(3 marks)

**Answer:**

Where the accounts of the firm are subject to tax audit then, for any working partner of such firm as per **Section 139(1)**, the due date is 30.09.2018. For fixation of due date receipt of any remuneration from the firm is not required. Mr. X is a working partner of the firm. So he can submit his return of income on 30.09.2018 which is the due date to Mr. X for filing return of income. Therefore, the assessing officer is wrong here in charging interest **u/s 234A**.

**2008 - Dec [6]** (b) Discuss under what circumstances revised returns of income can be filed.

(2 marks)

**Answer:**

If an assessee discovers any omission or a wrong statement in the return already filed by him he may furnish a revised return at any time before the expiry of one year from the end of relevant assessment year or before the assessment is made, whichever is earlier. A return may be revised any number of times. However, filing of a false return deliberately is not condoned by the filing of a revised return. If it is found that a false return has been filed willfully, the assessee will be subject to penalty, prosecution, etc. If any person, having furnished a return under **section 139(1)** or belated return under **section 139(4)**, discovers any omission or any wrong statement therein, he may furnish a revised return at any time before the expiry of one year from the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.

**Effective from: A.Y.2017-18**

Return furnished in pursuance of a notice issued under **section 142(1)** cannot be revised.

**2012 - June [7]** (a) What is a defective return under Income Tax Act, 1961? What are remedies available for the same ?

(4 marks)

**Answer:****Defective Return [Section 139 (9) of Income Tax Act, 1961**

1. Under this sub-section, the Assessing Officer has the power to call upon the assessee to rectify a defective return.
2. Where the Assessing Officer considers that the return of income furnished by the assessee is defective, he may intimate the defect to the assessee and give him an opportunity to rectify the defect within a period of 15 days from the date of such intimation. The Assessing Officer has the discretion to extend the time period beyond 15 days, on an application made by the assessee.
3. If the defect is not rectified within the period of 15 days or such further extended period, then the return would be treated as an invalid return. The consequential effect would be the same as if the assessee had failed to furnish the return.
4. Where, however, the assessee rectifies the defect after the expiry of the period of 15 days or the further extended period, but before assessment is made, the Assessing Officer can condone the delay and treat the return as a valid return.
5. A return can be treated as defective if it is not properly filed in or the necessary enclosures are not accompanying the return. Specific defects are only illustrative and not exhaustive- ***CIT v. Rai Bahadur Bissesswarlal Motilal Malwasie Trust 195 ITR 825.***

**2014 - June [7] Answer sub-divisions:**

- (a) (i) If any assessment is remanded back to Assessing Officer, can he introduce new sources of income for assessment? **(3 marks)**
- (ii) Can the Department make fresh computation, once tax assessment is made final? **(2 marks)**

**Answer:**

- (i) Where the assessment is set aside by the Tribunal and the matter remanded to the Assessing Officer, it is not open to him to introduce into the assessment new sources of income so as to enhance the assessment.  
Any power to enhance is confined to the old sources of income which were the subject matter of appeal (***Kartar Singh Vs. CIT (1978) III ITR 184 (P&H).***)

- (ii) It is now a well settled principle that an assessment once made is final and that it is not open to the department to go on making fresh computation and issuing fresh notices of demand to the end of all time. **(ITO Vs. Habibullah (S.K) (1962) 44 ITR 809 (SC)).**

**2014 - Dec [5]** (a) In the context of the provisions of Section 143(1) of the Income-tax Act, 1961 regarding summary assessment, answer the following questions:

- (i) What are the adjustments that can be made by the Assessing Officer in course of processing of return of income? **(2 marks)**
- (ii) What is the time limit for sending intimation under section 143(1)? **(1 mark)**
- (iii) Is it mandatory for the Assessing Officer to process every return under section 143(1)? **(1 mark)**
- (iv) What do you understand by “incorrect claim apparent from any information in the return”? **(3 marks)**

**Answer:**

- (i) Adjustments to be made by software to the returned income while processing under section 143(1).  
Where a return has been made under sec. 139, or in response to a notice under sec. 142(1), the total income or loss shall be computed after making the following adjustments, namely:
- (i) Any arithmetical error in the return; or
- (ii) An incorrect claim, if such incorrect claim is apparent from any information in the return;
- (iii) Disallowance of loss claimed, if return of the previous year for which set off of loss is claimed was furnished beyond the due date specified under section 139(1);
- (iv) Disallowance of expenditure indicated in the audit report but not taken into account in computing the total income in the return;
- (v) Disallowance of deduction claimed under sec. 10AA, 80-IA, 80-IAB, 80-IB, 80-IC, 80-ID or section 80-IE, if the return is furnished beyond the due date specified under sec. 139(1).
- (vi) Addition of income appearing in Form 26AS or Form 16A Form 16 which has not been included in computing the total income in the return:

**16.8**

■ **Solved Scanner CMA Final Gr. III Paper 16 (New Syllabus)**

However, no such adjustments shall be made unless an intimation is given to the assessee of such adjustment either in writing or in electronic mode:

Further the response received from the assessee, if any, shall be considered before making any adjustment, and in a case where no response is received within thirty days of the issue of such intimation, such adjustments shall be made.

- (ii) Time limit for sending intimation under **Section 143(1)** is one year from the end of the financial year in which the return is filed by the assessee.
- (iii) Processing of return under **Section 143(1)** is mandatory except in a case where a notice has been issued to the assessee under **Section 143(2)** taking up the case for regular assessment.
- (iv) "An incorrect claim apparent from any information in the return" shall mean the following claims, on the basis of an entry in the return of income:
  - (a) of an item which is inconsistent with another entry of the same or some other item in the return of income.
  - (b) In respect of which the information required to be furnished under the Act to substantiate the entry has not been furnished.
  - (c) In respect of deduction, where such deduction exceeds specified statutory limit expressed as monetary amount or percentage or ratio or fraction.

**PRACTICAL QUESTIONS**

**2009 - June [6]** (c) The accounts of a firm are subject to tax audit under section 44AB of the Income-tax Act, 1961. Mr. Suba, a working partner of the firm, is entitled to receive a fixed remuneration of ₹ 20,000 per month. He files his return of income for the assessment year 2018-19 on 30<sup>th</sup> September, 2018. The Assessing Officer charges interest under section 234A for delay in filing of return. Is the Assessing Officer justified ?

**(3 marks)**



**Answer:**

No the assessing officer cannot charges interest under section 234A for delay in filing return. Hence, the assessing officer is not justified.

**2012 - June [7]** (b) In the case of Ms Radha, you are required to compute the interest u/s 234A, 234B & 234C from the following details: Tax on total income for A.Y. 2018-19 ₹ 2,00,000; Due date for filing the return 30.09.2018; Actual date of filing the return 1.10.2018 and tax paid on 30.09.2018 ₹ 2,00,000. **(6 marks)**

**Answer:****Computation of interest u/s 234A**

Particulars	As per Assessed income	
Tax:		2,00,000
Less: Advance tax paid	Nil	
TDS	Nil	
Amount on which interest is payable.		2,00,000
Period of default (October being part of a month shall be considered)		1 month
Interest u/s 234A ( $1\% \times 2,00,000 \times 1 \text{ month}$ )		2,000

**Computation of interest u/s 234 B:**

Since assessee did not pay any amount by way of advance tax, hence she is liable to pay interest u/s 234B.

Particulars	Assessed Income
Shortfall	2,00,000
Period of default (From April to September)	6 months
Interest ( $1\% \times 2,00,000 \times 6 \text{ months}$ )	12,000

**16.10** ■ **Solved Scanner CMA Final Gr. III Paper 16 (New Syllabus)****Computation of interest u/s 234C:**

Due date	Advance Tax Payment due	Advance Tax Paid	Due date	Shortfall in paid Payment	Surplus	Months	Interest @ 1%
15.06. 2017	15% of ₹ 2,00,000 = 30,000	Nil	Nil	30,000	–	3	900
15.09. 2017	45% of ₹ 2,00,000 = 90,000	Nil	Nil	90,000		3	2,700
15.12.2017	75% of 2,00,000 = 1,50,000	Nil	Nil	1,50,000		3	4,500
15.3.2018	100% of 2,00,000 = 2,00,000	Nil	Nil	2,00,000		1	2,000
							<b>10,100</b>

Particulars	Amount
u/s 234A	2,000
u/s 234B	12,000
u/s 234C	10,100
<b>Total Interest</b>	<b>24,100</b>

**2012 - Dec [5]** (b) As a Tax Consultant how would you advise your client on the following issues on allowability or disallowability of expenses in the computation of income for filing of return under income tax act related to the financial year 2017-18 (Asst. Year 2018-19).

