



Mahesh N. Vora & Co.  
Chartered Accountants

# WHAT IS INCOME TAX RETURN (ITR)

- An **Income tax return (ITR)** is an information about your **income, expense and tax** which is submitted to the Income Tax Department.
- The return must be **filed every year** by an individual or business that earns any income during a financial year\*.
- The income could be in the form of a salary, business profits, income from house property or earned through dividends, capital gains, interests or other sources.



# BENEFITS OF FILING INCOME TAX RETURN

FILING INCOME TAX RETURNS IS OFTEN SEEN AS AN UNMANAGEABLE PROCESS BY THE MAJORITY OF THE PEOPLE. THAT IS THE REASON WHY MANY DECIDE TO SKIP FILING RETURNS.

HOWEVER THERE ARE THE VARIOUS WAYS IN WHICH FILING AN INCOME TAX RETURN CAN BENEFIT YOU.

- Income tax return acts as **legal income proof**.
- Need a loan then file your ITR, ITR will help when you apply for a loan as majority of bank ask for **ITR for loan approval**.
- If TDS has been deducted from your income (such as: interest on FD) **you can get refund of that TDS only if you file ITR**.
- If you file your ITR in time, you will be able to carry forward losses to upcoming years, which can be used to **set off against the income** of upcoming years.
- If you are compulsorily required to file ITR, but you did not file, then **penalty can be charged** from you.
- Planning a trip Abroad, wait you may require your ITR. Most embassies require you to submit ITR at the time of the **visa application**.