
Filing of Income Tax Returns

A Technical Workshop on ITR-1 & ITR-4

Assessment Year 2026-27 · Financial Year 2025-26

A Continuing-Education Programme for Chartered Accountants

■ Today's Agenda

Three panelists, one continuous session – CA Lijil Lakshman , Muhammed Abu Yasin P M, Jennifer Vincent

- | | | |
|-----------|--|-----------------------------|
| 01 | Introduction to ITRs
What returns are, the form family, who files, and due dates | 15 min |
| 02 | ITR-1 (Sahaj) deep dive
The salaried individual's form + a self-filing walkthrough | 20 min + 10 min FAQs |
| 03 | ITR-4 (Sugam) deep dive
Presumptive income for small business & professionals | 20 min + 10 min FAQs |
| 04 | Conclusion & key takeaways
Consolidated recap, best practices and resources | 15 min |

■ Scope, Assumptions & Disclaimer

Please read before we begin



Period covered

All figures, slabs and limits pertain to FY 2025-26 (AY 2026-27), governed by the Income-tax Act, 1961 and Income-tax Rules, 1962.



Statutory references

Section numbers cited are of the 1961 Act. The Income-tax Act, 2025 takes effect 01-Apr-2026 (FY 2026-27); a transition note is included.



Portal screens

Walkthrough captures are faithful recreations of the e-Filing portal using masked, fictional demo data. Live screens may differ slightly.



Professional judgement

Content is for training. Apply facts of each case; verify against the latest CBDT notifications, circulars and utility releases before filing.

In one line Educational material — not a substitute for the bare Act, Rules or case-specific advice.

01

Foundations of Return Filing

The statutory architecture every preparer must hold in mind

■ What is an Income-Tax Return?

The taxpayer's annual self-declaration

- A prescribed form in which a person reports income earned during a financial year, claims deductions and exemptions, computes tax and discloses taxes already paid.
- It is a **self-assessment** instrument: the taxpayer computes liability under s. 140A and pays the balance before filing.
- Filing converts a private computation into a **legal declaration**, verified under s. 140 and processed by the CPC under s. **143(1)**.
- The correct form depends on the source and quantum of income and the taxpayer's status — prescribed by Rule 12.



Section 139(1) — Income-tax Act, 1961

Every person whose total income exceeds the maximum amount not chargeable to tax shall, on or before the due date, furnish a return of income in the prescribed form and manner.

■ Who Needs to File?

Filing is mandatory once income crosses the limit — and in several other cases

The basic rule

If your total income before deductions exceeds the basic exemption limit for the year, filing a return is mandatory — regardless of whether tax was already deducted.

Many people also file voluntarily — to claim refunds or build a record.

You must also file if you:

- ✓ Hold foreign assets or earn foreign income
- ✓ Deposited large sums in bank accounts
- ✓ Spent heavily on foreign travel or electricity
- ✓ Want to claim a refund of excess TDS
- ✓ Need to carry forward a loss to future years

■ Mandatory Filing Triggers

Seventh proviso to s. 139(1) — file even with income below the limit



Bank deposits

Aggregate deposits \geq ₹1 crore in one or more current accounts in the year.



Foreign travel

Expenditure exceeding ₹2 lakh on foreign travel, for self or any other person.



Electricity

Electricity consumption expenditure exceeding ₹1 lakh in the year.



Business / professional receipts

Turnover above ₹60 lakh (business) or gross receipts above ₹10 lakh (profession).



TDS / TCS threshold

Aggregate TDS/TCS of ₹25,000 or more (₹50,000 for senior citizens).



Savings deposits

Aggregate deposits of ₹50 lakh or more in one or more savings accounts.

■ Why Filing Matters

Compliance is only the beginning



Legal obligation

Mandatory once income crosses the threshold or a s. 139(1) trigger applies; non-filing invites penalty and prosecution.



Refund of excess tax

Excess TDS/advance tax is refundable only by filing a return — with interest under s. 244A.



Loss carry-forward

Most losses can be carried forward only if the return is filed within the s. 139(1) due date.



Proof of income

The ITR-V and computation are accepted proof for loans, visas, tenders and high-value transactions.

In one line A timely return preserves refunds, losses and creditworthiness — not merely avoids penalty.

■ The ITR Form Family

Seven forms — the right one depends on who you are and how you earn

Form	Broadly for
ITR-1 (Sahaj)	Resident individual, total income \leq ₹50L: salary, one house property, other sources, LTCG u/s 112A \leq ₹1.25L ♦ today's focus
ITR-2	Individuals/HUFs with capital gains or multiple properties, no business income
ITR-3	Individuals/HUFs with business or professional income (with books)
ITR-4 (Sugam)	Presumptive income for small business & professionals ♦ today's focus
ITR-5	Firms, LLPs, AOPs and BOIs
ITR-6	Companies (other than those claiming charitable exemption)
ITR-7	Trusts, charities and similar entities

Highlighted rows are the two forms covered in detail today.

■ Key Terms, Demystified

The vocabulary you'll hear throughout today



PAN

Your unique tax identity — the number every return is filed against.



FY vs AY

You earn in the Financial Year; you file in the next Assessment Year.



Gross vs taxable income

Total earnings minus deductions gives the income actually taxed.



TDS

Tax deducted at source by your employer or payer, before you're paid.



Residential Status

Determines whether you're taxed as a Resident, Non-Resident, or Resident but Not Ordinarily Resident (RNOR) based on your stay in India.



Exemption limit

The income threshold above which filing becomes mandatory.

■ Source Documents & Statements

A shared vocabulary — part 2



Form 16 / 16A TDS certificates — Form 16 for salary (Parts A & B), Form 16A for non-salary payments.



AIS Annual Information Statement — a comprehensive view of reported financial transactions with a feedback facility.



TIS Taxpayer Information Summary — an aggregated, category-wise simplification of the AIS for return pre-filing.



SFT Specified financial transactions reported by banks, mutual funds, companies, registrars and other prescribed reporting entities to the Income-tax Department.

In one line Always reconcile the return against AIS, TIS and 26AS before submission.

■ The Assessment Cycle

From earning income to a processed return

- 1 Previous / Financial Year (FY 2025-26)**
Income is earned between 1 April 2025 and 31 March 2026 — the year of accrual.
- 2 Assessment Year (AY 2026-27)**
The following year in which that income is assessed and the return is filed.
- 3 Computation & self-assessment — s. 140A**
Tax is computed; advance tax, TDS and TCS are adjusted; the balance is paid.
- 4 Furnishing & verification — ss. 139 & 140**
The return is filed and verified within 30 days of transmission.
- 5 Processing & intimation — s. 143(1)**
The CPC processes the return and issues an intimation with any refund or demand.

In one line Income of the previous year is taxed in the assessment year — the cornerstone of the scheme.

■ Residential Status

It decides the scope of taxable income

Status	Test (s. 6)	Scope of income taxed (s. 5)
Resident & Ordinarily Resident	182 days in India, or 60 + 365 days; resident in 2 of last 10 yrs and 730 days in last 7	Global income — earned, received or accruing anywhere
Resident but Not Ordinarily Resident	Resident, but fails an additional s. 6(6) condition	Indian income + foreign income from a business controlled in India
Non-Resident	Fails the basic s. 6(1) tests	Only income received, accruing or arising in India



Sections 5 & 6 — scope and residence

Section 6 fixes residential status by physical presence; section 5 then determines which income enters the charge based on that status.

■ The Five Heads of Income

Section 14 — every rupee is classified



Salaries — ss. 15-17

Employer-employee remuneration; standard deduction under s. 16(ia).



House Property — ss. 22-24

Annual value of buildings/land; interest on borrowed capital under s. 24(b).



Profits & Gains of Business or Profession — ss. 28-44

Business and professional income, including presumptive schemes.



Capital Gains — ss. 45-55

Gains on transfer of capital assets; LTCG/STCG under ss. 112A / 111A.



Income from Other Sources — ss. 56-59

The residuary head — interest, dividends, family pension, winnings.

■ Computation of Total Income

The arithmetic of every return

- 1 Compute income under each of the five heads**
Apply head-specific deductions (e.g. s. 16(ia), s. 24(b)).
- 2 Aggregate and set off losses**
Intra-head and inter-head set-off under ss. 70-71; carry forward the balance.
- 3 Arrive at Gross Total Income (GTI)**
The total of all heads after set-off.
- 4 Subtract Chapter VI-A deductions**
80C, 80D, 80CCD(2), 80CCH and others (regime-dependent).
- 5 Total Income → apply rates → tax → rebate → cess**
Slab rates, s. 87A rebate, surcharge if any, then 4% health & education cess.

In one line GTI minus Chapter VI-A equals Total Income — the base for slab rates and rebate.

■ Two Tax Regimes

Section 115BAC — the default has shifted

New Regime — default (s. 115BAC)

- Default for individuals/HUF unless opted out
- Lower, wider slabs; rebate up to ₹60,000 u/s 87A (income ≤ ₹12L)
- Standard deduction ₹75,000 (salary)
- Most Chapter VI-A deductions forgone
- 80CCD(2) employer NPS & 80CCH retained
- Surcharge capped at 25%

Old Regime — opt-in (Form 10-IEA)

- Available only by exercising the option
- Higher slabs; rebate ₹12,500 u/s 87A (income ≤ ₹5L)
- Standard deduction ₹50,000 (salary)
- Full menu of deductions: 80C, 80D, 24(b), HRA
- Suits high-deduction taxpayers
- Surcharge up to 37%

In one line The new regime is the default from AY 2024-25 onward; the old regime must be actively chosen.

■ Choosing the Right Regime

A practitioner's decision framework

- Compute liability under both regimes for every client — the lower-tax outcome is not intuitive.
- The new regime usually wins where deductions are modest; the old regime wins where 80C, 80D, 24(b) interest and HRA are large.
- Salaried taxpayers may switch regimes each year. Those with business income may opt out only once and revert only once — s. 115BAC(6).
- The opt-out is exercised by filing Form 10-IEA before the s. 139(1) due date.



Form 10-IEA — Rule 21AGA

Individuals and HUFs with business or professional income must furnish Form 10-IEA to opt out of (or back into) the new regime; the timing restrictions of s. 115BAC(6) apply.

■ New-Regime Slabs & Rebate

Section 115BAC read with s. 87A — FY 2025-26

Total income slab	Rate
Up to ₹4,00,000	Nil
₹4,00,001 – ₹8,00,000	5%
₹8,00,001 – ₹12,00,000	10%
₹12,00,001 – ₹16,00,000	15%
₹16,00,001 – ₹20,00,000	20%
₹20,00,001 – ₹24,00,000	25%
Above ₹24,00,000	30%



Section 87A rebate

Total income \leq ₹12L \rightarrow rebate up to ₹60,000 \Rightarrow zero tax. Marginal relief eases the jump just above ₹12L.



Salaried break-even

With the ₹75,000 standard deduction, salary up to ₹12.75L is effectively tax-free.

In one line Cess of 4% applies on tax-plus-surcharge in both regimes.

■ Old-Regime Slabs, Surcharge & Cess

For taxpayers who opt out via Form 10-IEA

Income slab (below 60 yrs)	Rate
Up to ₹2,50,000	Nil
₹2,50,001 – ₹5,00,000	5%
₹5,00,001 – ₹10,00,000	20%
Above ₹10,00,000	30%



Rebate — s. 87A

Total income ≤ ₹5L → rebate of ₹12,500 ⇒ nil tax.



