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Practical ITR MASTER FILING GUIDE



A Step-by-Step Guide to File Income Tax Returns with Confidence

- Updated for Latest Tax Provisions
- Step-by-Step Filing Process
- With Practical Examples & Screenshots
- Covers Salaried, Business, Capital Gains, Rental Income and more
- Tips to Avoid Common Mistakes

Salaried Individuals

Business & Professionals

Capital Gains & Investments

Rental Income

Other Sources and Special Cases

Your Practical Guide to Simpler Tax Compliance

By

CA Akshay Rao T

PRACTICAL

ITR FILING MASTER GUIDE

GENERAL REFERENCE FOR INCOME TAX RETURN FILING

Complete Practical Coverage of ITR-1 to ITR-4
Essential Professional Guidance on ITR-5 to ITR-7

From Document Collection and Computation to Filing, Verification and Post-Filing Review

Prepared by

CA Akshay Rao T

Professional Education Edition | Version 1.0

MetricMitra
Turn Numbers Into Smarter Decisions

A MetricMitra professional education publication

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UPDATE NOTE: This guide is intended as a continuing practical reference. Tax law, notified forms, utilities, validation rules, due dates and portal screens may change. For every live filing assignment, confirm the applicable financial year, assessment year or tax year and use the latest official guidance.

How to use this book

Reader	Recommended route
First-time learner	Parts I–III > ITR-1 > ITR-4 > portal workflow
Article Assistant / Junior	Form Selection > Applicable Case > Review Checklist > Post-Filing
Tax Practitioner	Edition Control > Form Changes > Validation Points > Case Working Papers
Business Return Learner	ITR-3 > ITR-5 essentials > Audit and Disclosure Checkpoints

CA REVIEW POINT: A correct upload is not necessarily a correct return. The reviewer must establish completeness, form eligibility, tax treatment, disclosure consistency and evidence retention.

About this Guide and Licence

This publication is designed as a practical desk manual for CA students, tax assistants, junior professionals and reviewers working on income-tax returns. It combines form selection, computation controls, filing workflows, review procedures and reusable working papers.

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Version control

Version 1.0. This guide is intended for continuing use across filing periods. References to a financial year, assessment year or tax year must be read for the relevant return, and readers should use the current law, notified forms, utilities and validation rules for every live filing assignment.

About the Author

CA Akshay Rao T is a qualified Chartered Accountant with practical experience across income-tax return preparation, GST and TDS compliance, audit support, management information reporting and finance operations.

His professional focus is converting legislation, prescribed forms and software-driven processes into controlled, reviewable workflows. This guide reflects that approach: understand the facts, reconcile the evidence, compute carefully, validate the disclosure and preserve a defensible file.

Author's note

Tax filing becomes reliable when preparation and review are treated as one connected process. Use the explanations to understand why an entry is made, use the working papers to document how it was derived, and use the review gates to decide whether the case is ready to file or requires escalation.

> FILE WITH CLARITY. REVIEW WITH PROFESSIONAL SCEPTICISM.

About MetricMitra

MetricMitra creates practical finance tools and professional learning resources that convert complex financial, tax and compliance processes into structured, reviewable workflows.



Part I — The Filing Mindset and Common Foundation

1. The Professional Return-Preparation Process

Income-tax return preparation is not a portal data-entry assignment. It is a controlled professional process that converts incomplete client information into a supportable computation, a legally appropriate return and a documented filing record. A preparer who begins with the utility often allows prefilled data and software validations to drive the tax position. A professional begins with facts, evidence and eligibility, and uses software only after the tax treatment has been determined.

For AY 2026–27, the income was earned during FY 2025–26. Although the return is generally prepared and filed after 1 April 2026, the official e-filing guidance confirms that proceedings relating to tax years before 1 April 2026 continue under the Income-tax Act, 1961. This edition therefore uses the familiar assessment-year terminology and section references of that Act. Learners must not substitute provisions of the Income-tax Act, 2025 merely because the filing date falls in 2026.

UPDATE ALERT: Edition control is a technical control. Before using any rate, threshold, form eligibility condition, utility screen or due date, confirm that it applies to AY 2026–27 and check whether a later notification, circular or court decision affects the position.

