**INTERNSHIP REPORT ON**

**“INCOME-TAX FILING PROCESS”**

**IN**

**M/s. GM & ASSOCIATES, BANGALORE**

**Submitted to Bangalore City University**  A logo with a tower

Description automatically generated

**In Partial Fulfilment for the award of B.Com degree**

by

**]**

**STUDENT DECLARATION**

] hereby declare that this report entitled **“Income-tax Filing Process”** during the period from 25-3-2024 to 29-05-2024 at GM & Associates under the supervision and guidance of ]., Proprietor, GM & Associates, Bangalore.

**Date :**

**Place : Bengaluru**

**]**

**ACKNOWLEDGEMENT**

The successful completion of this internship report required significant guidance and assistance from many individuals, and I am truly grateful for their support throughout this journey. Firstly, I would like to express my sincere appreciation to G, Proprietor of GM & Associates, Bangalore, for providing me with the opportunity to intern at their esteemed organization. I am also deeply grateful to our faculty coordinator, and our principal for their unwavering support and for granting me the valuable opportunity to intern, which has been instrumental in my learning and exposure to the field of accountancy and taxation. I would like to extend my heartful thanks to my parents for their permission and constant encouragement throughout this internship. Additionally, I am thankful to my friends for their support whenever I needed their assistance during this project. Lastly, I would like to express my profound gratitude to all individuals who directly or indirectly contributed to the completion of this report.

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**INTRODUCTION**

My name is Mohith .M.Y. currently pursuing my graduation in Bachelor of Commerce – VI Semester at Vijaya College,, Bangalore. My native is from Bengaluru. Being a resident of Bangalore I have completed my 12th from Vijaya College, Bangalore.

B.Com is an undergraduate course of 3 years (Full time). It is the course that teaches the different subjection in Commerce field. Through this course, an individual can learn the all types of topics coming under Commerce like Accounting, Finance, Business laws, Tax laws.

In last year in VI Semester we have a subject internship in which we have to work in Organisation for a period of minimum 30 days to learn practical accounting and commercial laws.

As a part of academic, I did my internship at M/s. GM & Associates, Bangalore for 45 days (180 hours). In this period I have learnt to access tally Software, make entries of Bank Statement and Purchase and Sales bills, export data from tally into excel. Calculation of GST values such as CGST and SGST. I have also learnt to create a company in Tally, Creations of ledgers, Making Sales, Purchase, Payment and Receipt entries in Tally, GST sales entries in GSTR 1 and Download of GSTR2B and Reconciliation of GSTR2B with Purchase Register was also which I learnt there.

This project is about my internship & detailed information about the task which had been undertaken by me during this internship period.

PROFILE OF THE ORGANISATION :

PROFILE OF M/s. GM & ASSOCIATES, BANGALORE

**GM & Associates** is an Accounting Firm based in Bangalore, with a All India clientele. It provides the diverse services which include Accounting, Accounts Outsourcing, Tax Consultancy, CFO Services, Payroll Services, Statutory Compliances, Internal & Statutory Audits to Corporate & Individuals, Bank Audits, Due-diligence audits, Legal Services, Due Diligence Audits with focus on their client and target customers. Also it provides online Tax Advisory Services, Financial Restructuring and Investment Planning to Corporates.

**GM & Associates,** established in the year 2000 in Karnataka, is one of the leading Firm offering Business Consultancy Services in the field of **Accounting, Taxation and Investment.** Company’s comprehensive value added services are recognized for professionalism and legality. Moving ahead towards goal, they offer the most prompt solutions that make a difference.

Today, promoted by a group of highly qualified & experienced industry professionals, they are consistently offering a complete range of accounting services. Their Financial Personnel are a highly competitive team managing the assignments with a full range of financial services including Personal Portfolio Management, Personal Financial Management, and Financial Counseling. They strive to deliver affordable custom financial planning & Tax Planning for Small, Medium & Large Enterprises. Each step taken by them in their corporate existence has taken them a step closer towards the fulfillment of their goal. Their well defined latest proprietary technology and communications tools have helped them to offer advanced solutions. Moreover, they work closely with clients with ethical business policies that have helped them in offering high quality resources & integrated services to Industrial and Business organizations in India and abroad.

GM & Associates has a greatly talented team of Professionals having decades of Accounting & Audit experiences whose services have been appreciated, and recognized by renowned corporate entities namely Mahindra Hotels Limited, Maersk India Pvt Limited, Maersk India Logistics Limited, Maersk Concorde Limited, Mahindra Holidays Limited. People One Consulting, Flexi One Consulting and many more. They have an impressive track record of producing high impact on financial re- structuring & Business process engineering & Process Audits.

Involved in value services and operations led by**.**, the team includes distinguished chartered accountants, corporate financial advisers & tax consultants who work with dedication and benefit the clients with the most optimized and balanced solutions. Their extensive contacts, liaison combined with substantial experience have added value to their business with the successful growth rates. We liaise with senior government functionaries and the Indian corporate world relating to their business operations that have been successfully carried out till today.

## OUR SERVICES :

**TAX SERVICES :**

Tax is the very core of our business. We work with all types of clients and of all sizes and Net worth. For us every client is important and we believe that if we are tax advisors to our clients, then we should also support them in their various decisions that involve their business and personal assets.