Surcharge & cess

Surcharge: 10% / 15% / 25% / 37% above ₹50L / ₹1cr / ₹2cr / ₹5cr. Health & education cess: 4% on tax plus surcharge.

In one line Senior (60-80) and super-senior (80+) citizens enjoy higher basic exemptions of ₹3L and ₹5L.

■ Due Dates, Belated & Revised Returns

The filing calendar for AY 2026-27

Return / event	Section	Date (AY 2026-27)
Non-audit individuals (ITR-1 / ITR-2)	139(1)	31 July 2026
Non-audit business / profession (ITR-3/4)	139(1)	31 August 2026
Audit cases	139(1)	31 October 2026
Belated return	139(4)	31 December 2026
Revised return	139(5)	31 December 2026
Defective return — cure within 15 days	139(9)	On notice

In one line Dates are subject to CBDT extension; a belated return forfeits most loss carry-forwards.

■ Updated Returns — ITR-U

Section 139(8A) — the second chance, extended

- An updated return lets a taxpayer voluntarily correct or disclose income after the belated/revised window closes.
- The Finance Act 2025 extended the window from 24 to 48 months from the end of the relevant AY (effective 01-Apr-2025).
- For AY 2025-26 the ITR-U may be filed up to 31 March 2030.
- It cannot be used to claim or increase a refund, or to reduce already-declared income, or to report a loss.

Filed within	Additional tax — s. 140B
12 months	25% of tax + interest
24 months	50%
36 months	60%
48 months	70%

■ Due Dates at a Glance

For Financial Year 2025-26 (Assessment Year 2026-27)



Dates per current notifications; always verify on incometax.gov.in, as extensions are possible.

■ Interest, Fees & Penalties

The cost of getting it wrong

Provision	Trigger	Consequence
s. 234A	Late filing of return	1% per month on unpaid tax
s. 234B / 234C	Default / deferment of advance tax	1% per month interest
s. 234F	Filing after the due date	₹5,000 (₹1,000 if income ≤ ₹5L)
s. 270A	Under- / mis-reporting income	50% / 200% of tax on such income
s. 276CC	Wilful failure to file	Prosecution — imprisonment & fine

In one line Interest is compensatory and automatic; penalty under s. 270A and prosecution under s. 276CC are far costlier.

■ Advance Tax

Sections 208 & 211 — pay as you earn

- Payable where the estimated tax liability for the year is ₹10,000 or more (s. 208), after reducing TDS/TCS.
- Resident senior citizens without business income are exempt from advance tax.

Instalment	Due date	Cumulative payable
First	15 June	15%
Second	15 September	45%
Third	15 December	75%
Fourth	15 March	100%

In one line Presumptive taxpayers (44AD/44ADA) pay the whole advance tax in a single instalment by 15 March.

■ Verification of the Return

Section 140 – filing is incomplete until verified



Aadhaar OTP OTP sent to the mobile linked with Aadhaar – the fastest e-verification route.



Net-banking / bank or demat EVC Electronic Verification Code generated through a pre-validated account.



Digital Signature Certificate Mandatory for audit cases and companies; optional otherwise.



Physical ITR-V to CPC, Bengaluru Signed ITR-V posted by ordinary/speed post where e-verification is not used.

In one line Verify within 30 days of transmission (CBDT Notn 05/2022); else the return is treated as never filed.

■ Looking Ahead — The Income-tax Act, 2025

A structural reform, not a rate change

- 1 The Income-tax Act, 2025 replaces the 1961 Act with effect from 1 April 2026 (FY 2026-27).
- 2 It introduces the unified concept of the "Tax Year", consolidates and renumbers provisions and simplifies drafting — substantive rates are largely carried forward.
- 3 Returns for FY 2025-26 (this workshop) remain governed by the 1961 Act; section numbers cited here are of that Act.
- 4 From next year, practitioners must re-map familiar sections to their 2025-Act equivalents.

In one line Know the change is coming — but file AY 2026-27 returns under the 1961 Act.

■ Session 1 — Recap

The foundations you will carry into ITR-1 and ITR-4



The cycle

Income of the previous year (FY) is assessed in the next year (AY) and processed under s. 143(1).



The base

Five heads → GTI → less Chapter VI-A → Total Income → rates, rebate, cess.



The regime

New regime is default; old regime needs Form 10-IEA.
Always compute both.



The discipline

Right form, right dates, reconcile with AIS/26AS, verify within 30 days.

In one line With the framework in place, we turn to the most common return — ITR-1 (Sahaj).

02

ITR-1 (Sahaj)

The salaried taxpayer's return — concept to e-verification

■ Who ITR-1 (Sahaj) Is For

Rule 12 – the simplest individual return

- 1 A resident and ordinarily resident individual (not an HUF).
- 2 With total income up to ₹50 lakh for the year.
- 3 Earning from salary or pension, one house property, and income from other sources (interest, family pension, dividends).
- 4 Long-term capital gains u/s 112A up to ₹1.25 lakh, with no brought-forward or carried-forward capital loss (a recent relaxation).
- 5 Agricultural income up to ₹5,000.

In one line Sahaj is built for straightforward, single-property salaried taxpayers within the ₹50L ceiling.

■ Eligibility — The Fine Print

Each condition must be satisfied together



Residential status

Must be Resident and Ordinarily Resident. RNOR and non-residents are excluded.



Income ceiling

Total income must not exceed ₹50 lakh — across all eligible heads combined.



One house property

Income from a single house property only; not where there is more than one.



LTCG relaxation

LTCG u/s 112A up to ₹1.25L is allowed in ITR-1 from AY 2025-26 — provided no capital loss is to be carried forward or set off.

In one line Breach any single limit and the taxpayer must move to ITR-2, ITR-3 or ITR-4 as appropriate.

■ When ITR-1 May NOT Be Used

Disqualifying conditions — the exclusion list

Income above ₹50 lakh

Total income exceeds the ceiling.

Business / profession

Any income from business or profession.

Capital gains (beyond relaxation)

STCG, or LTCG other than 112A \leq ₹1.25L, or any capital loss to carry forward, gains from VDAs such as cryptos.

More than one house property

Income from two or more house properties.

Director / unlisted shares

Director in a company, or holder of unlisted equity shares.

Foreign income / assets / RNOR-NR

Foreign assets or income, or non-resident / RNOR status.

■ Structure of the ITR-1 Form

Five logical parts mirrored on the portal

- 1 Part A – Personal Information**
Identity, contact, filing section and the regime selection.
- 2 Part B – Gross Total Income**
Salary, one house property and income from other sources.
- 3 Part C – Deductions**
Claim eligible deductions under Chapter VI-A such as 80C, 80D, 80G, 80CCD, etc.
- 4 Part D – Tax Paid**
Verify TDS, TCS, advance tax, self-assessment tax, and any other taxes already paid.
- 5 Verify your tax liability details**
Review the final tax computation, pay any balance tax due, or verify the refund amount receivable.

In one line The online utility presents these as sequential tabs — exactly the order we will follow.

■ Head 1 — Salaries

Sections 15 to 17, with the s. 16 deductions

- Salary is taxed on a due or receipt basis, whichever is earlier (s. 15).
- Gross salary includes basic, allowances, perquisites (s. 17(2)) and profits in lieu of salary (s. 17(3)).
- From the gross, deduct standard deduction u/s 16(ia) — ₹75,000 (new) or ₹50,000 (old); professional tax u/s 16(iii)(old); entertainment allowance u/s 16(ii) for government employees(old).
- Exempt allowances (HRA u/s 10(13A), LTA) are available only in the old regime.



Section 16(ia) — standard deduction

A flat deduction from salary income — ₹75,000 under the new regime and ₹50,000 under the old — requiring no proof or expenditure.

■ Head 2 — Income from House Property

Sections 22 to 24

- 1 Determine the Gross Annual Value (GAV)**
Self-occupied property has nil GAV; let-out uses actual/expected rent.
- 2 Less: municipal taxes paid**
Deducted on a paid basis to arrive at Net Annual Value (NAV).
- 3 Less: standard deduction — s. 24(a)**
A flat 30% of NAV for repairs and maintenance.
- 4 Less: interest on borrowed capital — s. 24(b)**
Up to ₹2,00,000 for a self-occupied property (old regime), no cap for let-out property.

In one line ITR-1 accommodates exactly one house property — let-out, self-occupied or deemed let-out.

■ Head 3 — Income from Other Sources

Sections 56 to 59 — the residuary head



Interest income

Savings, fixed and recurring deposits, and on income-tax refunds.



Dividends

Taxable in the shareholder's hands at slab rates since AY 2021-22.



Family pension

Standard deduction u/s 57(ia): lower of ₹25,000 or 1/3rd (new) / lower of ₹15,000 or 1/3rd (old).



Not allowed in ITR-1

Lottery winnings, crossword puzzles, betting/gambling income.

In one line Claim s. 80TTA (₹10,000) / 80TTB (₹50,000 for seniors) on interest only under the old regime.

■ Long-Term Capital Gains u/s 112A in ITR-1

The AY 2025-26 relaxation, used with care

- ITR-1 now accepts LTCG on listed equity shares and equity mutual funds under s. 112A, but only up to ₹1.25 lakh.
- Such gains up to ₹1.25 lakh are exempt; the excess is taxed at 12.5% without indexation.
- The relaxation is unavailable if there is any capital loss to be set off or carried forward — then ITR-2 is required.
- Short-term capital gains u/s 111A are NOT permitted in ITR-1 at all.



Section 112A — LTCG on equity

LTCG exceeding ₹1.25 lakh on listed equity (STT-paid) is taxed at 12.5% without indexation; gains within ₹1.25 lakh are exempt.

■ Deductions — Old vs New Regime

Chapter VI-A: what survives the default regime

Old regime — full menu

- 80C — ₹1.5L (LIC, PPF, ELSS, principal, tuition)
- 80D — health insurance premia
- 80CCD(1B) — ₹50,000 extra NPS
- 80TTA / 80TTB — interest
- 24(b) — home-loan interest ₹2L for self-occupied property
- 80G, 80E, 80DD, 80U and more

New regime — narrow set

- Most Chapter VI-A deductions withdrawn
- 80CCD(2) — employer NPS contribution
- 80CCH — Agniveer Corpus Fund
- Standard deduction ₹75,000 (salary)
- Family-pension deduction s. 57(iia)
- No 80C, 80D, HRA, 24(b) for SOP

In one line A taxpayer with large 80C/80D/24(b) claims often pays less under the old regime — compute both.

■ Reconciling Form 16, AIS, TIS & 26AS

The preparer's pre-filing checklist

1

Match salary to Form 16 Part B

Gross salary, exempt allowances and TDS must tie to the certificate.

2

Cross-check TDS with Form 26AS

Every TDS credit claimed should appear in 26AS.

3

Review AIS line by line

Interest, dividends, securities and other reported transactions — submit feedback on errors.

4

Use TIS for the pre-fill

The aggregated summary feeds the portal's pre-filled figures.

In one line Unreconciled AIS entries are the leading cause of s. 143(1) adjustments and notices.