1.1 The eight-stage filing cycle

Stage	Purpose	Minimum output	Reviewer question
1. Scope and identity	Establish who the taxpayer is and what service is authorised.	Engagement note and client master	Are the taxpayer, status, PAN and assessment year correct?
2. Eligibility	Determine filing obligation, filing section, form and tax regime.	Eligibility and form-selection memo	Has every exclusion from the selected form been tested?
3. Evidence	Collect complete information for every income source, deduction and tax credit.	Indexed document folder	What is missing, contradictory or unsupported?
4. Reconciliation	Compare books, certificates, AIS, TIS, Form 26AS and external statements.	Difference register	Are all receipts and credits explained without duplication?
5. Computation	Compute income head-wise before populating the return.	Approved computation and workings	Does each figure have a source and legal treatment?
6. Disclosure	Map the computation to every applicable return schedule.	Schedule mapping sheet	Are nil, exempt, special-rate and informational disclosures complete?
7. Review and filing	Run validations, complete independent review and obtain authority.	Signed review checklist and approval	Were warnings investigated rather than merely cleared?

Stage	Purpose	Minimum output	Reviewer question
8. Verification and closure	Verify within the permitted period and retain the final record.	Acknowledgement, ITR-V and closure pack	Is the return validly verified and the client informed?

1.2 Why “prefill first” is a weak method

Prefilled information improves efficiency but does not establish completeness or correctness. Salary may be reported under the wrong employer, interest may be aggregated, property transactions may show gross consideration without cost, securities information may contain duplicates, and business receipts may not identify the relevant accounting period. The preparer must identify the legal nature and ownership of an item before accepting, modifying or rejecting the prefilled value.

- A transaction appearing in AIS is a prompt for inquiry, not automatic taxable income.
- A TDS credit appearing in Form 26AS should be linked to the related income and correct year before it is claimed.
- An item absent from AIS can still be taxable and must be reported if the underlying facts require it.
- A utility validation checks prescribed data relationships; it cannot determine whether the client disclosed every transaction.

CA REVIEW POINT: The return should agree to the approved computation, not the other way around. Differences between software output and the working papers must be explained and resolved before filing.

1.3 Roles, responsibilities and maker-checker control

Even in a small practice, separate the maker and reviewer functions conceptually. The maker organises facts, prepares reconciliations, computes income and completes schedules. The reviewer challenges completeness, classification, eligibility, evidence and consistency. Where one person performs both roles, use a time gap and a fresh checklist so the second review is not merely a continuation of data entry.

Role	Primary responsibility	Evidence retained
Client	Provide complete facts, documents, explanations and filing authority.	Information declaration, approvals and confirmations
Preparer / maker	Prepare source index, reconciliations, workings and draft return.	Working papers and draft computation
Reviewer	Challenge eligibility, tax treatment, disclosure and credits.	Dated review notes and cleared exceptions
Authorised filer	Use the permitted filing method and protect credentials.	Upload record and authority
Taxpayer / authorised signatory	Approve the computation and complete verification or DSC process.	Approval and verification acknowledgement

1.4 Standard digital file structure

A consistent folder structure reduces omissions and makes later notice handling possible. Do not save every attachment in one folder with names such as “document1” or “final latest”. Use an assessment-year folder and a controlled naming convention.

1. Create the root folder using “AY 2026-27 – Taxpayer Name – PAN suffix”.
2. Create subfolders for Client Master, Prior Year, Income, Deductions, Tax Credits, Reconciliations, Computation, Draft Return, Approval, Filed Return and Post-Filing.
3. Save source documents without altering them; place working copies in the relevant working-paper folder.
4. Add a source index recording filename, period, issuer, amount relevance and review status.
5. Lock the final computation, JSON or return output, acknowledgement and ITR-V after filing.
6. Retain a clear version label; superseded drafts should not be confused with the filed return.

2. Core Concepts Used in Return Preparation

2.1 Financial year, assessment year and applicable law

The financial year is the period in which income is earned; the assessment year is the following year in which that income is assessed and the return is filed. AY 2026–27 therefore corresponds to FY 2025–26. This simple distinction controls the correct utility, tax rates, form, challan assessment year, due date, carry-forward schedule and disclosure period.