We provide the best standard of tax return services along with accounting and bookkeeping services to our clients in US and India. It helps corporate companies to file taxes for their employees and senior executives and others. We also offer services like tax planning, representation and compliance services to your esteemed employees. Our practice is focused on offering Tax Services to Individual and Business Clients in India and in US for their personal and business needs. With our expert team of CAs, CMAs, CS and Advocates. we also provide tax & Legal compliance and strategic tax & investment planning services to our clients.

Our national network of experienced tax professionals can assist in resolving various challenges such as restructuring your business and keeping abreast with tax regulations, among many others. They will provide you with an insight into how to work best with the tax professionals to meet your business needs.

## TAX SERVICES FOR CORPORATE CLIENTS OUR CLIENT SERVICES:

We service several CA firms in India, in the preparation and review of Income tax returns, Appeals, Assessments and GST tax returns for their clientele. Our practice has steadily grown to processing over 2,000 returns over the last year.

## PERSONAL TAXATION SERVICES

We offer personal taxation consultancy services like personal tax planning, personal tax services, tax compliance and advisory services that cover the following:

**Personal Tax Consulting :**

* Personal Tax Services Compliances that includes compiling and filing of Tax returns.
* We provide review and assistance in advance tax computations.
* Compilation of tax details for audit and support to the auditors.
* Representation before the Tax authorities related to tax assessments, refunds or other matters.
* We guide in getting various tax registrations that includes Permanent Account Number (PAN).
* Management of tax records in Soft and Hard forms.
* Advisory on tax issues like capital gains/ loans/ tax Investments etc.

**FINANCIAL STATEMENTS & REPORTING :**

GM & Associates assists businesses, organizations and individuals with tax strategy, planning and compliance, whilst also delivering a wide range of financial services for industries like: Healthcare, Real estate, Non- profit, Private schools, Business services, Manufacturing & Distribution, Entertainment and Technology.

Our financial reporting services help you to not only meet, but also understand the ever-changing regulations and accounting standards that grow more complex each year. We take you beyond merely filing statements and staying current with your financial reporting; your organization will adjust to these regulations while maximizing your overall performance.

Timely and accurate financial information is at the core of every business decision. Our services include strategic tax planning, financial statement preparation and review. We view our role in the financial reporting process as an opportunity to provide the best solutions for maximizing your company’s profitability and efficiency. We also provide payroll processing and payroll tax preparation as well as sales tax return preparation.

## SERVICE OFFERINGS FOR OUR CLIENTS :

We have diversified experience in performing Audits, Reviews, Compilations and Attestation.

* We perform internal and management audit to achieve management goals such as cost effectiveness and to improve overall performance of the organization by using digitized audit and review processes.
* We perform Review services ( SSARS ) to ensure accuracy of financial statements on a Monthly, Quarterly, Half yearly and Annual basis.
* We provide services attestation engagements ( SSAE ) required by bank and other regulatory authorities including well-established and notably recognized regional CPA firms in the United States.
* We also provide various kind of services based on the agreed-upon procedures( AOP).

## INDIVIDUAL & BUSINESS CLIENT SERVICE OFFERINGS:

* We maintain day-to-day books of accounts and assist clients with all legislative formalities including maintenance of records and other ancillary work in connection therewith.
* We provide statutory compliances for various governing bodies like Income Tax, Service Tax, Sales Tax/VAT, PF, ROC, RBI, FEMA reporting and filing requirements.
* We also provide Secretarial Compliances like Drafting Notice, Minutes, Resolutions etc.
* Incorporation of companies and taking care of all End to End statutory compliances.
* Handling Payroll on a monthly basis in compliance with minimum wages act, PF, ESI etc.
* Preparing Budgets, providing management MIS Reports on a monthly, quarterly or annual basis.

**BOOK KEEPING AND BUSINESS MANAGEMENT :**

GM & Associates has an impeccable record of delivering remote bookkeeping services to growing and changing businesses in all industries. Our outsourcing services are focused at helping customers with the accounting requirements and significantly reducing the operating costs of their finance department.

We provide you with reliable and accurate bookkeeping services and accounting services. We also help you with tax planning which saves your time and money. Most companies prefer hiring an outhouse CA Firm to handle their bookkeeping processes. This function enables Business of all sizes to have their accounts handled by professionals and gives them the freedom to focus on the core areas of their Business. These CA firms address all areas of bookkeeping and accounting as well as Tax compliances. We, the expertise in bookkeeping services offer outsourced bookkeeping services remotely. Our qualified staff can assist you with the day-to-day tasks associated with bookkeeping.

Headed by CAs, CMAs, CS and Advocates, we have a team of accountants with strong accounting principles to offer bookkeeping and accounting services for CAs, Firms and individuals. Proven process migration procedures allow us to successfully carry out outsourced accounting and bookkeeping activities remotely. The team at Ventura Pranas has considerable hands-on expertise and is conversant with the latest guidelines and pronouncements on US GAAP, IAS and SEC regulations.

We maintain books in a way to facilitate compliance with various statutory requirements that may apply to the business environment in which our clients operate. We help clients in optimizing the efficiency and productivity of their skilled personnel by enabling them to spend more time on value-added functions such as the analysis of costs, renegotiation of vendor contracts, collection of outstanding balances and accelerating cash flows, by offering a highly flexible portfolio of accounting solutions.