■ Documents to Keep Ready

Gather these before you start — it makes filing fast and error-free



PAN, Aadhar
your tax identity



Deduction Proofs
Relevant certificates / Documents



Form 16
salary & TDS



Bank details
for refunds



Interest proofs
savings & FD

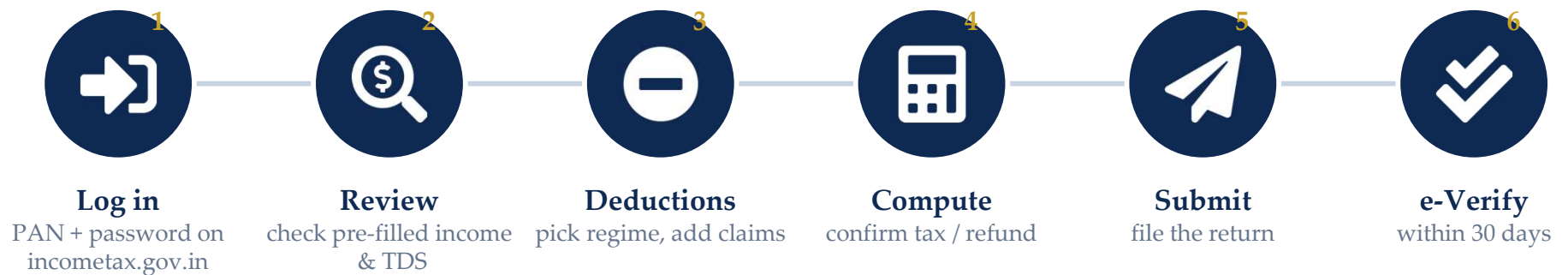


AIS / 26AS
pre-filled data

Most of this is now auto-filled on the portal — you're mainly reviewing and confirming.

■ Filing ITR-1: the Six-Step Flow

The whole process on the e-filing portal, end to end



■ Portal Walkthrough — How to Read It

A guided demonstration on incometax.gov.in

1 The following screens reproduce the live e-Filing journey using masked, fictional demo data.

2 Each screen carries a caption explaining what to check or enter at that step.

3 **We file online with pre-filled data** — the recommended route for ITR-1.

4 Sensitive fields (PAN, name, figures) are illustrative; in practice they pre-fill from your profile and 26AS/AIS.

In one line Follow the captions — they map every screen back to the schedules we just studied.



ITR-1 — Live Portal Walkthrough

Log-in to e-verification, screen by screen

■ Step 1 – The e-Filing Dashboard

www.incometax.gov.in → click on Login → Enter your PAN, password → Dashboard

The screenshot displays the e-Filing dashboard for an individual user. The top navigation bar includes the e-Filing logo, language settings (English), font size controls, and a session timer showing 1:3:38. The main navigation menu contains options like Dashboard, e-File, Authorised Partners, Services, AIS, Pending Actions, Grievances, and Help. A dropdown menu is open under 'e-File', with 'Income Tax Returns' selected, showing options: 'File Income Tax Return' (highlighted), 'View Filed Returns', 'e-Verify Return', 'View Form 26AS', 'Download Pre-Filled Data', and 'View Annual Information Statement (AIS)'. The dashboard content includes a 'Welcome' message, contact details, bank account information, and sections for 'Recent Filed Returns' and 'Recent Forms Filed'.

■ Step 2 — Select Assessment Year

e-File > Income Tax Returns > File Income Tax Return

e-Filing Anywhere Anytime
Income Tax Department, Government of India

Call Us | English | A⁻ A A⁺ | Individual

Dashboard e-File Authorised Partners Services AIS Pending Actions Grievances Help Session Time 1 4 : 2 9

Dashboard > e-file > Income Tax Return > File Income Tax Return

Income Tax Return (ITR)

* Indicates mandatory fields

Select Assessment year *

2026-27 (Current A.Y.)

Select Mode of Filing *

Online (Recommended) Offline

Note: The user can select type of ITR applicable Later

Information

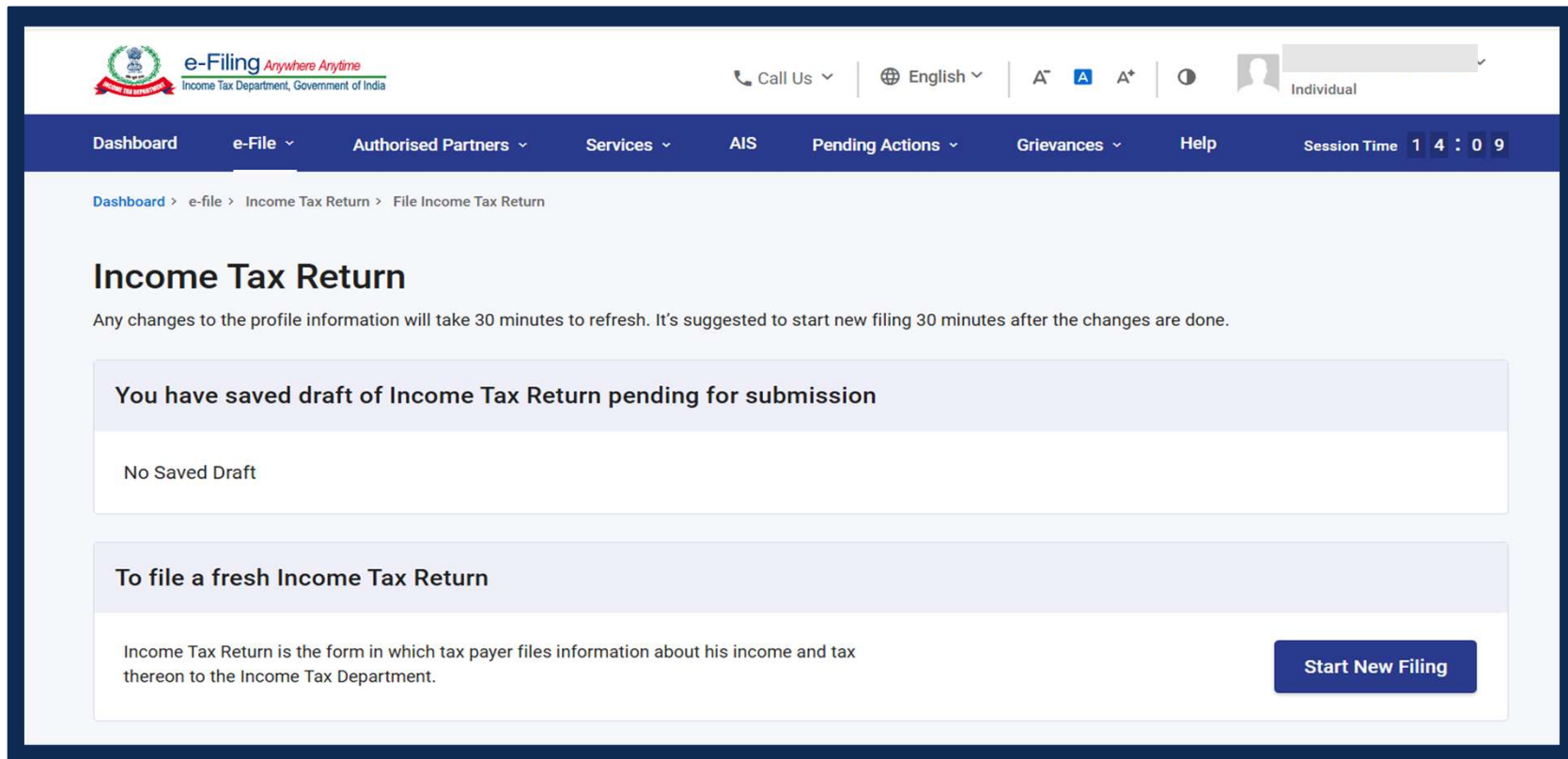
You've been directed to the "File Income Tax Return" page right after login to make it easier to file your return.

If you select offline mode, you will need to upload the ITR form prepared using offline utility in the next step

< Back Continue >

■ Step 3 — Start a New Filing

Mode of filing



The screenshot shows the e-Filing portal interface. At the top, there is a header with the e-Filing logo and text 'e-Filing Anywhere Anytime Income Tax Department, Government of India'. To the right of the header are links for 'Call Us', 'English', font size controls, and a user profile dropdown showing 'Individual'. Below the header is a navigation menu with items: 'Dashboard', 'e-File', 'Authorised Partners', 'Services', 'AIS', 'Pending Actions', 'Grievances', 'Help', and 'Session Time 1 4 : 0 9'. The main content area has a breadcrumb trail: 'Dashboard > e-file > Income Tax Return > File Income Tax Return'. The title 'Income Tax Return' is prominently displayed. Below the title, a message states: 'Any changes to the profile information will take 30 minutes to refresh. It's suggested to start new filing 30 minutes after the changes are done.' There are two main sections: 1. A light blue box with the heading 'You have saved draft of Income Tax Return pending for submission' and a white box below it containing the text 'No Saved Draft'. 2. A light blue box with the heading 'To file a fresh Income Tax Return' and a white box below it containing the text 'Income Tax Return is the form in which tax payer files information about his income and tax thereon to the Income Tax Department.' A blue button labeled 'Start New Filing' is positioned to the right of this text.