Item	Correct reference for this edition	Typical error
Income period	1 April 2025 to 31 March 2026	Using salary or bank data for calendar year 2025
Return edition	AY 2026–27	Selecting AY 2025–26 because a prior return is visible
Challan	Assessment year 2026–27	Paying self-assessment tax under the wrong AY
Opening losses/depreciation	As brought forward into FY 2025–26	Copying an old schedule without considering intervening set-off
Law references	Income-tax Act, 1961 for this AY	Mixing provisions of the new Act effective for later tax years

2.2 Person, assessee and legal status

Form selection begins with legal status, not with income type. An individual, HUF, firm, LLP, company, association of persons, body of individuals, local authority and artificial juridical person can have similar receipts but different return forms, tax rates, signing rules and audit disclosures. The client master should record the constitution and supporting registration documents before any form is selected.

2.3 Residential status

Residential status is determined for each financial year under statutory tests; it is not decided by citizenship, passport, PAN address or the client’s description of being “based abroad”. For individuals, collect a travel-day schedule and the facts needed for the applicable basic and additional conditions. For entities, examine the specific management, control or incorporation tests applicable to their status.

Residential status affects scope of total income, foreign asset reporting, relief for foreign taxes and form eligibility. A non-resident or resident but not ordinarily resident case should never be prepared from Form 16 and AIS alone. Obtain travel records, overseas income information, foreign tax documents and professional review where the facts are complex.

COMMON ERROR: Selecting "Resident" because the taxpayer holds an Indian passport or has an Indian address. Residence is a fact-and-law conclusion for the relevant year.

2.4 The five heads of income

Head	Common sources	Core working paper	First review question
Salaries	Salary, pension, taxable allowances and perquisites	Employer-wise salary reconciliation	Are all employers, arrears and perquisites included?
House property	Rent or deemed annual value and eligible interest	Property-wise annual value and interest working	What is the ownership share and use during the year?
Profits and gains of business or profession	Proprietorship, professional receipts, partner receipts, trading activities	Books-to-tax reconciliation	Are books, audit and presumptive provisions relevant?
Capital gains	Shares, securities, mutual funds, land, building and other capital assets	Transaction-level capital-gain register	Are classification, dates, cost and exemptions evidenced?
Other sources	Interest, dividend, family pension, winnings and residual receipts	Payer/instrument-wise reconciliation	Is the item taxable here, exempt, or attributable to another head?

Classification matters because deductions, rates, loss set-off, reporting schedules and audit implications differ by head. For example, frequent securities activity cannot be classified solely from the broker's label; facts such as intention, accounting treatment, frequency and surrounding circumstances require professional judgment.

2.5 Gross Total Income, Total Income and tax liability

Compute each source under the correct head, apply permitted intra-head and inter-head set-off, and aggregate the results to Gross Total Income. Deduct eligible Chapter VI-A amounts to arrive at Total Income. Exempt income may still require disclosure. Tax is then computed at normal and special rates, followed by rebate where eligible, surcharge where applicable, health and education cess, relief, prepaid taxes, interest and fee.

Layer	What the preparer does	Control
Source computation	Compute each salary, property, business, asset or other receipt.	Tie to documents and ownership
Head-wise aggregation	Apply head-specific deductions and restrictions.	Do not net unrelated receipts without authority
Loss set-off	Apply current and brought-forward losses in permitted sequence.	Reconcile to prior returns and assessment records
Chapter VI-A	Test claimant, payment, limit, evidence and regime eligibility.	Do not copy Form 16 deductions blindly

Layer	What the preparer does	Control
Tax calculation	Separate normal-rate and special-rate components.	Recompute independently
Credits and balance	Match TDS/TCS, advance tax and self-assessment tax.	Verify PAN, AY, amount and challan details

2.6 Exempt income and disclosure-only information

"Exempt" does not mean "irrelevant". Exempt income may affect reporting, rate purposes, agricultural-income calculations, source-of-funds review or consistency with AIS. Similarly, directorships, unlisted equity holdings, foreign assets, specified financial transactions and bank accounts may require information even when they do not create immediate taxable income.