## OUR BOOKKEEPING SERVICES INCLUDES:

* Provide Monthly reconciliations and financial statements necessary for meeting bank or other investor covenants.
* Profit sharing arrangements, Partnership and LLC agreements are reviewed, analyzed, and discussed with clients and year-end adjustments posted.
* Work with Auditors for our Bookkeeping clients in completing year- end compliance requirements.
* Invoice generation services.
* Accounts Receivable and Accounts Payable Management Services.
* Trial balances and P&L accounts services.
* General ledger maintenance services.
* Payroll processing services.
* Compilation of tax returns services.

## OTHER SERVICES :

* Registration and incorporation of businesses in the US, Canada, Australia and in India.
* Filing necessary paperwork with the State and Federal agencies in the form of annual reporting forms, business Status forms business property statements and city business licenses.
* We support in the compilation of Transfer pricing documentation and certification.
* Compilation of tax details for audit and support to the auditors.
* We provide support in the areas of PAN, TAN and online tax credits view also.
* We provide tax reporting on defined frequencies such as monthly, quarterly, annually to Parent Company according to their formats.
* Due diligence with respect to various corporate arrangements or purchase and sale deeds involving the sale of businesses, properties real and tangible personal property.

## MANPOWER DETAILS:

* Average Consultancy Experience : 250 man hours per person
* Minimum Qualification - B.Com / BBM / MBA / CA-Inter

**KEY CLIENTS:**

* + Maruthi Infratech Private Limited
  + Embassy Services Private Limited
  + Kalpita Technologies Private Limited
  + Dvolve Technologies Private Limited
  + Shrichakra Business Negotiators Private Limited
  + Hasiru Technologies Private Limited
  + G7 Securities & Surveillance Private Limited
  + Top Gear Private Limited
  + Integrated Brand-Comm Private Limited
  + The School of Ancient Wisdom
  + Maersk India Private Limited
  + AR Fisheries India Private Limited
  + TATA Bluescope Steels Limited
  + Garden City University
  + Raagvitech Technologies Private Limited
  + Muddireshwara Group of Companies

**OUR TEAM**

**Madhusudhan Gulur – B.Com, MBA, LLB ,**

**Founder & CEO**

Madhusudhan Gulur is a member of Karnataka Bar Council having 27 years of experience in Audit, Assurance & Legal Services worked with professionally managed corporates in capacity as a Advisor. He has experience of handling corporate affairs in different areas for over a two decade. He has helped many organisation to set up their Company in India by providing incubation services and compliance services. His Core expertise in Direct and Indirect Taxes handled many Income-tax and VAT appeals.

# **Raghunath Debur – B.Com, MBA, FCA**

# **Director – Assurance**

Raghunath Debur is a member of the Institute of Chartered Accountants of India (ICAI) since 1982. He has been conducting Statutory & Tax audit, Internal audit of large & medium scale Limited Companies, Carrying out Bank Audits and providing services in the field of accounts, Income Tax & Company Law matters. His expertise in Hotel Audits, drafting SOPs for Hotel Industry. He has audited many big hotels across the globe.

# **Srinath Adgia – BBM, DISA, FCA**

# **Director – Indirect Tax**

Srinath is a highly skilled and accomplished attorney and legal strategist with expertise in Indirect Taxes. He is Master’s in Law and Commerce Graduate from University of Mangalore. He has been appearing before various authorities in respect of litigation matters of various clients and leading a hard working and dedicated tax litigation team. He has been rendering Consultancy and opinion in various matters of Service Tax and VAT and has been appreciated by various Chambers of Commerce and Industry Associations.

# **Manjunath B R - B.Com, FCA :**

Manjunath B R handles statutory compliance matters related to Bangalore office. He is Qualified Chartered Accountant and commerce graduate from University of Bangalore. His key skills include transfer pricing functionalities, Financial Audits, compliances in the fields of both Direct and Indirect Tax matter. He has expertise in Financial Audits, Examination of Accounting, recording and reporting of financial transactions. Team of seasoned professionals report to him and he provides assistance to departments within the organization on matters to do with financial management and accountability. He also provides Litigation support for transfer pricing.

# **Hema B R – BBM, MBA**

**Business Development Manager :**

Hema B R is a business development consultant. She got a Master’s in International Management from the University of Pune. She has specialized in Indian businesses, especially how small services organizations can reach and work with international clients, strategy, network and cultural aspects.

**COMPANY’S EXPERIENCE IN PROVIDING RELATED SERVICES:**

## Following is the table which shows the company’s experience in providing various services:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SERIAL No.** | **CLIENT** | **PLACE** | **WORK** | **DATES, PERIOD** |
| 1 | Mahindra & Mahindra  Hotels Limited | Mumbai, Bangalore | Internal Audit, Income  Leakage Audit | 1/4/2001 to till date |
| 2 | Ravindu Motors Pvt Ltd | Bangalore | Internal Audit, Stock Audit | 1/4/2001 to  31/3/2012 |
| 3 | Maersk India Pvt Ltd | Bangalore | Statutory Compliances | 1/4/2003 to till date |
| 4 | Maersk India Logistics Ltd | Bangalore, Chennai | Statutory Compliances, Individual taxation | 1/4/2003 to till date |
| 5 | Vishwa Raaga Ventures | Bangalore | CFO Services | 1/4/2010 to till date |
| 6 | Shrichakra Business  Negotiators Private Limited | Bangalore | CFO services | 1/4/2006 to till date |
| 7 | ABC  Consultants Limited | Bangalore | Tax consulting and Audit | 1/4/2004 to till date |
| 8 | Dua Associates | Bangalore, Hyderabad | Statutory compliances | 1/4/2001 to till date |
| 9 | Amarchand Mangaldas | Bangalore | Statutory compliances, Income-tax | 1/4/2003 to till date |
| 10 | Hasiru Technologies Private Limited | Mumbai and Bengaluru | Internal audit, Statutory audit, Accounts outsourcing | 1/4/2018 to till date |