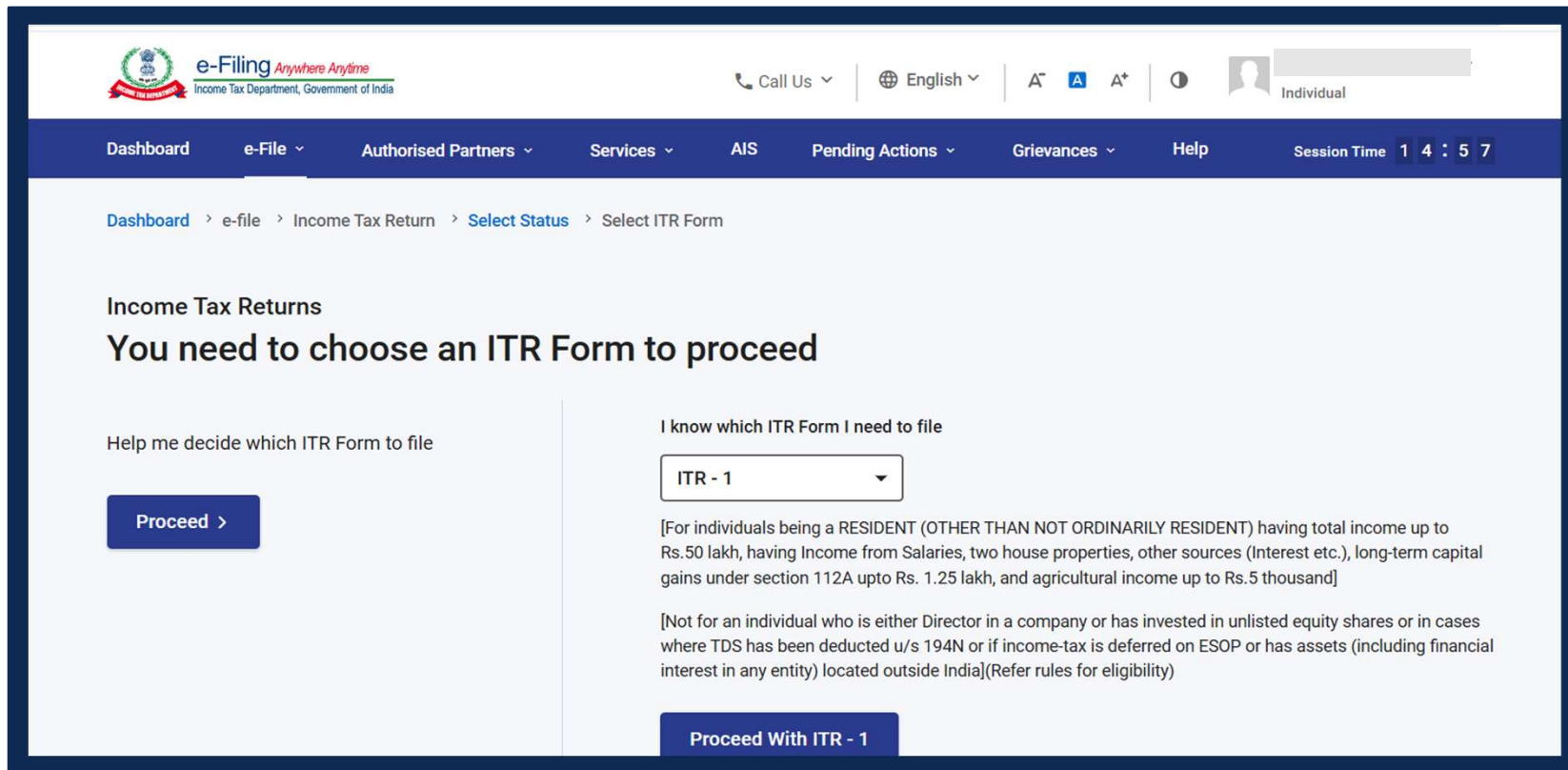
■ Step 4 — Select Applicable Status

Status of taxpayer

The screenshot displays the e-Filing portal interface. At the top, the logo for the Income Tax Department, Government of India, is visible alongside the text 'e-Filing Anywhere Anytime'. The user is logged in as 'Individual'. The navigation menu includes 'Dashboard', 'e-File', 'Authorised Partners', 'Services', 'AIS', 'Pending Actions', 'Grievances', and 'Help'. The session time is 1:4:44. The breadcrumb trail shows 'Dashboard > e-file > Income Tax Return > Select Status'. The main heading reads 'Please select the status applicable to you to proceed further'. Below this, a message states: 'Based on your last year's data we have pre-selected a status applicable to you. You may change the status if it is not applicable to you.' Three radio button options are presented: 'Individual' (which is selected), 'HUF', and 'Others'. At the bottom, there are two buttons: '< Back' and 'Proceed >'.

■ Step 5 — Select the ITR Form

Choose ITR-1



The screenshot shows the e-Filing portal interface. At the top, there is a header with the e-Filing logo and navigation links. The main content area is titled "Income Tax Returns" and "You need to choose an ITR Form to proceed". There are two columns of options:

- Help me decide which ITR Form to file**: A blue button labeled "Proceed >".
- I know which ITR Form I need to file**: A dropdown menu showing "ITR - 1". Below it, there is a detailed description of the eligibility criteria for ITR-1, including income limits and residency requirements. A blue button labeled "Proceed With ITR - 1" is at the bottom of this section.

■ Step 6 — Let's Get Started

Form overview

The screenshot shows the 'e-Filing Anywhere Anytime' interface for ITR 1. At the top, there is a navigation bar with the Income Tax Department logo, 'e-Filing Anywhere Anytime' text, and 'Income Tax Department, Government of India'. On the right, there are links for 'Call Us', 'English', and font size options. The main heading is 'ITR 1 - (Income Tax Return 1)'. Below this, there is a detailed description of eligibility: '[For individuals being a RESIDENT (OTHER THAN NOT ORDINARILY RESIDENT) having total income up to Rs.50 lakh, having Income from Salaries, two house properties, other sources (Interest etc.), long-term capital gains under section 112A upto Rs. 1.25 lakh, and agricultural income up to Rs.5 thousand]'. A note specifies: '[Not for an individual who is either Director in a company or has invested in unlisted equity shares or in cases where TDS has been deducted u/s 194N or if income-tax is deferred on ESOP or has assets (including financial interest in any entity) located outside India](Refer rules for eligibility)'. A three-step process flow is shown: 1. Validate your Returns breakup (Pre-filled), 2. Confirm your Return Summary, and 3. Verify & Submit your Return. Below the flow are buttons for '< Back' and 'Let's Get Started >'. At the bottom, there are two sections: 'Documents list to help you file faster' with a link to 'Form 16', and 'Frequently Asked Questions (FAQ)' with a link to 'Do I Need To File Income Tax Returns For This Year?'. An illustration of a person with a magnifying glass over a document is on the right side of the page.

ITR 1 - (Income Tax Return 1)

[For individuals being a RESIDENT (OTHER THAN NOT ORDINARILY RESIDENT) having total income up to Rs.50 lakh, having Income from Salaries, two house properties, other sources (Interest etc.), long-term capital gains under section 112A upto Rs. 1.25 lakh, and agricultural income up to Rs.5 thousand]

[Not for an individual who is either Director in a company or has invested in unlisted equity shares or in cases where TDS has been deducted u/s 194N or if income-tax is deferred on ESOP or has assets (including financial interest in any entity) located outside India](Refer rules for eligibility)

- 1 Validate your Returns breakup (Pre-filled)
- 2 Confirm your Return Summary
- 3 Verify & Submit your Return

[< Back](#) [Let's Get Started >](#)

Documents list to help you file faster

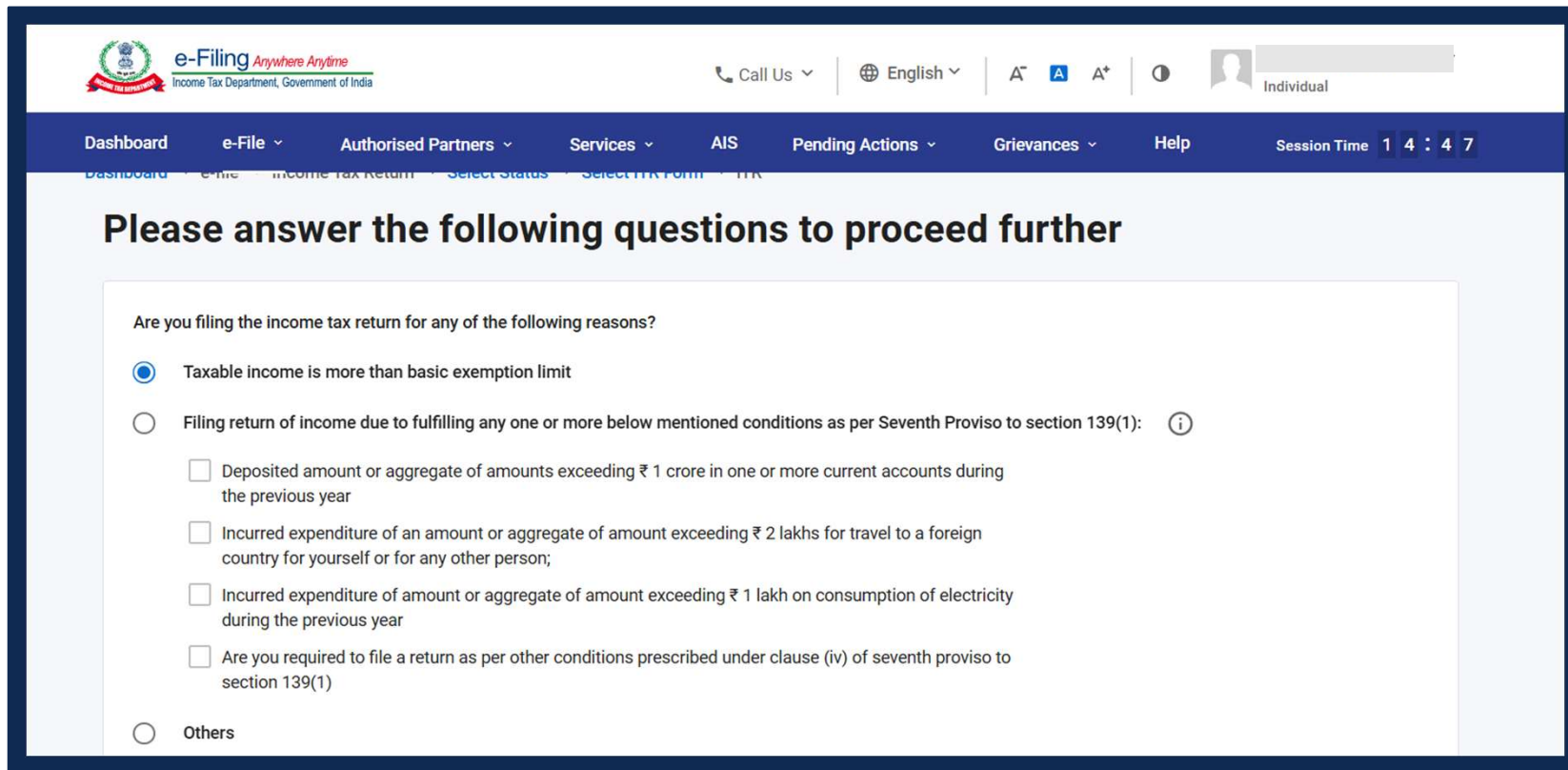
- [Form 16](#)

Frequently Asked Questions (FAQ)

- [Do I Need To File Income Tax Returns For This Year?](#)

■ Step 7 — Reason for Filing

Why are you filing?



The screenshot shows the e-Filing portal interface. At the top, there is a header with the e-Filing logo, 'Anywhere Anytime', and 'Income Tax Department, Government of India'. To the right of the header are links for 'Call Us', 'English', font size controls (A-, A, A+), and a user profile icon labeled 'Individual'. Below the header is a navigation bar with links for 'Dashboard', 'e-File', 'Authorised Partners', 'Services', 'AIS', 'Pending Actions', 'Grievances', and 'Help'. The 'Session Time' is displayed as '1 : 4 : 4 7'. The main content area has a heading 'Please answer the following questions to proceed further'. Below this heading is a question: 'Are you filing the income tax return for any of the following reasons?'. There are four radio button options: 1. 'Taxable income is more than basic exemption limit' (selected). 2. 'Filing return of income due to fulfilling any one or more below mentioned conditions as per Seventh Proviso to section 139(1):' with an information icon. This option has four sub-conditions, each with a checkbox: 'Deposited amount or aggregate of amounts exceeding ₹ 1 crore in one or more current accounts during the previous year', 'Incurred expenditure of an amount or aggregate of amount exceeding ₹ 2 lakhs for travel to a foreign country for yourself or for any other person;', 'Incurred expenditure of amount or aggregate of amount exceeding ₹ 1 lakh on consumption of electricity during the previous year', and 'Are you required to file a return as per other conditions prescribed under clause (iv) of seventh proviso to section 139(1)'. 3. 'Others'.

■ Step 8 — Sections Overview

Five tabs to validate

The screenshot displays the 'Return Summary' page on the e-Filing portal. At the top, there is a navigation bar with the e-Filing logo, 'Income Tax Department, Government of India', and utility links for 'Call Us', 'English', and font size adjustments. The main heading is 'Return Summary'. A blue rocket icon with the text 'It's good, keep going...' is positioned in the top right corner. Below this, five sections are listed, each with a blue tab on the left, a title and description in the middle, and a confirmation or modification button on the right. The 'Personal Information' section is marked as 'Confirmed' with a green checkmark.

Section	Status	Action
P Info	Personal Information (Mandatory) Confirmed Details of personal information, contact details, and bank account details	Modify if required
GTI	Gross Total Income (Mandatory) Please verify your income sources as collected from various sources and proceed	Provide your confirmation
Tot	Total Deductions (Mandatory) Please verify your deduction details and proceed further	Provide your confirmation
TP	Tax Paid Please verify details of taxes paid by you in the last financial year and proceed further	Provide your confirmation
Tax Liab	Verify your tax liability details Please verify your tax liability details and proceed further	Provide your confirmation

■ Step 9 – Personal Information

Tab 1 of 5

The screenshot shows the 'ITR-1 - Personal Information' page on the e-Filing portal. The page is divided into three steps: 1. Validate your Returns breakup, 2. Confirm your Return Summary, and 3. Verify & Submit your Return. The current step is Step 1. The page contains several sections for data entry and review.