2.7 Clubbing, set-off and carry-forward

Before computing total income, ask whether an item belongs to another person but must be included under clubbing provisions, and whether a loss is eligible for set-off. Maintain a separate loss schedule showing assessment year of origin, nature, amount returned, amount assessed where known, utilisation and closing balance. Never rely only on the current utility's imported number.

PRACTICE NOTE: A loss carried forward is a claim supported by filing history. Obtain the prior return, acknowledgement, computation and any processing or assessment order before using the balance.

2.8 Tax deducted at source, advance tax and self-assessment tax

Tax credits reduce the final amount payable but do not determine the income to be offered. Each TDS or TCS entry should be mapped to the related income, owner and year. Advance-tax and self-assessment-tax challans should be verified for PAN, assessment year, major head, minor head, date and amount. If a challan is not reflected, investigate the payment record rather than entering an unsupported credit.

Credit type	Primary evidence	Reconciliation focus
Salary TDS	Form 16 and Form 26AS	Employer, gross salary, tax and year
Non-salary TDS	Form 16A, Form 26AS and invoice/ledger	Section, gross receipt, tax and ownership
TCS	Form 27D/Form 26AS and transaction record	Underlying purchase/remittance and claimant
Advance tax	Challan and portal tax-payment record	PAN, AY, instalment date and amount
Self-assessment tax	Challan and portal record	AY, amount and inclusion of interest/fee

2.9 Interest, fee and refund review

Interest under sections 234A, 234B and 234C and fee under section 234F require fact-specific calculation. Software may compute these amounts, but the preparer must understand the inputs: filing date, assessed tax, prepaid credits, advance-tax instalments, returned income and statutory exceptions. Recompute or independently review the software result, especially after changing income, regime or credits.

A refund should be treated as a calculated result, not a client expectation. Confirm the bank account selected for refund is held by the taxpayer and validated on the portal. Explain that processing may

adjust the claim and that interest on refund, if received, may have tax consequences in the year of receipt.

3. Tax Regime Decision for AY 2026–27

3.1 The default regime and the need for comparison

For eligible individuals and specified non-corporate persons, the new regime under section 115BAC is the default regime. The old regime may still be selected where permitted, subject to the applicable conditions and procedural requirements. Default does not mean automatically beneficial. Prepare both computations from the same facts and then document the choice.

AY 2026–27 new-regime slab	Rate
Up to ₹4,00,000	Nil
₹4,00,001 to ₹8,00,000	5%
₹8,00,001 to ₹12,00,000	10%
₹12,00,001 to ₹16,00,000	15%
₹16,00,001 to ₹20,00,000	20%
₹20,00,001 to ₹24,00,000	25%
Above ₹24,00,000	30%

The official portal's AY 2026–27 taxpayer guidance should be used for the current slabs, rebate conditions and other rate information. Special-rate income, surcharge, marginal relief and cess must be considered separately. A simple slab comparison is not a complete regime comparison.

3.2 Regime comparison working

1. Prepare a common fact sheet containing all income, exemptions, deductions, losses and special-rate items.
2. Compute the old-regime position using only claims that are legally available and supported by evidence.
3. Compute the new-regime position after removing or modifying claims not available in that regime.
4. Apply the correct slab rates, special rates, rebate, surcharge and cess to each computation.
5. Consider business-income option procedures and continuity restrictions where applicable.
6. Record the tax difference, non-tax considerations and the client's final instruction.

Comparison area	Old-regime review	New-regime review
Salary	Exemptions and deductions may be available subject to conditions.	Only permitted concessions and deductions are considered.
House property	Interest and loss treatment follows old-regime provisions.	Apply regime-specific restrictions and set-off rules.
Chapter VI-A	Test each deduction, limit and evidence.	Exclude deductions not permitted in the regime.

Comparison area	Old-regime review	New-regime review
Business income	Check option form, due date and continuity rules.	Default position and consequences of opting out require review.
Special-rate income	Compute separately; rebate interaction may differ.	Do not assume slab-based rebate eliminates all tax.
Compliance	Maintain evidence for each claim.	Maintain evidence and record why excluded claims were removed.