**PROJECT REPORT**

**ON**

**INCOME TAX FILING PROCESS**

|  |  |
| --- | --- |
| **1.** | **Introduction to Income-tax filing** |
| **2.** | **Why we should file ITR** |
| **3.** | **When is it Mandatory to file ITR in India** |
| **4.** | **Who Exempted from filing ITR** |
| **5.** | **Checklist of Documents and Information required for ITR filing** |
| **6.** | **Which ITR to File** |
| **7.** | **Income-tax Filing Sections as per Income-tax Act, 1961** |
| **8.** | **About Efiling and Methods of Efiling of ITR** |
| **9.** | **Penalty for Late filing of Income-tax Return & Due date for Filing ITR** |
| **10.** | **Consequences of Not Filing ITR within the Due Date** |
| **11.** | **About Form 26AS, AIS and TIS** |

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**INTRODUCTION**

**The Income-tax Act, 1961** is the charging statute of Income Tax in India. It provides for levy, administration, collection and recovery of Income Tax.

The scope of Total Income depends on the category of a taxpayer and his residential status in India. For example, a person resident in India is liable to pay income tax in India on his total world income. On the other hand, a person non-resident in India is liable to pay tax in India only on his Indian income. Under Income-tax Act, there are five heads of income - Salary, House Property, Business or Profession, Capital Gains and Other Sources. Total income consists of income computed under these heads.  The tax on total income is computed as per the tax rates specified for the year in which income is earned..

**WHAT IS INCOME TAX RETURN (ITR) :**

Income Tax Returns (ITR) is a form that an individual submits to the Income Tax Department of India to file information about his income and taxes payable during that year. Information filed in an ITR should be applicable for a particular financial year between 1st April to 31st March of the next year.

The department has notified 7 forms i.e. ITR-1, ITR-2, ITR-3, ITR-4, ITR-5, ITR-6 & ITR-7 to date. Every taxpayer should file his ITR on or before the specified due date. The applicability of ITR forms varies depending on the sources of income of the taxpayer, the amount of the income earned and the category of the taxpayer like individuals, HUF, company, etc.

Income Tax Returns filed for various income earned under different heads of income.

Income can be of various forms such as :

* Income from salary
* Profits and gains from business and profession
* Income from house property
* Income from capital gains
* Income from other sources such as dividend, interest on deposits, royalty income, winning on lottery, etc.

**WHY YOU SHOULD FILE ITR :**

If you want to claim an income tax refund from the department.

If you have earned from or have invested in foreign assets during the FY.

If you wish to apply for a visa or a loan

If the taxpayer is a company or a firm, irrespective of profit or loss.

If you have a loss from business/profession or under capital gains head, you will not be allowed to carry them forward to the next years unless you file the return before the due date.

**WHEN IS IT MANDATORY TO FILE INCOME TAX RETURNS (ITR) IN INDIA :**

If your gross total income is more than the basic exemption limit-

|  |  |
| --- | --- |
| **Age Group** | **Basic Exemption Limit** |
| For individuals below 60 years | Rs 2.5 lakh |
| For individuals above 60 years but below 80 years | Rs 3.0 lakh |
| For individuals above 80 years | Rs 5.0 lakh |

**If your income is below the basic exemption limit, you will still be required to file your tax return if you meet any of these conditions:**

* Deposited more than Rs 1 crore in 'current' bank account: You have to mandatorily file a tax return if you have deposited a total of Rs. 1 crore or more in one or more current accounts with a bank. However, no such requirement has been specified for deposits made in the post office current account; or
* Deposited more than Rs 50 lakh in 'savings' bank account: You have to mandatorily file a tax return if you have deposited a total amount of Rs 50 lakh or more in one or more of your savings bank accounts.
* Spent more than Rs 2 lakh on foreign travel: You have to mandatorily file a tax return if you have incurred a total expenditure of more than Rs 2 lakh on foreign travel whether for yourself or any other person; or
* TDS or TCS is more than Rs 25,000: If the tax deducted at source (TDS)/ tax collected at source (TCS) exceeds Rs 25,000 in the previous year. In the case of a senior citizen (above 60 years), this limit is Rs 50,000.
* Business turnover is more than Rs 60 lakh: In case you are a businessman and your total sales, turnover, or gross receipt is more than Rs 60 lakh during the previous year, then you have to mandatorily file a tax return
* Professional income is more than Rs 10 lakh: You have to mandatorily file a tax return if you are engaged in a profession and your gross receipts are more than Rs 10 lakh during the previous year.

**Who are exempted from filing Income Tax Returns :**

Central government have the power to exempt specified class or classes of persons from filing income tax returns in addition to the existing exempt persons like individuals having total income less than the basic tax expedition limit, non-residents not having income accruing or arising from India etc.

However, currently, there are no such exemptions that the central government has notified in this regard.