- (i) Union Bank of India after considering the financial health of the company waived ₹ 5,00,000 of unpaid interest for the financial year 2016-17. The said amount was taken as expenses during the financial year 2016-17 now credited to P&L during financial year 2017-18.

- (ii) A company was generating electricity privately for its factory. Later, as it incurred expense for electric lines which were laid from the trunk road to the factory. It paid ₹ 50 lakhs to the State Electricity Board as its contribution for this purpose. The ownership of the power-line was to vest with the State Electricity Board.
- (iii) Profit and loss account for the financial year 2017-18, debited with an amount of ₹ 75,000 as interest on the unpaid purchase price of an asset which was put to use from 1<sup>st</sup> September, 2017. This interest is pertaining to the period September, 2017 to March 2018.
- (iv) An amount of ₹ 2,50,000 of debtor has been written off as Bad debt in the books of accounts and claimed deductions u/s 36 (i) (vii) in the said return of income filed u/s 139. The Assessing Officer made disallowances for deductions of bad debts on the ground that the debt has not been established to have become irrecoverable and bad in the previous year 2017-18. **(2 x 4 = 8 marks)**

**Answer:**

- (i) Interest related to financial year 2016-17 waived by Union Bank of India would not have allowed as expenditure previously under **section 43 B** which resulted increase in taxable income to that extent. Interest waived is credited to profit and loss account following the accounting principle. But such Interest waiver credited to profit and loss account requires exclusion from the Net profit while computing business income.
- (ii) The new electric power lines were laid to run the factory efficiently but the ownership of the power lines was vested with the State Electricity Board for which benefit of depreciation **u/s 32** cannot be taken. So contribution of ₹ 50 lakhs paid to the State Electricity Board shall be allowable as revenue expenditure **under section 37(1)**.
- (iii) Interest of ₹ 75,000/- on unpaid purchase price in respect of capital asset which was put to use from 1st Sept 2016 that is for the period after the asset put to use. It is deductible **u/s 36 or 37** of income tax act. Since the amount debited to profit and loss account, it does not require any adjustment.

16.12

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- (iv) Due to amendment made after 1<sup>st</sup> April 1989, it is not necessary for the assessee to establish that debt, in fact has become irrecoverable. It is enough if bad debt is written off as irrecoverable in the accounts of the assessee. It is correctly treated in the return.

**2012 - Dec [6]** (a) Mr. Ramesh is engaged in profession, filed his return of income for assessment year 2017-18 on 15<sup>th</sup> November, 2017. He disclosed an income of ₹ 4,00,000 in the return. In February, 2018 he discovered that he did not claim certain expenses and filed a revised return on 3<sup>rd</sup> February, 2018 showing an income of ₹ 1,80,000 and claiming those expenses. Is the revised return filed by Mr. Ramesh acceptable? **(3 marks)**

**Answer:**

Mr. Ramesh is engaged in profession. The due date for filing income tax return for assessment year 2017-18 as per **Section 139(1)** of the Income-tax Act is 30<sup>th</sup> September, 2017 if his accounts are required to be audited under any law. The due date is 31<sup>st</sup> July, 2017 if the accounts are not required to be audited under any law. The return was filed beyond the due date prescribed in **section 139(1)**. The return so filed is covered by **section 139(4)** and the time limit is one year from the end of the relevant assessment year. The Apex court in **Kumar Jagadish Chandra Sinha v. CIT 220 ITR 67 (SC)** has held that a return filed under section 139(4) is not eligible for revision and hence a revised return cannot be filed.

Hence, the return filed by Mr. Ramesh is not valid as the original return was not filed before the due date mentioned in **section 139(1)**.

**Effective from: A.Y.2017-18**

If any person, having furnished a return under **section 139(1)** or **belated return under section 139(4)**, discovers any omission or any wrong statement therein, he may furnish a revised return at any time before the expiry of one year from the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.

Return furnished in pursuance of a notice issued under **section 142(1)** cannot be revised.

