Who is required to file the Return of Income?

Due date of filing Return of Income (commonly known as Income Tax Return / ITR) will soon approach. However, there are so many people who do not know who is required to file it. Believe me it is not difficult to know who is required to file the return of income.

As per ***Section 139(1)*** of the Income Tax Act, 1961, it is ***compulsory*** for ***companies*** and ***firms*** to file return of income for every previous year on or before due date in the prescribed form.

It also states that every person is required to file return of income if, at any time during previous year is beneficial owner or is a beneficiary of any asset (including any financial interest in any entity) located outside India or has signing authority in an account located outside India.

Further, every person, being an ***individual*** or a ***HUF*** or an ***AOP*** or ***BOI*** or an artificial juridical person-

- Whose ***total income without giving effect to the exemption*** provisions contained in ***sections 54/54B/54D/54EC/54F/54G/54GA/54GB*** in respect of capital gains or deductions under ***Chapter VI-A*** ***exceeds the basic exemption limit***
- Is required to file a return of income in the prescribed form and prescribed manner.

Every person ***other that a company or a firm***, who is ***not required*** to furnish return of income as mentioned above provisions ***are required to furnish return of income*** if, during the previous year such person-

- has ***deposited*** an ***amount or aggregate*** of amounts ***exceeding Rs. 1 Crore*** in one or more current accounts maintained with a banking company or a co-operative bank; or
- has incurred an ***expenditure*** of an ***amount or aggregate*** of the amounts ***exceeding Rs. 2 lakh*** for himself or any other person ***for travel to a foreign country***; or
- has incurred ***expenditure*** of an ***amount or aggregate*** of the amounts ***exceeding Rs. 1 lakh*** towards consumption of ***electricity***; or
- fulfils such other prescribed conditions

Please Note:

- As per ***Sec 139(3)*** of the Income Tax Act, 1961 return of loss is required to be filed in the case way as prescribed under ***Section 139(1)*** of the Income Tax Act, 1961.
- Requirement for filing Return of Income by Charitable Trust, Political Parties and few other types of assesse not covered under Section 139(1) and 139(3) will be discussed subsequently.

Please Note: All efforts are made to make the information true and accurate. Any error / omission is unintentional. Please contact your CA / CPA for proper planning. For any questions / queries you may reach me at sagardevani139@gmail.com