**Checklist of Documents and other Information required to claim Deduction U/s. 80C to 80U :**

1. PAN Card
2. Aadhaar Card
3. Form 16
4. Form-16A/ Form-16B/ Form- 16C
5. Bank Account details
6. Bank Statement/ Passbook
7. Form 26AS and AIS/TIS
8. Home Loan Statement
9. Tax Saving Instruments
10. Capital Gains Details.
11. Rental Income
12. Foreign Income
13. Dividend Income
14. Interest Certificate

**What Documents are Required to Claim a Deduction u/s 80C to 80U of Income Tax While filing ITR :**

The following documents are important and should be compiled by the taxpayer to avoid last-minute hassle:

Home Loan statement from Bank

School fee receipt for tuition fees

Contribution to PPF, Life Insurance Premium Receipts

Investment in NPS

Donation Receipts

Details of Medical Insurance

Education loan

Receipts of any other investments

**Which ITR to file :**

The following infographic will help you find out which type of income tax return is applicable to you for FY 2023-24.

Once you figure out which ITR you need, click on the links below to learn more about them.

**ITR-1 OR SAHAJ**

**This Return Form is for a resident individual whose total income for the AY 2024-25 includes:**

* Income from Salary/ Pension; or
* Income from One House Property (excluding cases where loss is brought forward from previous years); or
* Income from Other Sources (excluding Winning from Lottery and Income from Race Horses)
* Agricultural income up to Rs 5000.
* Who cannot use ITR-1 Form?
* Total income exceeding Rs 50 lakh
* Agricultural income exceeding Rs 5000
* If you have taxable capital gains
* If you have income from business or profession
* Having income from more than one house property
* If you are a Director in a company
* If you have had investments in unlisted equity shares at any time during the financial year
* Owning assets (including financial interest in any entity) outside India, including signing authority in any account located outside India
* If you are a resident not ordinarily resident (RNOR) and non-resident
* Having any foreign income
* If tax has been deducted under Section 194N
* If in case payment or deduction of tax has been deferred on ESOP
* If you have any brought forward loss or loss needs to be carried forward under any income head

**ITR-2**

ITR-2 is for the use of an individual or a Hindu Undivided Family (HUF) whose total income for the AY 2024-25 includes:

* Income from Salary/Pension
* Income from House Property
* Income from Other Sources (including Winnings from Lottery and Income from Race Horses)
* If you are an Individual Director in a company
* If you have had investments in unlisted equity shares at any time during the financial year
* Being a resident not ordinarily resident (RNOR) and non-resident
* Income from Capital Gains
* Having any foreign income
* Agricultural income more than Rs 5,000
* Owning assets (including financial interest in any entity) outside India, including signing authority in any account located outside India
* If tax has been deducted under Section 194N
* If in case payment or deduction of tax has been deferred on ESOP
* If you have any brought forward loss or loss needs to be carried forward under any income head
* Further, in a case where the income of another person like one’s spouse, child etc. is to be clubbed with the income of the assessee, this Return Form can be used where such income falls in any of the above categories.
* The total income can be more than Rs 50 Lakhs.

**Who cannot use ITR-2 :**

This Return Form should not be used by an individual whose total income for the AY 2024-25 includes Income from Business or Profession. For declaring these types of Income, you may have to use ITR-3 or ITR-4.

**ITR-3**

The current ITR-3 Form is to be used by an individual or a Hindu Undivided Family who have income from a proprietary business or is carrying on a profession. The persons having income from the following sources are eligible to file ITR-3:

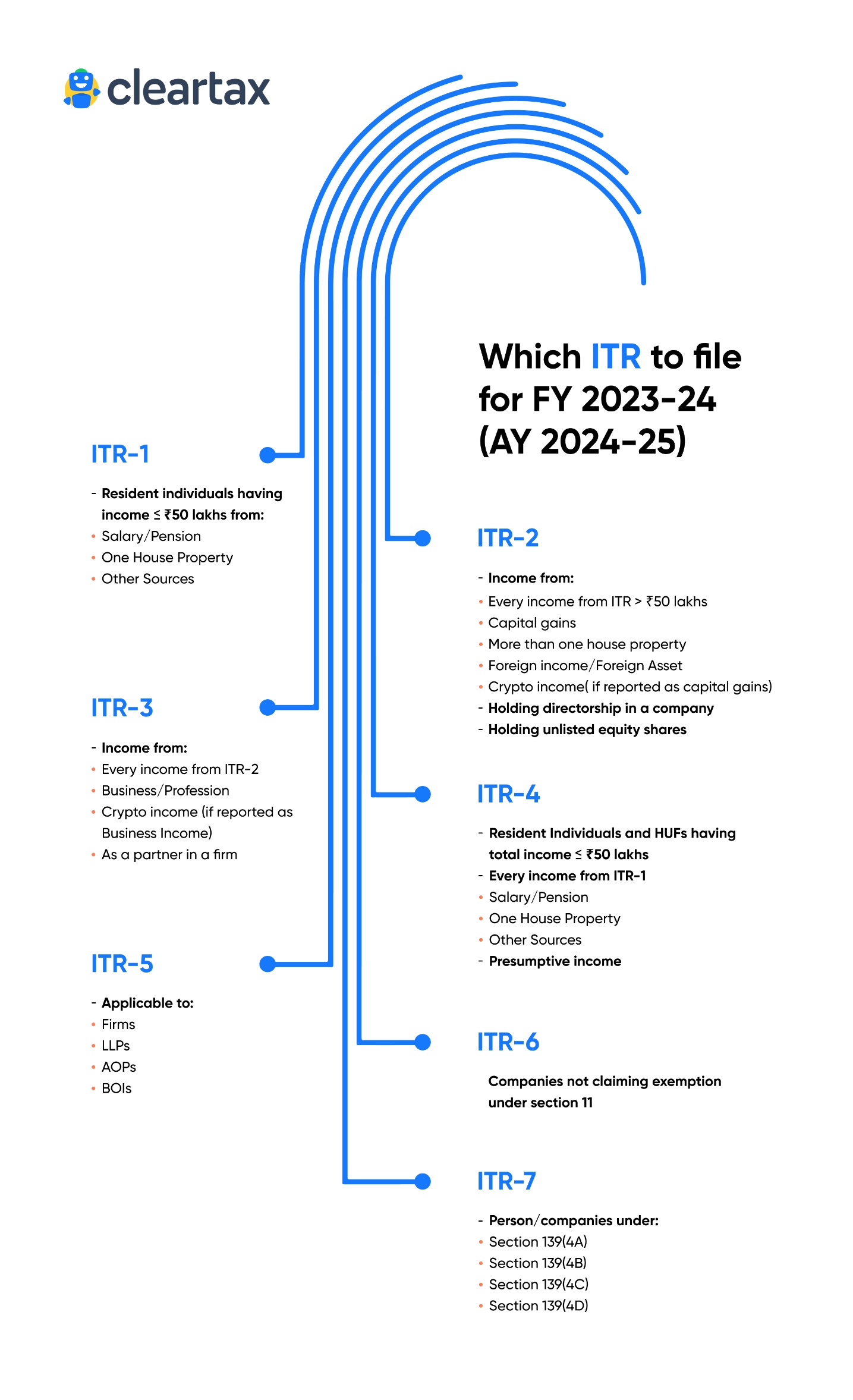
* Carrying on a business or profession who is required to maintain the books of accounts and/or required to get them audited.
* If you are an Individual Director in a company
* If you have had investments in unlisted equity shares at any time during the financial year
* The return may include income from House property, Salary/Pension and Income from other sources
* Income of a person as a partner in the firm

