



**ALL INDIA ASSOCIATION OF COAL EXECUTIVES**  
**GUIDE TO FILING ITR**  
**BY**  
**R.A.MANJUNATH PRASAD, AIACE, BENGALURU**

All individuals under the age of 60 years, whose total annual income exceeds Rs 2,50,000 are required to file Income Tax Returns (ITR). For Senior Citizens (above 60 years of age) the limit is Rs 3,00,000 and for Super Senior Citizens (above 80 years of age) it is Rs 5,00,000. ITR filing is compulsory if you want refund of Tax Deducted at Source (TDS). The last date for filing of ITR is 31<sup>st</sup> July each year for the previous year ending on 31<sup>st</sup> March. If ITR is not filed or is filed after the last date a penalty of up to Rs 10,000 will be payable and also you cannot file a revised return to rectify any mistakes in the original return.

**Financial Year:** It is a period of 12 calendar months beginning from 1<sup>st</sup> April and ending on 31<sup>st</sup> March during which you earn income and pay taxes on it. FY 2019-2020 will be from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020. It is also called Previous Year.

**Assessment Year:** It is a period of 12 calendar months beginning from 1<sup>st</sup> April and ending on 31<sup>st</sup> March during which your income for the previous year is assessed. The income during the previous year, FY 2019-2020 will be assessed during the Assessment Year 2020-2021.

**Advance Tax:** If you have income from other sources apart from salary and your tax liability after considering TDS from salary exceeds Rs.10000, you have to pay Advance Tax in 3 instalments which are due on 15<sup>th</sup> September, 15<sup>th</sup> December and 15<sup>th</sup> March of the previous year.

**Self-Assessment Tax:** If there is any balance tax payable after considering TDS and Advance Tax, then you pay Self-Assessment Tax through Challan ITNS280 before filing ITR

ITR is required to be filed electronically on the official website of Income Tax Department. You have to register yourself at this website before you can file your returns.

### **Procedure for registration**

1. Keep your PAN Card handy
2. Visit website [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in) and click 'Register Yourself'
3. Select User Type as Individual and continue to fill in the required details.
4. Create a Password and note it safely. PAN will be login ID
5. OTP will be sent to mobile phone and a link will be sent to e-mail id. Click the link and enter OTP to complete registration.
6. You can now login to e-filing return portal with PAN and Password
7. Once registered, you can login through Internet banking also.

### **Linking of Aadhar with PAN**

Linking of Aadhar with PAN has been made mandatory and the last date to do this was extended to 30<sup>th</sup> June 2020. If your Aadhar is not linked to PAN, login to e-return filing portal, click on 'Profile Settings' and select option 'Link Aadhar'. In order to link Aadhar with PAN, your name and date of birth should exactly match in both documents.



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### Documents required for filing ITR

Keeping ready all the documents required for filing ITR will make the process easier. Here are the various documents you will need.

1. **FORM-16:** It is a certificate issued by the employer to employee giving details of salary paid and Tax Deducted at Source.
2. **FORM-16A:** It is a certificate of tax issued by a person other than employer about amounts paid and TDS.
3. **FORM-16B:** If you have sold any property, the buyer will issue Form-16B
4. **FORM-16C:** If you are earning rental income, you have to collect Form-16C from your tenant. At present, TDS is deductible if rent exceeds Rs.50000 per month
5. **FORM-26AS:** It is a consolidated statement of amounts paid to you and TDS deposited against your PAN. It can be downloaded from TRACES website. After logging into your e-filing account, click 'View 26 AS (Tax Credit)' under 'My Account' tab.
6. **HOUSE LOAN STATEMENT and Provisional certificate of Interest & repayment**
7. **CAPITAL GAINS:** Purchase deed and sale deed of properties sold during the year
8. **BANK PASSBOOK**
9. **AADHAR CARD**
10. **DETAILS OF TAX SAVING INVESTMENTS**

### COMPUTATION OF INCOME

1. There can be 5 sources of income
  - i. Salary (including pension)
  - ii. House Property (Rent received)
  - iii. Business or Profession
  - iv. Capital Gains (Both Short-term and Long-term) taxed at specified rates
  - v. Other sources (Interest, family pension, lottery, dividend etc.)
2. Computation of Income from House Property
  - i. Gross Annual Value (GAV) of House Property will be the maximum of the following:
    - Fair Market Value (expected rent for similar property)
    - Municipal Valuation
    - Actual Rent Received



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- ii. Calculate Net Annual Value (NAV) by deducting Municipal Taxes paid from GAV. In case of self-occupied property, NAV will be NIL and no Standard Deduction is admissible.
- iii. Standard Deduction of 30% of Net Annual Value of House Property.
- iv. Interest on Housing Loan. For self-occupied property it is limited to Rs.200000
- v. Income/Loss from HP= NAV – Standard Deduction – Interest. (Loss from HP can be set off against Regular Income.)