A. General & Personal Information
Review the pre-filled details (auto-fetched from your PAN / Profile). Edit only where required.

PAN	Name	Date of Birth
XXXXX1234X	SAMPLE TAXPAYER	12-Aug-1989
Aadhaar Number	Mobile Number	Email Address
XXXX XXXX 4321 ✓ Linked	+91 X X X X 43210	s*****r@email.com
Nature of Employment	Filing Section	Are you opting out of New Regime u/s 115BAC(6)?
Others (Private sector) ▼	139(1) - On or before due date ▼	No · New Regime (default) ▼

Bank Account for Refund Credit
At least one validated bank account must be nominated for refund.

Bank Name	Account Number	IFSC	Status	Nominated for refund
HDFC Bank	XXXXXXXX4567	HDFC0000123	✓ Validated	✓ Yes

■ Reading the Screens — Personal Information

What the first tab really controls

- 1 The regime toggle on this tab is the single most consequential choice — it changes the slabs, the rebate and every available deduction downstream.
- 2 **Validate the pre-validated bank account:** refunds issue only to a validated account with EVC enabled.
- 3 Confirm the 'filing section' (e.g. 139(1) on or before due date) — it drives interest and late-fee computation.
- 4 Check the contact details; all OTPs and intimations route to the registered mobile and e-mail.

In one line Set the regime deliberately here — switching later means re-validating every subsequent tab.

■ Step 10 – Gross Total Income: Salary

Tab 2 of 5

The screenshot shows the 'ITR-1 - Gross Total Income' page for 'Income from Salary'. It features a progress bar with three steps: 1. Validate your Returns breakup, 2. Confirm your Return Summary, and 3. Verify & Submit your Return. The current step is 2. Below the progress bar, there are tabs for 'Income from Salary', 'House Property', 'Other Sources', and 'Exempt Income'. The 'Income from Salary' section is active and displays a table of income details. A note at the bottom explains the standard deduction under section 16(ia) and mentions that professional tax and entertainment allowance are not deductible under the New Tax Regime.

Particulars	Section	Amount (₹)
Gross Salary	17(1)	12,40,000
Less: Allowances exempt under section 10 (e.g. HRA, LTA)	10	40,000
Net Salary	—	12,00,000
Less: Standard Deduction	16(ia)	75,000
Less: Professional Tax (not allowable in New Regime)	16(iii)	0
Income chargeable under the head "Salaries"	—	11,25,000

Note: Standard deduction under section 16(ia) is ₹75,000 under the New Regime for AY 2026-27. Professional tax u/s 16(iii) and entertainment allowance are **not** deductible when the New Tax Regime u/s 115BAC applies.

< Back Confirm >

■ Step 11 – Gross Total Income: Other Sources

Tab 2 of 5 (continued)

The screenshot shows the 'e-Filing' portal interface for filing an ITR-1. The user is currently on the 'Other Sources' tab under the 'Gross Total Income' section. The page displays a table of income sources and a summary of the total income.

Income from Other Sources (section 56)
Interest and dividend income reflected in your AIS / Form 26AS.

Source	Reported in	Amount (₹)
Interest from Savings Bank Account	AIS	8,500
Interest from Fixed Deposits / Term Deposits	AIS / 26AS	22,000
Dividend income	AIS	5,000
Income from Other Sources	—	35,500

Gross Total Income (Salary + Other Sources) ₹ 11,60,500

Navigation buttons: < Back, Confirm >

■ Reading the Screens — Gross Total Income

Salary, house property and other sources

- 1 Pre-filled salary derives from the employer's TDS return; if Form 16 differs, correct it and retain the certificate.
- 2 Exempt allowances (HRA, LTA) appear only when the old regime is selected; under the new regime they are disallowed.
- 3 For house property, enter interest u/s 24(b) for a self-occupied property only under the old regime (cap ₹2 lakh).
- 4 Reconcile every interest and dividend line against the AIS; submit feedback on the portal for any mismatch.

In one line Pre-filled is a starting point, not gospel — the preparer owns the accuracy of every figure.

■ Step 12 – Total Deductions

Tab 3 of 5

The screenshot shows the 'e-Filing Anywhere Anytime' portal for the Income Tax Department, Government of India. The user is logged in as 'SAMPLE TAXPAYEE'. The navigation bar includes 'Dashboard', 'e-File', 'Authorised Partners', 'Services', 'AIS', 'Pending Actions', 'Grievances', and 'Help'. The session time is 15 minutes.

The main heading is 'ITR-1 - Total Deductions'. Below it, a progress bar shows three steps: 1. Validate your Returns breakup, 2. Confirm your Return Summary, and 3. Verify & Submit your Return. Step 2 is currently active.

A notice states: 'New Tax Regime is the default for AY 2026-27 (section 115BAC). Most Chapter VI-A deductions (80C, 80D, 80G, etc.) are **not** available under the New Regime. Only the deductions below remain admissible.'

The section 'Deductions admissible under the New Regime' includes the instruction: 'Add, edit or confirm the deductions you wish to claim under Chapter VI-A.'

Section	Deduction	Amount (₹)
80CCD(2)	Employer's contribution to NPS (Tier-1)	0
80CCH	Contribution to the Agniveer Corpus Fund	0
Total Deductions under Chapter VI-A		0

Switching to the Old Regime? Deductions such as 80C (up to ₹1,50,000), 80D, 80TTA, 80G, etc. would then become claimable. You may opt out using **Form 10-IEA**.

Navigation buttons: '< Back' and 'Confirm >'.

■ Step 13 – Taxes Paid

Tab 4 of 5

The screenshot shows the 'ITR-1 - Tax Paid' page on the e-filing portal. The page title is 'ITR-1 - Tax Paid' and it includes a progress indicator with three steps: 1. Validate your Returns breakup, 2. Confirm your Return Summary, and 3. Verify & Submit your Return. The main section is titled 'Taxes already paid during FY 2025-26' and contains a table with the following data:

Head	Source / Form	Amount (₹)
TDS on Salary	Form 16 / 24Q (26AS)	98,000
TDS other than Salary	Form 16A / 26AS	2,200
TCS	27D / 26AS	0
Advance Tax	Challan 280	0
Self-Assessment Tax	Challan 280	0
Total Taxes Paid		1,00,200

At the bottom of the page, there are two buttons: a 'Back' button on the left and a 'Confirm' button on the right.

■ Reading the Screens — Deductions & Taxes Paid

Tabs 3 and 4 in practice

- 1 Only deductions valid for the chosen regime are accepted; the utility greys out the rest.
- 2 80CCD(2) — employer NPS — is allowed even under the new regime; do not omit it.
- 3 Under 'Taxes Paid', confirm that all TDS in 26AS is captured; a missed credit inflates the demand.
- 4 Add any self-assessment tax (challan 280) paid before filing so the liability nets to zero.

In one line Unclaimed TDS and omitted 80CCD(2) are the two most common money-losing oversights.

■ Step 14 – Tax Liability

Tab 5 of 5

The screenshot shows the 'ITR-1 - Total Tax Liability' page. The navigation bar at the top includes 'Dashboard', 'e-File', 'Authorised Partners', 'Services', 'AIS', 'Pending Actions', 'Grievances', and 'Help'. The session time is 15. The breadcrumb trail is 'Dashboard > e-File > File ITR-1 > Total Tax Liability'. The page title is 'ITR-1 - Total Tax Liability'. Below the title is a progress indicator with three steps: 1. Validate your Returns breakup, 2. Confirm your Return Summary, and 3. Verify & Submit your Return. The main section is 'Computation of Tax (New Regime · AY 2026-27)'. It states 'Tax computed by the system on your confirmed total income.' Below this is a table with two columns: 'Particulars' and 'Amount (₹)'. The table rows are: 'Total Income (rounded u/s 288A)' with amount 11,60,500; 'Tax on Total income (slab rates u/s 115BAC)' with amount 66,050; 'Less: Rebate u/s 87A (total income ≤ ₹12,00,000)' with amount 66,050; 'Tax after Rebate' with amount 0; 'Add: Health & Education Cess @ 4%' with amount 0; 'Total Tax Liability' with amount 0; 'Less: Total Taxes Paid (TDS)' with amount 1,00,200; and 'Refund Due' with amount 1,00,200. Below the table is a note for Section 87A: 'As total income does not exceed ₹12,00,000, the entire tax is rebated under the New Regime, making the net tax liability nil. The TDS already deducted is fully refundable.' At the bottom, there are two buttons: '< Back' and 'Confirm >'. The 'Confirm >' button is highlighted in blue.

Particulars	Amount (₹)
Total Income (rounded u/s 288A)	11,60,500
Tax on Total income (slab rates u/s 115BAC)	66,050
Less: Rebate u/s 87A (total income ≤ ₹12,00,000)	66,050
Tax after Rebate	0
Add: Health & Education Cess @ 4%	0
Total Tax Liability	0
Less: Total Taxes Paid (TDS)	1,00,200
Refund Due	1,00,200

Section 87A: As total income does not exceed ₹12,00,000, the entire tax is rebated under the New Regime, making the net tax liability nil. The TDS already deducted is fully refundable.

■ Step 15 – Preview the Return

Before submission

Go! **e-Filing** Anywhere Anytime
Income Tax Department, Government of India

Call Us English A A A SAMPLE TAXPAYER

Dashboard e-File Authorised Partners Services AIS Pending Actions Grievances Help Session Time 15:1

Dashboard > e-File > File ITR-1 > Preview & Submit

Return Summary - All Sections Confirmed

1 Validate your Returns breakup — 2 Confirm your Return Summary — 3 Verify & Submit your Return

Section	Description	Status
Personal Information	Identity, contact & bank details	✓ Confirmed
Gross Total Income	₹ 11,60,500	✓ Confirmed
Total Deductions	₹ 0 (New Regime)	✓ Confirmed
Tax Paid	₹ 1,00,200	✓ Confirmed
Total Tax Liability	Refund ₹ 1,00,200	✓ Confirmed

All five sections are validated. Click **Proceed to Validation** to run the system checks, then preview the return before submission.

< Back Proceed to Validation >

■ Step 16 – Declaration

Confirm and proceed

Income Tax Department, Government of India

Dashboard e-File Authorised Partners Services AIS Pending Actions Grievances Help Session Time 15

Dashboard > e-File > File ITR-1 > Declaration

Declaration

✓ Validate your Returns breakup ——— ✓ Confirm your Return Summary ——— 3 Verify & Submit your Return

Verification (Part D)

Read the declaration carefully before submitting. Furnishing a false statement is punishable u/s 277.

I, **SAMPLE TAXPAYER**, son/daughter of —, solemnly declare that to the best of my knowledge and belief the information given in this return and the schedules thereto is correct and complete and is in accordance with the provisions of the Income-tax Act, 1961. I further declare that I am making this return in my capacity as **Self** and I am competent to make this return and verify it.

I agree to the declaration above and confirm the details entered in the return.