**2014 - June [5]** (c) The income-tax assessment of Nathan Windmills Ltd. was completed under section 143(3) of the income-tax Act, 1961 for the assessment year 2008-09, accepting the claim of the assessee for deduction

under section 80-IA. The Explanation to Section 80-IA was later on substituted by the Finance (No. 2) Act, 2009 retrospectively w.e.f. 01.04.2000, whereby the deduction was denied to profits derived as mere works contractor. The assessee was a mere works contractor only. The Assessing Officer, after nearly five years, sought to initiate the reassessment proceedings in March, 2016 on the grounds that the assessee had not disclosed that he had undertaken the projects only on works contract and that in the light of the retrospective amendment, deduction u/s 80-IA was not available, as a consequence of which income chargeable to tax has escaped assessment. Is the reopening justified? **(5 marks)**

**Answer:**

Reassessment proceedings can be initiated **u/s 147**, where income chargeable to tax has escaped assessment.

Where the assessment had been originally completed **u/s 143(3)**, reopening of assessment beyond four years can be made only where there is failure on the part of the assessee to disclose all material facts necessary for making the assessment.

When the original assessment was completed, the same was a scrutiny assessment; the assessment was made after examining the claim for deduction **u/s 80-IA**, including the audit reports filed.

When the original assessment was made, there was no denying of deduction for works contractor also. Hence it cannot be said that the assessee had failed to disclose material facts.

As a consequence, reassessment proceedings are not justified. The original assessment can be tested in the light of the law as it then stood and not on the basis of a retrospective assessment.

Similar view was taken by the Gujarat Court in the case of **Sadbhav Engineering Ltd. vs. Dy. CIT reported in (2011) 333 ITR 483(Guj)**.

**2015 - June [6]** (c) Vimala & Co., a partnership firm, which suffered business loss of ₹ 5 lakhs and unabsorbed depreciation of ₹ 4 lakhs, filed its return of income for the assessment year 2017-18 in June, 2017. The firm originally consisted of five equal partners of which two partners retired from the firm on 01.04.2017. The firm has income of ₹ 8 lakhs for the previous year 2017-18. It wants to know the 'due date' by which the return of income is to be filed for

16.14

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having unhampered carry forward of loss and depreciation. Assume the turnover of the firm as ₹ 105 lakhs. Your answer must be supported by reasons. **(4 marks)**

**Answer:**

**Due date for filing return of income in given situation:**

**Section 78** of the Income-tax Act, 1961 deals with the carry forward and set off of loss in the case of change in constitution of the partnership firm. The brought forward loss attributable to the share of the retired partners shall not be eligible for set off in the subsequent years.

However, this restriction applies only to losses and will not apply as regards unabsorbed depreciation brought forward from earlier year for set off.

The brought forward business loss attributable to retired partners i.e. 2/5 is not eligible for set off. The balance i.e. 3/5 of ₹ 5 lakhs being ₹ 3 lakh is eligible for set off.

The unabsorbed depreciation is also eligible for set off against income of the previous year 2017-18. The entire unabsorbed depreciation i.e. ₹ 4 lakhs and business loss of ₹ 3 lakhs could be set off against the income of ₹ 8 lakhs. The firm has to file the return before 30<sup>th</sup> September 2018 as its accounts are to be audited under **section 44AB**. The filing of return **does not impact the brought forward business loss and unabsorbed depreciation** whether set off fully in this year or carried forward to subsequent assessment year for set off.

**2017 - June [5]** (a) Saraswati Ltd. has received a proper notice under section 148 for the Assessment Year 2015-16 on 22.03.2018. They also anticipate similar notices for the Assessment Years 2012-13 and 2013-14 for which they have already furnished return of income and for which assessments have been completed. On a scrutiny of the books of account produced, you have seen huge amounts of income which has escaped taxation. The tax effect for AY 2015-16 is ₹ 35 lakhs and for AYs 2012-13 and 2013-14 the differential tax is likely to exceed ₹ 1 crore.

The company seeks your advice as to what should be done now. Advise the company suitably. **(7 marks)**

**Answer:**

**Section 147: Assessment or reassessment of incomes escaping assessment**

Where the Assessing Officers have reasons to believe that any income chargeable to tax for any assessment year has escaped assessment then he may subject to the provision of **Section 148** to **Section 153** assess or reassess such income and also any other income which has escaped assessment and which comes to his notice subsequently during the course of proceedings under this section.

Provided that the Assessing Officer may assess or reassess such income, other than the income involving matters which are the subject matter of any appeal revision, which is chargeable to tax and has escaped assessment.