**3. DEDUCTIONS & EXEMPTIONS FROM INCOME:**

- a. Standard Deduction of Rs.50000 from Salary income
  - b. Profession Tax paid
  - c. Gratuity up to Rs. 20 lakhs
  - d. Leave encashment up to Rs.3 lakhs
  - e. VRS Amount up to Rs.5 lakhs
  - f. Specified perquisites
4. Gross Total Income will be the total income LESS deductions & exemptions from income.

**5. DEDUCTIONS UNDER CHAPTER-VIA**

- A. The following payments, among others, are eligible for a combined deduction of up to Rs.150000 under Sections 80C, 80CCC and 80CCD(1)
- i. Life Insurance Premium for self, spouse and children
  - ii. Employee Provident Fund & Public Provident Fund
  - iii. Repayment of Housing Loan
  - iv. Payment of Fees for education of children
  - v. National Savings Certificate
  - vi. Bank Fixed Deposit-5 years
  - vii. Unit Linked Insurance Plan
  - viii. Equity Linked Savings Scheme of Mutual Funds
  - ix. Senior Citizens' Savings Scheme
- B. An additional deduction u/s 80CCD(1B) of up to Rs.50000 is available for contribution to NPS. Also u/s 80CCD (2) employer's contribution to NPS up to Rs.50000 or 10% of salary whichever is less can be claimed.
- C. Deduction of Medical Insurance premium paid can be made u/s 80D. Maximum of Rs.25000 for self & family for individuals less than 60 years of age and of Rs. 50000 for individuals aged 60 & above can be availed. This limit covers expenses up to Rs.5000 for preventive health check-up.
- D. You can claim deduction of donations made to eligible funds, charitable funds u/s 80G
- E. Interest from Savings Bank account up to Rs.10000 can be deducted from income of individuals aged less than 60 years u/s 80TTA
- F. Senior citizens can claim a deduction up to Rs.50000 towards interest earned from Savings Account, Fixed Deposit etc. u/s 80TTB.



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- 6. Taxable Income will be the difference between Gross Total Income and deduction under Chapter-VIA**
  
- 7. Compute your tax liability by applying the relevant slab rates. If TDS as per 26AS is more than tax liability, you can get a refund. If it is less than TDS, the balance tax amount is to be deposited as self-assessment tax.**

Once the above exercise is completed, you can login to your account on e-filing website and file your returns in either ITR-1 or ITR-2 as the case may be.

The last step in ITR filing process is Verification that can be done electronically. Go to 'My Account', and click on '*e-verify return*' and select the option, '*I would like to generate Aadhaar OTP to e-verify my return.*' Enter the 6 digit OTP sent to your registered mobile number to verify your return. You can also E-verify your return through Net Banking or Demat account. You will get a confirmation from Income Tax department that your ITR has been verified. Download your ITR and acknowledgement (ITR-V).

If you are unable to e-verify the return, send a signed copy of ITR-V to CPC, Bangalore. Verification of ITR is to be done within 120 days of filing the returns.



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**Special Note on CIL Executive Defined Contribution Pension Scheme**

**SALIENT POINTS TO BE NOTED**

1. The Scheme was formulated to provide annuity to retired executives of CIL and the employer contributed to the corpus @ 9.84% of qualifying salary as a part of perquisites agreed upon in the salary revision with effect from 1<sup>st</sup> January 2007.
2. The Scheme was put into effect in FY 2018-19 and the corpus was transferred to annuity providers who will pay out annuity as per the plan selected by the members.
3. An option was given to members to commute 1/3<sup>rd</sup> of the corpus amount.
4. Since the contribution was paid in arrears, Relief under section 89 (1) was computed by CIL after obtaining from the retirees details of Taxable Income & Tax paid during the respective earlier years in Form-10 E and Annexure-I. Applicable Income Tax was recovered from the fund.
5. A onetime Exemption under Section 17 (2) (vii) of the Income Tax Act is available for employer's contribution during the year in which the corpus is transferred.

**PRECAUTIONS TO BE TAKEN WHILE FILING ITR**

Many members experienced difficulty in claiming relief u/s 89(1) as their consultants were using e-filing software that had no facility to claim the relief.