COMMON ERROR: Comparing regimes after entering deductions in only one software screen or using different income figures. The comparison must begin from identical facts and document every difference in treatment.

3.3 Business-income taxpayers

Where the taxpayer has business or professional income, the option mechanism and ability to move between regimes require additional attention. Confirm whether the taxpayer had business income in earlier years, whether any option form was filed, whether the filing was valid and what continuity consequences follow. Preserve the acknowledgement of any option form with the return working papers.

4. Return Types, Filing Timelines and Corrective Routes

4.1 Original, belated and revised returns

Return / response	Purpose	Key control
Original return	Return furnished within the applicable section 139(1) framework.	Identify the correct due-date category; do not assume one date for all taxpayers.
Belated return	Return furnished after the original due date within the permitted statutory period.	Review fee, interest, loss carry-forward restrictions and other consequences.
Revised return	Corrects an eligible earlier return within the permitted period.	Quote the original acknowledgement and repeat complete validation.
Updated return	Voluntary additional-income/correction route under the statutory framework.	Confirm eligibility, time band, additional tax and restricted cases.
Defective-return response	Cures a defect communicated by the department.	Read the exact defect and respond within the stated period.
Return in response to notice	Return furnished under the section specified in the notice.	Use correct notice particulars and obtain specialist review where needed.

Due dates may be extended by CBDT orders. The ebook will therefore describe the statutory category and require a current due-date check rather than hard-code an extension that may later become obsolete. The preparer should record the source and date of every due-date conclusion in the filing control sheet.

4.2 Updated return as a distinct decision

An updated return is not a general substitute for a revised return and cannot be selected merely because the normal correction window has closed. Confirm the relevant statutory eligibility, the permitted time

period, the effect on tax liability and every restriction before advising this route. The Finance Act changes extending the framework make edition control particularly important; use the current official utility and instructions for the year being updated.

4.3 Verification completes filing

Uploading the return does not complete the filing process. The official e-filing guidance states that verification or submission of ITR-V is generally required within 30 days from the date of filing. If verification occurs after the permitted period, the effective filing date and validity consequences require examination, and a condonation request may be necessary.

- Record the upload date and the verification deadline immediately after submission.
- Use only a verification method authorised by the taxpayer or authorised signatory.
- Download the acknowledgement and confirm that the status reflects successful verification.
- If paper ITR-V is used, retain dispatch and delivery evidence.

CA REVIEW POINT: A return should not be reported to the client as completed until verification status has been checked and the acknowledgement has been archived.

Part II — Client Onboarding, Documents and Reconciliation

1. Client Acceptance, Scope and Data Protection

1.1 Acceptance checklist

Client acceptance is the first risk-control step. Confirm identity, competence, conflicts, scope, deadlines and access to evidence before committing to file. Where the taxpayer approaches near the due date, document limitations and avoid allowing urgency to replace minimum verification.

1. Verify the taxpayer's name, PAN, date of birth or incorporation, legal status and contact details.
2. Confirm FY 2025–26 and AY 2026–27 and identify the statutory filing category.
3. Obtain the prior return, computation, acknowledgement, processing intimation and loss/depreciation schedules.
4. Identify all income sources, asset disposals, foreign connections, business interests and pending proceedings.
5. Define whether the assignment includes preparation, filing, verification support, rectification or notice response.
6. Agree the responsibility for completeness, documents, tax positions, approvals and payment of tax.
7. Document the authorised filing and verification method; never assume permission to use credentials or DSC.

1.2 Confidentiality and credential handling

PAN, Aadhaar, bank information, salary records, capital-gain statements, digital signatures, OTPs and portal credentials are sensitive. Collect only what is necessary, use secure channels, restrict access and define retention. Training screenshots and case studies must use fictional or properly anonymised information.