**Explanation to Section 147: Deemed escaped income**

The following shall also be deemed to be the cases where income has escaped assessment:

- (i) Where no return of income has been furnished by the assessee and no assessment has been made but his total income exceeds the maximum amount not chargeable to tax.
- (ii) Where a return of income has been furnished but no assessment has been made and assessee has understated the income or has claimed excessive laws, deduction, allowance or relief.
- (iii) Where an assessment has been made but:
  - (a) income has been under assessed or
  - (b) income has been subject to excessive relief under the Act, or
  - (c) excessive loss, depreciation or any other allowance has been allowed to the assessee, or
  - (d) the income has been assessed at a lower rate (for example: short term capital gain which are taxable at 30% has been taxed at 15% under **section 111A**. For example, the assessee has not shown the agricultural income as a result of which tax has been levied at lower rate on taxable income).
- (iv) Where a person found to have any asset (including financial interest in any entity) located outside India.
- (v) Where the assessee has failed to furnish a report of transfer pricing in respect of any international transaction which he was so required under **section 92E**.

**16.16** ■ **Solved Scanner CMA Final Gr. III Paper 16 (New Syllabus)**

- (vi) Where a return of income has not been furnished by the assessee or a return of income has been furnished by him and on the basis of information or document received from the prescribed Income Tax Authority, under **sub-section 2 of Section 133C**, it is noticed by the Assessing Officer that the income of the assessee exceeds the maximum amount not chargeable to tax or as the case may be, the assessee has understated the income or has claimed excessive loss, deduction, allowance or relief in the return.

**Section 148: Service of notice where income has escaped assessment**

1. Before making an assessment or reassessment under **section 147** the Assessing Officer shall serve on the assessee a notice requiring him to furnish the return of income within time specified in the notice.
2. The Assessing Officer shall before issuing a notice under this section, record his reasons for doing so.

On the basis of above provisions of Income Tax, it is advisable to Saraswati Ltd. to declare the income voluntarily.

**2017 - June [6]** (b) Parthiv, aged 45, is resident of India. During the F.Y. 2017-18, interest of ₹ 3,10,000 was credited to his Non-resident (External) Account with UBI ₹ 70,000 being interest on fixed deposit with UBI, was credited to his saving bank account during this period. He also received ₹ 13,000 as interest on this saving account.

Is Parthiv required to file return of income?

What will be your answer, if he also owns one shop in Delhi having area of 250 sq.ft., for which he has received gross rent of ₹ 21,000 per month, property taxes being borne by the tenant? **(8 marks)**

**Answer:**

An individual is required to furnish a return of income under section 139(1) if his total income, before giving effect to the deductions under Chapter VI-A, exceeds the maximum amount not chargeable to tax i.e. ₹ 2,50,000 (for A.Y. 2018-19).

**Computation of total income of Mr. Parthiv for A.Y. 2018-19**

Particulars	₹
Income from other sources	
Interest earned from Non-resident (External Account ₹ 3,10,000 Section 10(4)(ii), assuming that Mr. Parthiv has been permitted by RBI to the aforesaid account	



Interest on fixed deposit with SBI	70,000
Interest on savings bank account	13,000
Gross Total Income	83,000
Less: Deduction under section 80TTA (Interest on saving bank account)	10,000
Total Income	73,000

Since the total income of Mr. Parthiv for A.Y. 2018-19, before giving effect to the deductions under Chapter VI-A, is less than the basic exemption limit of ₹ 2,50,000, he is not required to file return of income for A.Y. 2018-19.

### Situation 2

When he receives shop rent, his income from house property is ₹ 21,000 × 12 = ₹ 2,52,000

Standard deduction of 30% is available. Net income is ₹ 1,76,400.

This will get added to the gross total income.

As this exceeds ₹ 2,50,000 he will be required to file the return of income.

**2017 - Dec [6]** (b) Discuss the validity of following statements:

- (i) Mr. A has long term capital gain of ₹ 7 lakhs from sale of listed shares for the year 2017-18. He has no other income chargeable to tax. As the long term capital gain is exempt under section 10(38), he need not file his return of income for the Assessment Year 2018-19.
- (ii) A belated return under section 139(4) cannot be furnished after the end of the relevant assessment year.
- (iii) A belated return filed under section 139(4) cannot be revised.
- (iv) Where the return is filed without payment of self-assessment tax it would be deemed as defective return. **(2 × 4 = 8 marks)**

Repeatedly Asked Questions		
No.	Question	Frequency
1.	Write short note on the following: Best judgement assessment 17 - June [8] (c), 17 - Dec [8] (c)	2 Times