Place	Date	Capacity
Kochi	03-Jun-2026	Self ▼

[Back](#) [Proceed to Verification >](#)

Feedback, Website Policies, Accessibility Statement, Site Map, Privacy Statement, e-Process Help. Last reviewed and updated on: 03 Jun 2026

■ Step 17 — e-Verify Options

Verification — within 30 days

The screenshot displays the e-Filing portal interface for selecting verification options. The browser address bar shows the URL: <https://eportal.incometax.gov.in/iec/foservices/#/everify/select>. The page header includes the e-Filing logo with the tagline "Anywhere Anytime" and the text "Income Tax Department, Government of India". Navigation links include "Dashboard", "e-File", "Authorised Partners", "Services", "AIS", "Pending Actions", "Grievances", and "Help". A "Session Time" indicator shows 15 minutes. The main content area is titled "e-Verify your Return" and contains a message: "Your return has been submitted successfully. It must now be verified within 30 days of filing (CBDT Notification No. 5/2022). An unverified return is treated as not filed (section 139(9) / Rule 14).". Below this, a section titled "Choose how you want to verify" explains that e-Verification is instant and paperless. Five radio button options are listed: "I would like to e-Verify using OTP on mobile number registered with Aadhaar" (marked as Recommended), "Generate Electronic Verification Code (EVC) through Net Banking", "Generate EVC through Bank Account / Demat Account", "Verify using Digital Signature Certificate (DSC)", and "Send a signed physical ITR-V to CPC, Bengaluru (by ordinary / speed post)". At the bottom, there are "Back" and "Continue" buttons.

■ Reading the Screens — Liability, Submit & Verify

Closing the return correctly

- 1** The liability tab applies the s. 87A rebate automatically — verify a near-₹12L income for marginal relief.
- 2** If tax is payable, pay it (challan 280) and re-enter the challan before submitting; otherwise s. 143(1) raises a demand.
- 3** Preview and download the draft return; a deliberate read catches schedule errors the utility cannot.
- 4** Submit, then e-verify immediately — an unverified return is invalid after 30 days.

In one line Filing without verifying is not filing — close the loop with Aadhaar OTP the same day.

■ Step 18 – Enter Aadhaar OTP

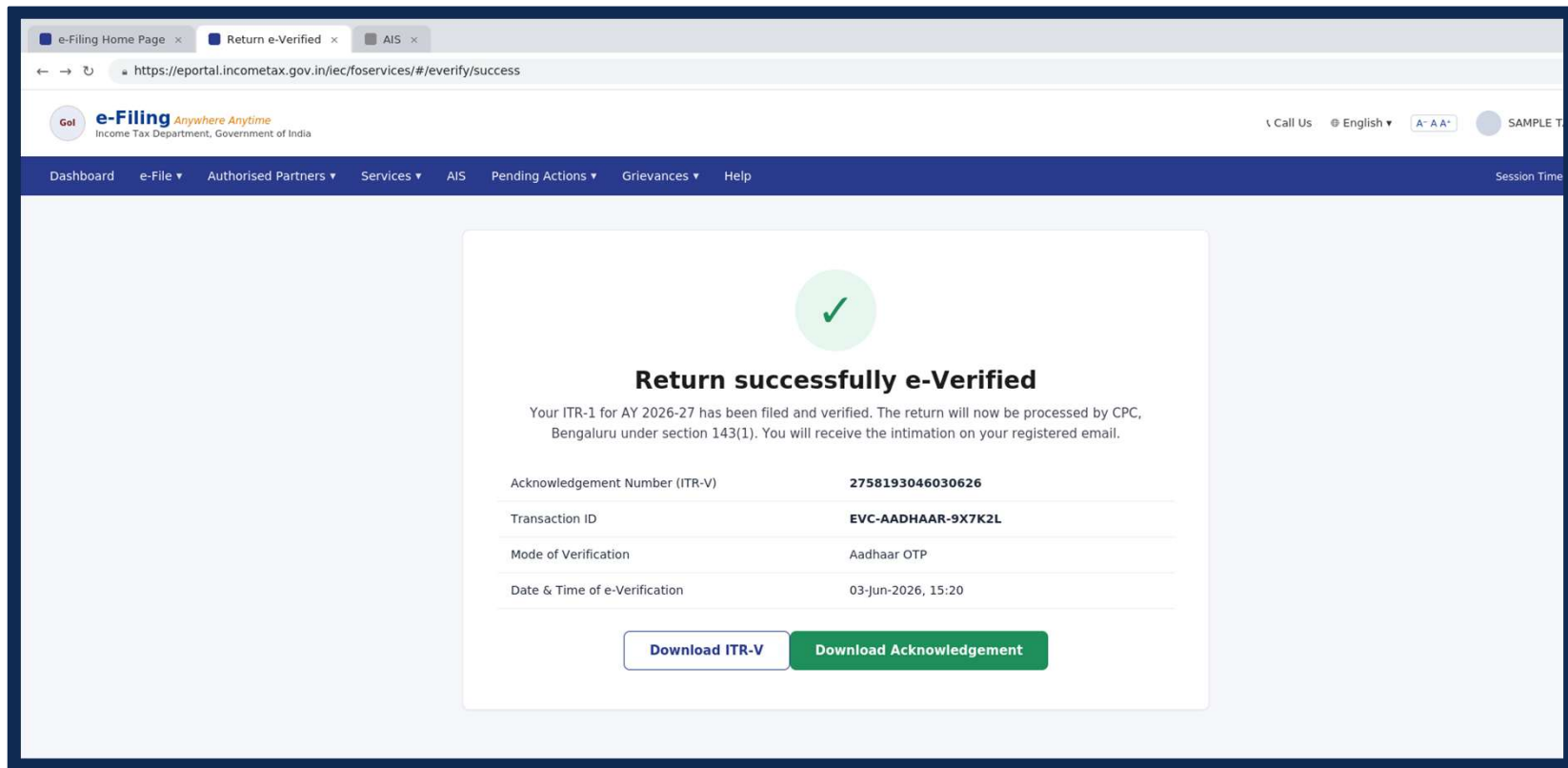
Authenticate

The screenshot shows the e-Filing portal interface for entering an Aadhaar OTP. The browser address bar displays the URL: <https://eportal.incometax.gov.in/iec/foservices/#/everify/aadhaar-otp>. The page header includes the e-Filing logo and navigation links. The main content area is titled "Verify using Aadhaar OTP" and contains the following elements:

- Enter the 6-digit OTP**: A heading for the verification step.
- OTP Information**: A message stating "An OTP has been sent to the mobile number registered with Aadhaar XXXXXX3210." Below this, the 6-digit OTP is displayed in individual boxes: 2, 7, 5, 8, 1, 9.
- Validity and Resend**: A note indicating the OTP is "Valid for 15:00 minutes" with a "Resend OTP" link.
- Agreement**: A checkbox labeled "I agree to validate my Aadhaar details with UIDAI for the purpose of e-Verification." which is checked.
- Navigation**: "Back" and "Submit" buttons are located at the bottom of the form area.

■ Step 19 – Filing Successful

Acknowledgement



The screenshot displays the e-Filing portal's success page for ITR-1 verification. The page features a green checkmark icon at the top, followed by the heading "Return successfully e-Verified". Below this, a message states: "Your ITR-1 for AY 2026-27 has been filed and verified. The return will now be processed by CPC, Bengaluru under section 143(1). You will receive the intimation on your registered email." A table provides key details: Acknowledgement Number (ITR-V) is 2758193046030626, Transaction ID is EVC-AADHAAR-9X7K2L, Mode of Verification is Aadhaar OTP, and Date & Time of e-Verification is 03-Jun-2026, 15:20. At the bottom, there are two buttons: "Download ITR-V" and "Download Acknowledgement".

Acknowledgement Number (ITR-V)	2758193046030626
Transaction ID	EVC-AADHAAR-9X7K2L
Mode of Verification	Aadhaar OTP
Date & Time of e-Verification	03-Jun-2026, 15:20

■ Common Mistakes to Avoid — ITR-1

Where preparers most often slip



Blindly accepting pre-fill

Filing pre-filled figures without reconciling to Form 16, AIS and 26AS.



Wrong regime choice

Defaulting to the new regime when old-regime deductions would save more.



Omitting exempt income

Not disclosing interest, dividends or exempt income flagged in the AIS.



Forgetting to e-verify

Submitting but never verifying within the 30-day window.



Unvalidated bank account

Refund fails because the nominated account is not pre-validated.



Using ITR-1 when ineligible

Crossing ₹50L, two properties or capital loss — making the return defective.

■ ITR-1 in a Nutshell

Three numbers to remember

₹50L

Maximum total income for ITR-1
eligibility

31 Jul

Due date for non-audit individuals
(AY 2026-27)

30 days

Window to e-verify after
submission

In one line Resident, ≤ ₹50L, simple heads, verify within 30 days — that is Sahaj in one breath.

■ ITR-1 — Frequently Asked Questions

Part 1 of 3

Q Can a salaried taxpayer switch regimes every year?

A Yes. A taxpayer without business income may choose between the old and new regimes afresh each assessment year while filing the return.

Q I missed the 31 July due date. What now?

A File a belated return u/s 139(4) by 31 December 2026 with a late fee u/s 234F and interest u/s 234A; note that most loss carry-forwards are lost.

Q My Form 16 and AIS show different interest. Which do I use?

A Use the correct, reconciled figure. Examine the source, correct the return, submit AIS feedback for the erroneous entry and retain your evidence.

■ ITR-1 — Frequently Asked Questions

Part 2 of 3

Q Is e-verification mandatory?

A Effectively yes. A return must be verified within 30 days of submission; otherwise it is treated as never filed. Aadhaar OTP or net-banking EVC is simplest.

Q Can I claim 80C deductions under the new regime?

A No. Section 80C is unavailable under the new regime. Only items such as 80CCD(2) employer NPS and 80CCH survive, plus the ₹75,000 standard deduction.

Q I have ₹1 lakh of LTCG on shares. Can I still use ITR-1?

A Yes, from AY 2025-26 LTCG u/s 112A up to ₹1.25 lakh is permitted in ITR-1, provided there is no capital loss to set off or carry forward.

■ ITR-1 — Frequently Asked Questions

Part 3 of 3

Q How do I get a refund faster?

A Pre-validate and nominate a bank account with EVC enabled, e-verify on the day of filing, and ensure the return is free of mismatches that trigger s. 143(1) adjustments.

Q Do I need to file if my income is below the exemption limit?

A Not always — but you must file if any seventh-proviso trigger applies (large deposits, foreign travel above ₹2L, high TDS, etc.), or to claim a refund.

Q Can I revise an ITR-1 after e-verifying?

A Yes. File a revised return u/s 139(5) up to 31 December 2026; the latest valid revised return supersedes the earlier one.



ITR-1 — Questions & Discussion

Let us address your queries before we move to ITR-4

03

ITR-4 (Sugam)

Presumptive taxation for small business and professionals

■ What Is Presumptive Taxation?

A simplified scheme for small taxpayers

- Instead of maintaining detailed books and computing actual profit, income is presumed at a fixed percentage of turnover or receipts.
- It relieves small businesses and professionals of the burden of books u/s 44AA and audit u/s 44AB.
- The presumed income is taxed at normal slab rates; the scheme only fixes the income, not the rate.
- Three sections govern it: 44AD (business), 44ADA (profession) and 44AE (goods carriage).



Sections 44AD / 44ADA / 44AE

These presumptive provisions deem a prescribed percentage of turnover or receipts to be the profits and gains of the eligible business or profession.

■ Who ITR-4 (Sugam) Is For

Rule 12 – the presumptive return



Eligible persons

Resident individual, HUF or firm (other than LLP).



Presumptive income

Income computed under s. 44AD, 44ADA or 44AE.



Total-income ceiling

Total income must not exceed ₹50 lakh for the year.



Other eligible income

May also have salary/pension, one house property and other-sources income.