Data item	Minimum control	Prohibited practice
Portal credentials	Prefer taxpayer-controlled login or approved secure credential process.	Sharing passwords in open groups or storing them in an unprotected workbook.
OTP	Use only for the authorised transaction and allow the taxpayer to provide it directly where possible.	Retaining OTPs or using them for another service.
DSC	Confirm signatory, validity and authorised use.	Using a DSC without documented authority.
Identity documents	Restrict access and redact copies used for training.	Publishing real PAN/Aadhaar data in examples.
Financial records	Store in the engagement folder with access control.	Uploading client data to unapproved public AI or file-sharing services.

2. Master Information and Document Collection

2.1 Universal client master

Field group	Information required	Why it matters
Identity	Name, PAN, Aadhaar status, date of birth/formation and legal status.	Form, verification, rates and identity validation.
Contact	Registered mobile, email, address and authorised contact.	Portal communication and verification.
Residence	Citizenship, travel days, foreign residence and treaty facts where relevant.	Scope of income and foreign disclosure.
Banking	All operative accounts, IFSC, account type, refund preference and validation status.	Interest completeness and refund credit.
Prior year	Return, computation, intimation, losses, depreciation and option forms.	Continuity and opening balances.
Proceedings	Outstanding demand, refund failure, notices and pending rectification.	Filing consistency and post-filing action.
Authority	Preparation approval, upload authority and verification method.	Governance and evidence of consent.

2.2 Income-profile questionnaire

Do not send every taxpayer the same generic list. Begin with a profile questionnaire and issue a tailored request. Ask closed questions that expose common omissions, followed by document requests for every “yes” answer.

Question	If yes, obtain
Did the taxpayer work for more than one employer or receive arrears?	All Form 16s, payslips, full-and-final settlement and arrears working.
Was any property owned, co-owned, let, vacant, sold or purchased?	Title/ownership, use, rent, municipal tax, loan interest and transaction documents.
Were shares, mutual funds, property, jewellery, crypto-assets or other assets sold?	Transaction-level statement, acquisition evidence, expenses and exemption documents.
Was any business, profession, partnership or online commercial activity carried on?	Books, receipts, expenses, GST data, partnership deed and audit information.
Was foreign income earned or any foreign asset/account held?	Country-wise income, ownership, dates, taxes, residency and relevant statements.
Were deductions or exemptions claimed?	Payment evidence, eligibility facts, limits and claimant/beneficiary details.
Was tax paid or deducted outside salary?	Form 16A/27D, Form 26AS entries and challans.

Question	If yes, obtain
Was any notice, demand, refund failure or prior-year correction pending?	Portal communication, order, earlier response and supporting record.

2.3 Form-wise document packs

Profile	Core additional documents
Salaried / pensioner	Form 16, payslips, pension statement, employer reimbursements, rent/HRA facts and retirement receipts.
House-property owner	Ownership evidence, use/occupancy, rent agreement, rent ledger, municipal tax, loan certificate and co-owner allocation.
Investor	Broker capital-gain report, demat/transaction statements, mutual-fund reports, corporate-action data and cost records.
Business / profession	Trial balance, ledgers, financial statements, bank statements, GST data, fixed-asset register, inventory and audit report.
Partner	Firm return/computation where available, partnership deed, capital/current account and remuneration/interest certificate.
Non-resident / RNOR	Passport/travel schedule, overseas income, tax residence certificate, foreign tax evidence and remittance information.
Firm / LLP / company / trust	Constitution documents, registrations, audited accounts, reports, member/partner/shareholder data and special approvals.

3. Source Index and Working-Paper Discipline

3.1 Source index

The source index is the bridge between documents and the computation. It should show what was received, what period it covers, the amount or schedule affected, who reviewed it and what remains unresolved. This prevents the return from depending on memory or email searches.

Ref.	Document	Period / date	Return area	Status	Reviewer note
S-01	Form 16 – Employer A	FY 2025–26	Salary / TDS	Received	Reconcile to payslips and 26AS
B-01	Bank interest certificate	FY 2025–26	Other sources	Received	Compare to AIS
P-01	Housing-loan certificate	FY 2025–26	House property	Pending detail	Separate principal and interest
CG-01	Broker transaction statement	FY 2025–26	Capital gains	Received	Check corporate actions and opening cost

3.2 Evidence grading

Not all evidence has equal reliability. A third-party certificate or statutory statement may be stronger than an oral explanation, but even third-party data can be incomplete or misclassified. Grade material items and document how contradictory information was resolved.