1. **Submission of Form-10E.** Even though you have given Form-10E to CIL, you have to fill up the details on IT website with the same figures **BEFORE** filing ITR. If this is not done you will not get the Relief u/s 89 (1). Ensure that amount of Relief matches the amount shown under Sl No. 8 in Annexure-I submitted to CIL.
2. **Do not club income from Salary/Pension with NPS.**  
Income from Salary/Pension is to be shown under Section 17 (1) and employer's contribution to pension fund under section 17 (2). If this is not done you will not get exemption of Rs.150000 u/s 17 (2) (vii) but will definitely get a notice from AO.
3. **Gross amount of Pension contribution is to be disclosed.** Some of the Subsidiaries have shown Contribution net of Rs.150000 in their TDS Returns. As a result net amount is shown in your 26AS resulting in mismatch with Form-10E.
4. Claim deduction of actual contribution to NPS or Rs.150000, whichever is less, u/s 17(2) (vii) as value of perquisites-employer's contribution to recognised Pension Fund.



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**INCOME TAX SLABS FY 2020-21 (AY 2021-22)**

**A. For Individuals aged less than 60 years**

<b>Taxable Income</b>	<b>Tax Rate under new regime without exemptions</b>	<b>Tax Rate under existing regime with exemptions</b>
<b>Upto 250000</b>	<b>0%</b>	<b>0%</b>
<b>250000 to 500000</b>	<b>5%</b>	<b>5%</b>
<b>500000 to 750000</b>	<b>10%</b>	<b>20%</b>
<b>750000 to 1000000</b>	<b>15%</b>	<b>20%</b>
<b>1000000 to 1250000</b>	<b>20%</b>	<b>30%</b>
<b>1250000 to 1500000</b>	<b>25%</b>	<b>30%</b>
<b>Above 1500000</b>	<b>30%</b>	<b>30%</b>

**B. For Individuals aged 60 years or more but less than 80 years**

<b>Taxable Income</b>	<b>Tax Rate under new regime without exemptions</b>	<b>Tax Rate under existing regime with exemptions</b>
<b>Upto 300000</b>	<b>0%</b>	<b>0%</b>
<b>300000 to 500000</b>	<b>5%</b>	<b>5%</b>
<b>500000 to 750000</b>	<b>10%</b>	<b>20%</b>
<b>750000 to 1000000</b>	<b>15%</b>	<b>20%</b>
<b>1000000 to 1250000</b>	<b>20%</b>	<b>30%</b>
<b>1250000 to 1500000</b>	<b>25%</b>	<b>30%</b>
<b>Above 1500000</b>	<b>30%</b>	<b>30%</b>

**C. For Individuals aged 80 years & above**

<b>Taxable Income</b>	<b>Tax Rate under new regime without exemptions</b>	<b>Tax Rate under existing regime with exemptions</b>
<b>Upto 500000</b>	<b>0%</b>	<b>0%</b>
<b>500000 to 750000</b>	<b>10%</b>	<b>20%</b>
<b>750000 to 1000000</b>	<b>15%</b>	<b>20%</b>
<b>1000000 to 1250000</b>	<b>20%</b>	<b>30%</b>
<b>1250000 to 1500000</b>	<b>25%</b>	<b>30%</b>
<b>Above 1500000</b>	<b>30%</b>	<b>30%</b>

- 1. Rebate of up to Rs.12500 is available u/s 87 (A) for income not exceeding Rs.500000**
- 2. Cess @ 4% of Tax is payable.**
- 3. An individual can opt to be assessed under any one of the regimes and can also switch regimes in different years.**



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4. It is seen that individuals with moderate to high investment in tax saving schemes will benefit if they are assessed under old regime. This may vary from individual to individual and year to year. Choice is to be made only after individual calculation.

	<b>New Regime</b>	<b>Old Regime</b>
Gross Salary u/s 17(1)	800000	800000
Value of Perks (NPS) u/s 17(2)		
Standard Deduction	0	50000
Exemption u/s 17(2) (vii) (Employer's Contribution to NPS)		
Gross Salary after Section 10 & 17 exemptions	800000	750000
Income chargeable under the head 'Salaries'	800000	750000
Other Income		
Interest from Deposits	60000	60000
Income/Loss from HP		
<b>GROSS TOTAL INCOME</b>	<b>860000</b>	<b>810000</b>
<b>Deduction under Chapter VI-A</b>		
PF/PPF/NSC.. u/s 80C	0	150000
Medical Insurance- 80D	0	40000
Interest-80TTA	0	0
Interest-80TTB	0	50000
<b>NET TAXABLE INCOME</b>	<b>860000</b>	<b>570000</b>
Tax on Income	54000	24000
Rebate u/s 87A		
Net Tax	54000	24000
Education Cess @ 4%	2160	960
Relief u/s 89(1)		
<b>TAX LIABILITY</b>	<b>56160</b>	<b>24960</b>

*Disclaimer: This is only a simplified guide prepared for general information of members of AIACE. Members are advised to check for latest amendments to the Income Tax Act. Neither AIACE nor the author take any responsibility for mistakes committed by any member while filing his ITR.*