In short, individuals or HUFs who are not eligible to file ITR-1, ITR-2, and ITR-4, should file ITR-3

**ITR 4 or Sugam**

The current ITR-4 applies to individuals and HUFs, Partnership firms (other than LLPs), which are residents and whose total income includes:

* Business income according to the presumptive income scheme under section 44AD or 44AE
* Professional income according to presumptive income scheme under section 44ADA
* Income from salary or pension up to Rs 50 lakh
* Income from one house property, not more than Rs 50 lakh (excluding the amount of brought forward loss or loss to be carried forward)
* lease note that any individual earning income from the above-mentioned sources as a freelancer can also opt for a presumptive scheme if their gross receipts are not more than Rs 50 lakhs.
* A presumptive income scheme under sections 44AD, 44AE and 44ADA is when an individual or an entity opts to derive its income on a presumptive basis, i.e. when the income is presumed at a minimum rate based on a percentage of gross receipts / gross turnover or based on ownership of commercial vehicles. However, if the business turnover exceeds Rs 2 crore, the taxpayer will have to file ITR-3.



|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **ITR Form** | **Applicable to** | **Salary** | **House Property** | **Business Income** | **Capital Gains** | **Other Sources** | **Exempt Income** | **Lottery Income** | **Foreign Assets/Foreign Income** | **Carry Forward Loss** |
| ITR-1 / Sahaj | Individual, HUF (Residents) | Yes | Yes(One House Property) | No | No | Yes | Yes (Agricultural Income less than Rs 5,000) | No | No | No |
| ITR-2 | Individual, HUF | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes |
| ITR-3 | Individual or HUF, partner in a Firm | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| ITR-4 | Individual, HUF, Firm | Yes | Yes(One House Property) | Presumptive Business Income | No | Yes | Yes (Agricultural Income less than Rs 5,000) | No | No | No |

## ****Income tax Filing Sections as per Income Tax Act 1961 :****

**The following are the key sub-sections of Section 139 of the IT Act, 1961.**

### **1) Section 139(1) – Mandatory and Voluntary Returns**

Note: Under Section 139(1c), certain classes of people are exempt from filing income tax. If these classes of people fulfill the prescribed conditions, central government is empowered to grant them tax exemption.

### **2) Section 139(3) – Filing Income Tax in case of Loss**

* In case of an Individual Tax payer, if any loss was incurred in the previous financial year then filing a tax return is not mandatory

### **3) Section 139(4) – Late Income Tax Return**

The taxpayer (an individual or an entity) have to furnish the tax return before the due date as specified under the Section 139(1), or within the allowable time by a notice that is issued under the section 142(1). If they fail to do so, they may still file the belated return for any prior years any time until the expiry of one year that started from the end of the applicable year of assessment or before conclusion of the assessment, whichever happens earlier. However, the taxpayer might be charged with a penalty of ₹5,000, under Section 271F of IT Act 1961, in case the return is submitted after the pertinent assessment year.

### **4) Section 139(5) – Revised Return**

In case the Income Tax Return was filed within due date but later the tax payer realises that there was some mistake or omission in the filing of the return, to correct these mistakes there is provision for revised return of Income Tax under Section 139(5). However, a late or belated return is beyond the scope of this section and could not be revised.

### **5) Section 139(9) – Defective Returns**

As per Section 139(9), a tax return is defective if certain documents are not attached while filed the return. In case the return is considered defective by the tax officer, then tax payer will be informed by him and will be allowed to rectify the defect within 15 days starting from the day of intimation. Upon request from the tax payer through an application, the allowable period could be extended also. The assessing officer intimates the tax payer about the defect through a simple letter.