Evidence level	Example	Treatment
Primary / direct	Executed agreement, bank statement, Form 16, audited ledger or registered document.	Use as principal evidence after checking relevance and completeness.
Corroborative	AIS, TIS, email confirmation, management report or secondary statement.	Reconcile to primary evidence and investigate differences.
Representation	Client explanation or declaration without independent document.	Record limitation and obtain stronger support where material.
Unresolved	Conflicting or missing evidence.	Do not silently assume; escalate, quantify and decide before filing.

4. AIS, TIS and Form 26AS Reconciliation

4.1 Different purposes

Source	Primary use	Important limitation
AIS	Broad transaction-information statement with source-level items and feedback facility.	May contain duplication, timing, ownership or classification differences.
TIS	Processed/aggregated taxpayer information used in prefill contexts.	Aggregation can hide transaction-level issues; reconcile back to source.
Form 26AS	Tax-credit and specified information statement.	Credit appearance does not by itself prove the related income or correct claimant.
Books / client records	Taxpayer's accounting and source-document record.	May omit externally reported transactions or contain timing/classification errors.
Return computation	Professional conclusion after applying tax law to reconciled facts.	Must not be merely a copy of any single source.

4.2 Reconciliation method

1. Download or obtain the current AIS, TIS and Form 26AS for the correct PAN and assessment year.
2. Export transaction-level information where available and preserve the original download date.
3. Classify every item by source, ownership, period and proposed head of income.
4. Match the item to books, certificates, contracts, bank statements or other primary evidence.
5. Identify duplication, gross-versus-net differences, timing differences, ownership differences and missing-book items.

6. Resolve tax-credit differences separately from income differences.
7. Record the final return amount, treatment and supporting reference for every material category.
8. Use the AIS feedback facility only after the factual position and supporting evidence are established.
9. Obtain client confirmation for unresolved or representation-based items before filing.

Status	Meaning	Required action
Matched	Nature, owner, period and amount agree.	Cross-reference the working paper.
Timing difference	Transaction belongs to another reporting period.	Document accounting/tax basis and correct period.
Ownership difference	Joint, nominee or other-person item.	Verify legal and beneficial ownership.
Duplicate	Same transaction reported more than once.	Retain proof and consider appropriate feedback.
Missing in books	Third-party item not provided by client.	Obtain explanation and evidence; update computation if required.
Missing in AIS	Client/books item absent from AIS.	Report based on law and evidence; AIS absence is not an exemption.
Tax-credit mismatch	Income, certificate or challan details differ.	Reconcile before claim and consider deductor/challan correction.
Unresolved	Evidence is incomplete or contradictory.	Escalate and document the filing decision or defer where necessary.

4.3 Gross-receipt reconciliation

A common failure is to reconcile only the TDS amount. The reviewer should reconcile gross receipts payer-wise and section-wise, because TDS can be deducted on advances, reimbursements, inclusive amounts or values different from book revenue. Explain each difference through a reconciliation rather than forcing the ledger to equal Form 26AS.

CA REVIEW POINT: Claiming TDS while omitting or failing to explain the related receipt is a high-risk inconsistency. Map each credit to income, advance, asset transfer, reimbursement or other factual treatment.

4.4 AIS feedback control

AIS feedback communicates the taxpayer's view of an information item; it does not replace correct return disclosure. Before providing feedback, verify the source, transaction identity, amount, ownership and period, and retain the supporting record. Feedback should be consistent with the return and the client's explanation.

5. Finalisation Before Opening the Utility

- Client master and residential status are completed.
- Form-selection memo identifies the selected form and every material exclusion tested.
- All income heads have approved computations.
- AIS, TIS, Form 26AS, books and source records are reconciled.
- Losses, depreciation, deductions and special-rate items are independently checked.

- Tax regime decision is documented and, where required, procedural forms are addressed.
- Tax credits and challans are verified; balance tax is paid under the correct AY.
- Unresolved matters are recorded and approved before return population begins.