In one line Even if turnover allows more, total income above ₹50L forces a shift to ITR-3.

■ Documents to Keep Ready – ITR-4

Before opening the portal



Identity & access

PAN, linked Aadhaar, registered mobile/e-mail.



Turnover / receipts

Bank statements, sales summary, digital-vs-cash split for the 6%/8% test.



Profession records

Gross-receipts summary for 44ADA; vehicle ownership details for 44AE.



Tax credit

26AS, AIS, TIS; advance-tax and self-assessment challans.



Other income

Form 16/16A, interest and rent statements if applicable.



Bank details

A pre-validated account for any refund.

■ Section 44AD – Small Business

Presumptive scheme for eligible businesses

- Available to a resident individual, HUF or partnership firm (not LLP) carrying on an eligible business.
- Eligible Business under Section 44AD means any small business other than specified professions u/s 44ADA, agency businesses, commission/brokerage businesses, and goods carriage businesses covered under Section 44AE.
- Turnover limit: ₹2 crore, raised to ₹3 crore where cash receipts do not exceed 5% of turnover.
- Presumed income: 8% of turnover, reduced to 6% for receipts via banking channels / digital modes.
- Business expenses u/s 28-43C are deemed allowed; but Chapter VI-A deductions and home-loan interest may still be claimed.



Section 44AD(4)/(5) – the lock-in

If a taxpayer declares below the presumptive rate after opting in, the scheme is barred for the next five years and books plus audit become mandatory.

■ Section 44ADA – Professionals

Presumptive scheme for specified professions

- 1 For resident individuals and partnership firms (not LLP) in a profession specified u/s 44AA – legal, medical, engineering, architecture, accountancy, technical consultancy, interior decoration, and others.
- 2 **Gross-receipts limit:** ₹50 lakh, raised to ₹75 lakh where cash receipts do not exceed 5%.
- 3 **Presumed income:** 50% of gross receipts; the balance is treated as expenses deemed allowed.
- 4 A professional may declare higher actual income; declaring lower requires books and audit.

In one line A CA, doctor or lawyer with receipts up to ₹50L/₹75L can declare 50% and file ITR-4 – if total income stays ≤ ₹50L.

■ Section 44AE — Goods Carriages

Presumptive scheme for transporters

- 1 For taxpayers owning not more than ten goods carriages at any time during the year.
- 2 **Heavy goods vehicle (gross vehicle weight above 12,000 kg):** ₹1,000 per ton of GVW per month (or part).
- 3 **Other than heavy goods vehicle:** ₹7,500 per vehicle per month (or part of a month) of ownership.
- 4 Income may be declared higher than the presumptive amount; lower requires books and audit.

In one line The ten-vehicle ceiling is tested at every point in the year — exceed it even once and 44AE is lost.

■ When ITR-4 May NOT Be Used

Disqualifying conditions



Total income above ₹50L

Use ITR-3 even if turnover is within presumptive limits.



More than one house property

Multiple house properties take the taxpayer to ITR-3.



Capital gains

Any capital gains (beyond what ITR-4 cannot hold) require another form.



Director / unlisted shares

Directorship or unlisted equity holdings disqualify ITR-4.



Foreign income / assets

Any foreign asset or income, or non-resident status.



LLP / company

LLPs and companies are outside the presumptive ITR-4 scheme.

■ Books, Audit & the Opt-Out Trap

How 44AA, 44AB and 44AD(4) interact

- 1 Opting into 44AD/44ADA relieves the taxpayer of maintaining books (s. 44AA) and of audit (s. 44AB).
- 2 Declaring income below the presumptive rate while total income exceeds the exemption limit reverses both reliefs — books and audit become compulsory.
- 3 Under 44AD, doing so also triggers the s. 44AD(4) five-year lock-out from the scheme.
- 4 **The lesson:** opt in deliberately, and stay above the presumptive rate unless you are prepared for books and audit.

In one line The opt-out trap — declaring lower profit to save tax — costs far more in compliance over five years.

Maximum Tax-Free Turnover Under Presumptive Taxation

New Tax Regime · Sec 87A Rebate · Individual Assessee

₹60,000

87A Rebate
(New)

₹4 Lakh

Basic Exemption

₹12 Lakh

Zero Tax Ceiling



Section 44AD

Business income – Resident Individual / HUF / Firm (not LLP)

Digital Receipts ≥ 95%

₹3 Crore

@ 6% deemed profit

Cash Receipts > 5%

₹2 Crore

@ 8% deemed profit

Tax-free calculation (New Regime)

Max deemed profit (6% × ₹3 Cr)	₹18,00,000
Less: Sec 80C/80D deductions	variable
Sec 87A rebate (up to ₹60,000)	zero tax ≤ ₹12L



Completely tax-free scenario

Turnover ≤ ₹2 Cr (all digital) → 6% profit = ₹12L → zero tax via 87A
At ₹3 Cr, profit = ₹18L → use Sec 80C/D deductions to reach ₹12L taxable



Section 44ADA

Professional income – Doctors, Lawyers, CAs, Architects, Engineers etc.

Digital Receipts ≥ 95%

₹75 Lakh

@ 50% deemed profit

Cash Receipts > 5%

₹50 Lakh

@ 50% deemed profit

Tax-free calculation (New Regime)

Max deemed profit (50% × ₹75L)	₹37,50,000
Less: Sec 80C/80D deductions allowed	Yes, eligible
Sec 87A rebate (up to ₹60,000)	zero tax ≤ ₹12L



Completely tax-free scenario

Gross receipts ₹24L (digital) → 50% profit = ₹12L → zero tax via 87A rebate
No deductions needed at ₹24L; ceiling ₹75L requires Sec 80C/D to stay ≤ ₹12L

Key Conditions & Eligibility



Resident individual / HUF / firm (not LLP)



Continue scheme 5 years; opt-out = 5-yr bar



No books of accounts or tax audit required



100% advance tax due by 15 March



Digital: NEFT / RTGS / UPI / ECS / cheque



44AD excludes brokerage, commission (Sec 194H)



Key insight for class:

Under 44AD, a business with ₹3 Cr all-digital turnover has ₹18L deemed profit — exceeds the ₹12L zero-tax ceiling. True zero tax needs turnover ≤ ₹2 Cr (profit = ₹12L), or deductions to bring taxable income to ₹12L. Under 44ADA, ₹24L digital receipts × 50% = ₹12L — perfectly zero tax with no deductions needed.

■ Advance Tax for Presumptive Cases

One instalment, one date

- Presumptive taxpayers under 44AD and 44ADA are spared the four-instalment schedule.
- The entire advance-tax liability is payable in a single instalment by 15 March of the financial year.
- Any shortfall still attracts interest u/s 234B and 234C, so estimate carefully.



Practical tip

Compute the presumed income early, apply the regime and slab, and discharge the full advance tax by 15 March to avoid 234B/234C interest entirely.

■ The Filing Flow — ITR-4

Largely the same journey, with a presumptive schedule

- 1 Log in and select AY 2026-27, online mode**
Identical entry point to ITR-1.
- 2 Select status and choose ITR-4**
Individual / HUF / firm; the portal offers Sugam.
- 3 Complete the presumptive schedule**
Enter turnover/receipts; the utility computes presumed income (44AD/ADA/AE).
- 4 Add other income, deductions and taxes paid**
Salary, house property, Chapter VI-A and TDS as applicable.
- 5 Preview, submit and e-verify**
Declaration and verification steps mirror ITR-1 exactly.

In one line Submission and e-verification are identical — so we show only the screens unique to ITR-4.

■ Portal Walkthrough — ITR-4

Only the screens that differ from ITR-1

- 1 Log-in, AY selection, declaration, submission and e-verification are shared with ITR-1 and are not repeated here.
- 2 The distinctive screens are form selection for ITR-4, the presumptive income schedule and its summary.
- 3 As before, all data is masked and illustrative.

In one line Refer back to the ITR-1 walkthrough for the common log-in, submit and verify steps.



ITR-4 — Live Portal Walkthrough

The presumptive-specific screens

■ Step A — Select ITR-4 (Sugam)

Choose the form

The screenshot displays the e-Filing portal interface. At the top, there are browser tabs for 'e-Filing Home Page', 'File Income Tax Return', and 'AIS'. The address bar shows the URL: <https://eportal.incometax.gov.in/iec/foservices/#/itr-fy2526/fo-select-form>. The header includes the 'e-Filing Anywhere Anytime' logo, 'Income Tax Department, Government of India', and navigation links for 'Call Us', 'English', and 'SAMPLE T'. A dark blue navigation bar contains links for 'Dashboard', 'e-File', 'Authorised Partners', 'Services', 'AIS', 'Pending Actions', 'Grievances', and 'Help'. Below this, a breadcrumb trail reads 'Dashboard > e-File > Income Tax Return > Select Status > Select ITR Form'. The main heading is 'You need to choose an ITR Form to proceed'. There are two columns: the left one is titled 'Help me decide which ITR Form to file' with a 'Proceed >' button; the right one is titled 'I know which ITR Form I need to file' and features a dropdown menu with 'ITR-4 (Sugam)' selected, a text box explaining the form's applicability for resident individuals, HUFs, and firms on a presumptive basis, and a 'Proceed with ITR-4 >' button.

■ Step B — Let's Get Started

Form overview

The screenshot displays the e-Filing portal interface for the ITR-4 (Sugam) form. The browser address bar shows the URL: <https://eportal.incometax.gov.in/iec/foservices/#/itr-fy2526/itr4/lets-get-started>. The page header includes the e-Filing logo with the tagline "Anywhere Anytime" and the text "Income Tax Department, Government of India". Navigation links include "Dashboard", "e-File", "Authorised Partners", "Services", "AIS", "Pending Actions", "Grievances", and "Help". A "Session Time" indicator is visible in the top right corner.

The main content area features a breadcrumb trail: **Dashboard** > e-File > File ITR-4. The title is **ITR-4 - (Sugam) Income Tax Return**. Below the title, a descriptive paragraph states: "For resident individuals, HUFs and Firms (other than LLP) being a resident having total income up to ₹50 lakh and having income from business and profession computed under sections 44AD, 44ADA or 44AE, salary/pension, one house property and income from other sources."

A progress indicator shows three steps: 1. Validate your Returns breakup, 2. Confirm your Return Summary, and 3. Verify & Submit your Return. Step 1 is currently active.

Two sidebars are present: "Documents list to help you file faster" and "Frequently Asked Questions (FAQ)".

The "Documents list to help you file faster" sidebar includes the following items:

- > Books / summary of Turnover & Gross Receipts
- > Bank statements (cash vs digital receipts)
- > GST returns (if registered)
- > Form 26AS / AIS / TIS

The "Frequently Asked Questions (FAQ)" sidebar includes the following items:

- > Who is eligible to file ITR-4 for this year?
- > What is the presumptive income rate under 44AD?
- > Can I claim Chapter VI-A deductions under ITR-4?

At the bottom left, there is a "**< Back**" button. At the bottom right, there is a prominent blue button labeled "**Let's Get Started**".

■ Step C – Sections Overview

ITR-4 tabs

The screenshot shows the 'Return Summary' page in the e-Filing portal. The page has a dark blue header with navigation links and a session time indicator. Below the header, there's a breadcrumb trail: Dashboard > e-File > File ITR-4 > Return Summary. The main heading is 'Return Summary'. A progress bar shows three steps: 1. Validate your Returns breakup, 2. Confirm your Return Summary (current step), and 3. Verify & Submit your Return. Below this, a table lists sections for confirmation. The first row, 'Personal Information', is marked as 'Confirmed'. The other rows are 'Gross Total Income', 'Total Deductions', 'Tax Paid', and 'Total Tax Liability', each with a 'Provide your confirmation' link. A note at the bottom states: 'Note: ITR-4 adds a dedicated Business & Profession schedule for presumptive income under 44AD / 44ADA / 44AE within Gross Total Income.' At the bottom left is a '< Back' button, and at the bottom right is a 'Proceed to Verification' button.