### 

### ABOUT E-FILING :

E-filing is the electronic filing of income tax returns over the Internet for the financial year. For this purpose, Income Tax Department has started a separate portal for the electronic filing of Income Tax Returns. The taxpayers should log on to that website for e-filing of the return of income.

#### **Methods of E-filing of ITR**

The two ways of E-filing Income Tax Returns are:

* E-filing with digital signature
* E-filing without digital signature

A diagram of a road

Description automatically generated

**Calculation of Income and Tax**  
First, the taxpayer must calculate their income according to the income tax law provisions. For this, the assessee must consider all the sources of income like salary, rental income, profit and gains, interest income, dividend income etc. Also, the taxpayer can claim deductions under section 80C.

**Tax Deducted at Source Certificates**  
The taxpayer should summarize the TDS amount from the TDS certificates received for all four quarters of the financial year.

**Sign up on the ITR portal**  
The initial step for filing ITR online is to register on the website. You need to enter your Name, Date of Birth, PAN and Aadhar Number for this. Then you need to set your password. Please note your PAN is the user ID.

**Selecting the right form**  
Depending on the type of assessee, income and sources of income, you need to choose the right ITR form which is applicable to you and download it. The assessee can complete this form either online or offline.

**Download the ITR utility from the Income Tax website**  
Visit the website and click on the top ‘Downloads’. Select the assessment year, choose the form, and download the Income Tax Return Utility. After that, save the form to your system to fill out the offline form.

**Enter details in the Downloaded file**  
Once the online utility is downloaded to your system, fill in the specified details of your income and check the tax payable or the refund receivable.

**Validate the information entered**  
Look for a few buttons on the right-hand side of the form that you have downloaded. Click on the ‘validate’ button. It will make sure that all the required information is entered.

**Save the file in XML format**  
On completing and validating the downloaded form, you need to click on the ‘Generate XML’ tab on the right side of the file.

**Upload the XML file on the Income Tax Website**  
Login to the income tax e-filing website and go to the e-File tab. Here you need to choose Income Tax Return. Then you will be asked to provide necessary details like PAN, assessment year, ITR form number and submission mode. In the submission mode, choose the option upload XML from the drop-down menu, attach the XML file, and click the submit button.

**Recognition and Verification**  
You will receive an acknowledgement once you return to the website.

**Refund of Taxes**  
The Income Tax Department issues a refund if the taxable amount is less than the actual tax paid. Taxpayers often get a tax refund on their income tax.

You can opt for available verification modes like Aadhaar OTP or electronic verification.

**Penalty for Late Filing of Income Tax Return :**

The taxpayers have to file the Income tax return of their income earned up to 31st July of the assessment year (AY) relevant to the financial year unless extended.

The government gives a four-month window every Assessment Year (A.Y.) for taxpaying citizens to consolidate their income details for the relevant financial year and file income tax returns. The said four-month period starts on 1st April and ends on 31st July (unless extended).

It takes only a few minutes to file your ITR, therefore this is more than reasonable. In addition to paying taxes on time, we must file returns by the due date or suffer penalties. This post will go over the consequences of filing an ITR late and what to do if you fail to file an ITR.

**The Due Date For Filing ITR For AY 2024-25 :**

For the Assessment Year 2024-25, the due date for return filing as per section 139(1) is 31st July 2024 unless extended by the government.

Many taxpayers believe that they have no further obligation if they have paid their taxes. However, missing the ITR filing deadline has legal consequences. Effective from the financial year Late Filing Fees u/s 234F

Effective from FY 2017-18, a late filing fee will be applicable for filing your returns after the due date under Section 234F.

For instance, the due date for filing returns for FY 2023-24 is 31st July 2024. If you miss filing the ITR by the due date, you can file the belated return by 31st December 2024. However, you are required to pay the penalty for late filing.

The maximum penalty of Rs 5,000 will be levied if you file your ITR after the due date of 31st July 2024 but before 31st December 2024.

However, there is a relief given to small taxpayers – if their total income does not exceed Rs 5 lakh, the maximum penalty levied for delay will be Rs 1,000. And if total income does not exceed the basic exemption limit, then no penalty will be charged.

2017-18, a late filing fee is applicable for filing returns after the due date.

**Consequences of Not Filing by the Due Date :**

**Prosecution**

The income tax officer can initiate proceedings for prosecution if the person willfully fails to file a return even after issuing notices. The imprisonment can be for a term of three months to two years with a fine.If the tax you owe to the income tax department is higher, the prosecution period may extend to seven years.

**Penalty**

Further, the income tax officer may impose a penalty of up to 50% of the tax due in case of underreporting income. Apart from the penalty levied by the IT department, there are other consequences that a taxpayer may face for late filing of returns:

**Unable to set off losses**

Losses incurred (other than house property loss) are not allowed to be carried forward to subsequent years. You cannot set off these losses against future gains if the return has not been filed within the due date. However, if there are losses under house property, carrying forward losses is permitted.

**Interest in the delay of filing the return**

Apart from the penalty for late filing, interest will be charged under Section 234A at 1% per month or part thereof on tax due until the payment of taxes.

The interest calculation under the said section will start from the date falling immediately after the due date, i.e. 31 July 2024 for FY 2023-24. So, the longer you wait, the more you pay.

