

14. RETURN OF INCOME**PROBLEM NO.1**

The contention of Mrs. Lal is incorrect.

As per section 139(1), every person who is a resident, other than not-ordinarily resident in India, having –

- a) any asset (including financial interest in any entity) located outside India or
- b) signing authority in any account located outside India

is required to file a return of income in the prescribed form compulsorily on or before the due date of filing the return of income.

Hence, the contention of Mrs. Lal is not correct, as she-

- (i) holds financial interest in a company in London and
- (ii) Owns a house property in London.

Therefore, she has to compulsorily file her return of income for A.Y 2018-19 on or before the due date of filing return of income.

PROBLEM NO.2

YES, Mr. Ashok can file a revised return under section 139(5), to claim deduction under section 80D.

A return which has been filed on or before the due date of filing of return under section 139(1) or u/s 139(4) belated return can be revised under section 139(5). If he discovers any omission or any wrong statement in the return filed earlier.

In this case, the original return filed by Mr. Ashok on 16th August, 2018 was a belated return under section 139(4). A belated return filed under section 139(4) can be revised under section 139(5). Therefore, Mr. Ashok can file a revised return under section 139(5) to claim deduction under section 80D. even though the time limit for filing a revised return has not expired, since he had filed the original return for A.Y.2018-19 on 16th August, 2017 which is after 31st July, 2017, being the due date for filing of return under section 139(1) for A.Y.2018-19.

PROBLEM NO.3

An individual is required to furnish a return of income under section 139(1) if his total income, before giving effect to the provisions of chapter VI-A, exceeds the maximum amount not chargeable to tax i.e., Rs.2,50,000 (for A.Y 2018-19). In this case, since Mr.Rajveer's total income of Rs.34,600 before giving effect to deduction under section 80TTA, is less than the basic exemption limit of Rs.2.5 lakh, he is not required to file a return of income.

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

Particulars	Rs.
Income from other sources	
Interest earned from Non-resident (External) account Rs.3,06,000 permitted by RBI to maintain the aforesaid account)	Nil
Interest on bank fixed deposit	25,000
Interest on savings bank account	9,600
Gross total income	34,600
Less: Deduction under section 80 TTA – Interest on saving bank account	(9,600)
Total income	25,000

A person being a resident other than not ordinarily resident in India within the meaning of section 6(6), who is not required to furnish a return under section 139(1) and who at any time during the previous year,-

- a) Holds, as a beneficial owner or otherwise ,any asset (including any financial interest in any (entity) located outside India or has signing authority in any account located outside India ;or
- b) Is a beneficiary of any asset (including any financial interest in any entity) located outside India, is required to file a return of income in the prescribed form compulsorily on or before the due date of filing the return of income, irrespective of the fact that his total income does not exceed the basic exemption limit

Since Mr.Rajveer owns a house in London, he has to compulsory file his return of income for A.Y 2018-19 on or before 31st July 2018, irrespective of the fact that his total income is less than the basic exemption limit of Rs.2.5 lakh.

PROBLEM NO.4

Any person who has furnished a return under section 139(1) or 139(4) can file 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 assessment, whichever is earlier, if he discovers any omission or any wrong statement in the return filed earlier. Accordingly,

- i) A belated return filed under section 139(4) can be revised.
- ii) A return revised earlier can be revised again as the first revised return replaces the original return. Therefore, if the assessee discovers any omission or wrong statement in such a revised return, he can furnish a second revised return within the prescribed time i.e. within one year from the end of the relevant assessment year or before the completion of assessment, whichever is earlier.
- iii) A return of loss filed under section 139(3) is deemed to be return filed under section 139(1), and therefore, can be revised under section 139(5).

PROBLEM NO.5

As per section 140, return of income can be verified by an individual even if he is absent from India. Hence, an individual can himself verify the return of income from a place outside India. Alternatively, any person holding a valid power of attorney and duly authorised by the individual can also verify the return of income. However, such power of attorney should be attached along with the return of income.

THE END