Section	Description	Action
Personal Information *	Identity, contact & bank details	✓ Confirmed
Gross Total Income *	Business & Profession (presumptive), other heads	Provide your confirmation >
Total Deductions *	Chapter VI-A	Provide your confirmation >
Tax Paid *	TDS / TCS / Advance / Self-Assessment	Provide your confirmation >
Total Tax Liability *	Computed tax & payable / refund	Provide your confirmation >

Note: ITR-4 adds a dedicated **Business & Profession** schedule for presumptive income under 44AD / 44ADA / 44AE within Gross Total Income.

■ Step D – Presumptive Income Schedule

44AD / 44ADA / 44AE

The screenshot shows the e-Filing portal interface for filing a presumptive income return under section 44AD. The page title is 'Business & Profession - Presumptive Income'. A progress bar indicates three steps: 1. Validate your Returns breakup, 2. Confirm your Return Summary, and 3. Verify & Submit your Return. The current step is 'Confirm your Return Summary'. Below the progress bar, there are three tabs: '44AD - Business' (selected), '44ADA - Profession', and '44AE - Goods Carriage'. The main content area is titled 'Presumptive income from business u/s 44AD' and includes a note: 'Declared income must be at least 6% of digital turnover and 8% of cash turnover.' A table displays the following data:

Particulars	Presumed rate	Turnover (₹)	Presumptive Income (₹)
Receipts through bank / digital modes (e44AD(b))	6%	38,00,000	2,28,000
Receipts in cash (e44AD(a))	8%	4,00,000	32,000
Total Turnover / Presumptive Income	—	42,00,000	2,60,000

Below the table, an 'Eligibility check' box states: 'Turnover ₹42,00,000 is within the ₹2 crore limit (₹3 crore where cash receipts ≤ 5%). Cash receipts here are 9.5% of turnover, so the ₹3 crore enhanced limit would not apply — the standard ₹2 crore ceiling governs. No books of account or audit required where income is declared at or above the presumptive rate.' At the bottom of the form, there are two buttons: '< Back' and 'Confirm >'.

■ Reading the ITR-4 Screens

The presumptive schedule in practice

- 1** **Split turnover correctly between cash and digital receipts** — the 6% rate applies only to the banking/digital portion under 44AD.
- 2** **The presumed figure is a floor:** you may declare more, but declaring less invites the s. 44AD(4) lock-in and audit.
- 3** Financial particulars (debtors, creditors, stock, cash) are mandatory even under presumptive filing — keep a basic summary.
- 4** After the presumptive schedule, the remaining tabs and the submit/verify flow are identical to ITR-1.

In one line Get the cash/digital split and the 'declare-no-less' rule right — the rest mirrors ITR-1.

■ Step E – Financial Particulars

Mandatory disclosures

Financial Particulars of the Business

1 Validate your Returns breakup — 2 Confirm your Return Summary — 3 Verify & Submit your Return

Schedule BP - mandatory balance-sheet particulars (as on 31-Mar-2026)
For presumptive filers only these four figures are required — full books are not mandated.

Particulars	Amount (₹)
Partner's / Proprietor's Capital	6,50,000
Secured & Unsecured Loans	1,20,000
Sundry Debtors	3,40,000
Sundry Creditors	1,75,000
Closing Stock-in-trade	2,90,000
Cash & Bank Balance	1,15,000

Note: Reporting these particulars does not amount to maintaining books of account u/s 44AA. They are a light-touch disclosure unique to the Sugam form.

[← Back](#) [Confirm →](#)

■ Common Mistakes to Avoid — ITR-4

Presumptive-specific pitfalls



Ignoring the ₹50L income cap

Using ITR-4 when total income exceeds ₹50L instead of moving to ITR-3.



Declaring below the presumed rate

Triggering audit and the s. 44AD(4) five-year lock-out to save short-term tax.



Wrong cash/digital split

Applying 6% to cash receipts that should be taxed at 8%.



Crossing the turnover limit

Overlooking the ₹2cr/₹3cr (44AD) or ₹50L/₹75L (44ADA) thresholds.



Skipping advance tax

Missing the single 15-March instalment and incurring 234B/234C interest.



Omitting financial particulars

Leaving the mandatory debtor/creditor/stock fields blank.

■ ITR-4 in a Nutshell

The presumptive essentials

44AD

Business — 6% / 8% of turnover (\leq ₹2cr / ₹3cr)

44ADA

Profession — 50% of receipts (\leq ₹50L / ₹75L)

44AE

Transport — per-vehicle, \leq 10 carriages

In one line Resident, presumptive income, total income \leq ₹50L, advance tax by 15 March, file by 31 August.

■ ITR-4 — Frequently Asked Questions

Part 1 of 3

Q Can an LLP file ITR-4?

A No. The presumptive ITR-4 is available to resident individuals, HUFs and firms other than LLPs. An LLP must use ITR-5.

Q My turnover is ₹1.8 crore but profit is ₹70 lakh. Can I use ITR-4?

A No. Although turnover is within the 44AD limit, total income exceeds ₹50 lakh, so ITR-3 is required instead of ITR-4.

Q Can I claim Chapter VI-A deductions under 44AD?

A Yes. While business expenses u/s 28-43C are deemed allowed, you may still claim Chapter VI-A deductions (and home-loan interest) against the presumed income.

■ ITR-4 — Frequently Asked Questions

Part 2 of 3

Q What happens if I declare profit below 8%/6%?

A If your total income exceeds the exemption limit, you must maintain books u/s 44AA and get audited u/s 44AB, and under 44AD the scheme is barred for the next five years.

Q I am a practicing doctor and I also receive commission income for referring patients or selling medicines. Can I still file ITR-4 and opt for Section 44ADA? Will this commission be included in my turnover?

A Medical practice income — Yes, 44ADA applies. Consultation fees, procedure charges, and clinical fees all qualify. Declare 50% as income, file ITR-4, no books required — provided gross receipts stay within ₹75L (digital) or ₹50L (cash).

Commission income — No, it is excluded. Commission and brokerage income under Section 194H is explicitly barred from both 44ADA and 44AD. It must be declared under normal provisions with actual books of accounts.

If the commission portion requires books of accounts, you may need to shift from ITR-4 to ITR-3 for that year.

What counts as your 44ADA turnover: Consultation fees · Procedure & surgery charges · Hospital retainer fees · Telemedicine charges

■ ITR-4 — Frequently Asked Questions

Part 3 of 3

Q I am a Accountant by profession but am carrying out a Freelance Coding with ₹60 lakh receipts. Which scheme and form would apply ?

A Your accounting practice → 44ADA (specified profession under Section 44ADA). Declare 50% as income, file ITR-4.
Your freelance coding → 44AD, not 44ADA. Coding/software development is not a "specified profession" under 44ADA — it is treated as business income. At ₹60 lakh receipts, you are well within the ₹2–3 crore 44AD turnover limit. Declare 6% (digital) or 8% (cash) as income.
Good news — you can run both simultaneously. Section 44AD and 44ADA can be opted together in the same year for different streams of income. Both get reported in ITR-4.

Q Do I need to maintain books under 44ADA?

A Not if you declare at least 50% of gross receipts as income. Declaring less, with income above the exemption limit, brings books and audit into play.

Q Can I carry forward a loss in ITR-4?

A Presumptive income cannot be a loss. If you have losses to carry forward, the presumptive scheme and ITR-4 are not appropriate — use ITR-3.



ITR-4 — Questions & Discussion

Your queries on presumptive filing

04

Wrap-up & Resources

Consolidating the workshop

■ ITR-1 vs ITR-4 — At a Glance

Choosing between Sahaj and Sugam

Feature	ITR-1 (Sahaj)	ITR-4 (Sugam)
Eligible persons	Resident individual (ROR)	Resident individual / HUF / firm (non-LLP)
Income heads	Salary, 1 house property, other sources	Above + presumptive business/profession
Business income	Not permitted	Presumptive only
Total-income ceiling	₹50 lakh	₹50 lakh
Key sections	15-17, 22-24, 56	44AD / 44ADA / 44AE
Due date (AY 2026-27)	31 July 2026	31 August 2026

■ Key Takeaways

What to carry from this workshop



Match the form to the facts

Rule 12 governs: ITR-1 for simple salaried cases, ITR-4 for presumptive — both capped at ₹50L total income.



Compute both regimes

The new regime is default, but the old regime can win with large deductions. Run both for every client.



Reconcile before you file

Form 16, AIS, TIS and 26AS must agree; unreconciled entries drive notices under s. 143(1).



Close the loop

Pay any balance tax, submit, and e-verify within 30 days — an unverified return is no return.

■ Best-Practice Checklist

A pre-filing discipline for every return

- 1 Confirm residential status and eligibility for the chosen form before starting.
- 2 Download and read the AIS, TIS and 26AS; resolve every mismatch with feedback.
- 3 Compute liability under both regimes and document the choice.
- 4 **Claim all eligible deductions** — and never miss 80CCD(2) under the new regime.
- 5 Pre-validate the refund bank account and enable EVC.
- 6 Preview the full return, pay any balance tax, submit and e-verify the same day.

In one line Consistency, reconciliation and timely verification prevent the vast majority of post-filing problems.

■ What's New for AY 2026-27

Changes to flag for clients



Revised new-regime slabs Wider bands and a rebate up to ₹60,000 u/s 87A make income up to ₹12L (₹12.75L salaried) effectively tax-free.



LTCG in ITR-1 LTCG u/s 112A up to ₹1.25L is now permitted in ITR-1, easing filing for small equity investors.



ITR-U window doubled The updated-return window is extended from 24 to 48 months by the Finance Act 2025.



Income-tax Act, 2025 ahead Effective 01-Apr-2026 for FY 2026-27; this year's returns remain under the 1961 Act.

■ Compliance Calendar & Penalties

Dates and consequences at a glance

Date / provision	What it means
15 Mar 2026	Final advance-tax instalment (single instalment for presumptive cases)
31 Jul 2026	Due date — non-audit individuals (ITR-1 / ITR-2)
31 Aug 2026	Due date — non-audit business/profession (ITR-3 / ITR-4)
31 Dec 2026	Belated and revised returns (ss. 139(4) & 139(5))
s. 234F / 234A	Late fee up to ₹5,000 and 1% per month interest
s. 270A / 276CC	Penalty 50%/200% for under/mis-reporting; prosecution for wilful default

■ Helpful Resources

Where to go for the authoritative position



incometax.gov.in The e-Filing portal — returns, forms, utilities, AIS/TIS, Form 26AS and grievance redressal.



AIS / TIS & Form 26AS Always reconcile against these before filing; use the AIS feedback facility for corrections.



Bare Act, Rules & CBDT site The Income-tax Act 1961, Rules 1962, Finance Act 2025 and CBDT circulars/notifications.



Helpdesk The e-Filing helpdesk and your professional body's resources for utility and procedural queries.

In one line When in doubt, return to the bare Act and the latest CBDT notification before filing.

Thank You

Questions are welcome — and best resolved against the bare Act.

Filing of Income Tax Returns · ITR-1 & ITR-4 · AY 2026-27