**Delayed refunds**

In case you’re entitled to receive a refund from the government for excess taxes paid, you must file the returns before the due date to receive your refund at the earliest.

**ITR Not Filed for the Previous Financial Years :**

If you missed filing ITR for previous years. Then you have two options

Make an application u/s 119(2)(b) for Condonation

File Updated return u/s 139(8A)

**About Form 26AS, AIS and TIS**

**Form 26AS and AIS/TIS**  
It is an annual tax statement like a tax passbook that has details of all the taxes you have deposited against your PAN.

These include:  
a.) TDS deducted by the bank  
b.) TDS deducted by the employer  
c.) TDS deducted by other organizations from the payments done by you

The individual should ensure that all the taxes deducted in the financial year are reflected against the PAN in Form-26AS. In case of a mismatch, you will not be able to claim the tax credit for the TDS deduction. Therefore, the same should be rectified by getting in touch with the deductor.

You can view Form 26AS for the relevant Assessment Year by signing into your account on the Income Tax India e-filing website. Recently  Annual Information Statement (AIS) has been launched for taxpayers where you can access all information related to TDS, TCS, interest, etc, on one app.

**AIS:** Annual Information Statement (AIS) is a comprehensive view of information for a taxpayer displayed in Form 26AS. Taxpayers can provide feedback on information displayed in AIS. AIS shows both reported value and modified value (i.e., the value after considering taxpayer feedback) under each section (i.e., TDS, SFT, and Other information).

**TIS:** Taxpayer Information Summary (TIS) is category-wise aggregated information summary for a taxpayer. It shows the processed value (i.e., the value generated after deduplication of information based on pre-defined rules) and derived value (i.e., value derived after considering the taxpayer feedback and processed value) under each information category (e.g., Salary, Interest, Dividend, etc.). The derived information in TIS will be used for prefilling of return, if applicable.

**CONCLUSION**

In conclusion, the Income-tax return filing is mandatory to all persons earning income in India, subject to few exemptions available to them as per Income-tax act, 1961, this is one of the important documents required to submit to the bank for availing loans or any credit assistance. Now, the New Income-tax laws collecting all the financial data of all persons in AIS and TIS and making the person to disclose all their financial transaction to maintain transparency in their financial transactions, these mechanisms aid in widening the tax base, curbing tax evasion, and ensuring compliance.

However, complexities in the current system, such as varying rates and extensive compliance requirements, pose challenges for businesses and taxpayers. Streamlining processes, harmonizing rates, and leveraging technology for efficient administration can enhance the effectiveness of ITR submission, fostering a conducive environment for revenue collection and economic growth.

**LEARNING OUTCOMES, SUGGESTIONS AND CONCLUSIONS**

**LEARNING OUTCOMES**

* Knowledge about Basic Accounting
* Knowledge about how to use Tally
* Making entries in Tally Software
* Posting Opening balance in Tally
* Knowledge about the Goods and Services Tax and its application.
* Knowledge about the Income-tax Filing Process :
* Checklist of documents required for Tax Filing
* Different Heads of Income
* Computation of Tax of Individual Assessee
* Different Section applicable for Salary / House Property cases
* Different deductions available for Salary Assessee
* Form 26AS – how to download Form 26AS
* AIS and TIS – summary download
* Income Tax Efiling log in and its features.
* Penalties and Interest Applicable for Non-filing of Efiling
* Business Communication skills, writing letters
* Stocks and Shares – experienced virtual trading process

**CONCLUSION**

On the Whole, this internship was a useful experience, I have gained new knowledge, skills and understood the power of team work. I went through a lot of learning process in difference topics. I got insight into professional practice.

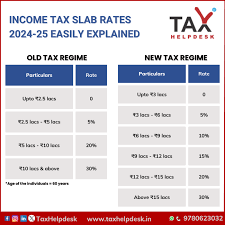
This internship helped me to understand my Strengths and weaknesses and I have to improve my skills to accommodate myself in my commerce field.

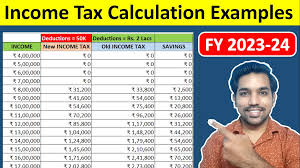
I have learned many things like the importance of discipline at work place, Time Management, how to use a computer, how to note points, listening skills.

At last this internship has given me new insights and motivation to pursue a career in the Commerce field, especially in the Taxation field.

**ANNEXURES**

**INCOME TAX SLABS, ITR FORMS**







**BIBILOGRAPHY**

During my Internship period, I referred following websites to gather information

required for my project :

1. <https://tallysolutions.com>
2. <https://www.gst.gov.in>
3. <https://contents.tdscpc.gov.in>
4. <https://nsdl.co.in>
5. <https://moneybhai.moneycontrol.com>
6. <https://pt.kar.nic.in>
7. [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)
8. [www.incometaxefiling.gov.in](http://www.incometaxefiling.gov.in)

**APPLICATION FOR INTERNSHIP**

**EVALUATION OF INTERNSHIP REPORT**

**For submission to Bengaluru City University**

|  |  |
| --- | --- |
| **Student** | **Mentor / Supervisor** |
| Name : | Name : |
| Reg No : |  |
| Signature : | Signature : |
| Date : | Date : |

**Evaluation Summary**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Project** | **Viva - Voce** | **Total** |
| Max. Marks |  |  |  |
| Marks. Alloted |  |  |  |
| Name of Examiner |  | Sign: |  |