

# CHANGES IN ITR FORMS FOR A.Y. 2019-20

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**WHICH ITR FORMS CAN BE USED  
FOR FILING OF RETURNS?**

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# INDIVIDUAL AND HUF

# ***Salary Income***

<b>Nature of Business</b>	<b>ITR 1* (Sahaj)</b>	<b>ITR 2</b>	<b>ITR 3</b>	<b>ITR 4 *</b>
Income from salary/pension (for ordinarily resident person)	Yes	Yes	Yes	Yes
Income from salary/pension (for not ordinarily resident and non-resident person)	No	Yes	Yes	No
Any individual who is a Director in any company	No	Yes	Yes	No

## ***Income from House Property***

<b>Nature of Business</b>	<b>ITR 1* (Sahaj)</b>	<b>ITR 2</b>	<b>ITR 3</b>	<b>ITR 4 *</b>
Income or loss from one house property (excluding brought forward losses and losses to be carried forward)	Yes	Yes	Yes	Yes
Income or loss from more than one house property	No	Yes	Yes	No
Individual has brought forward loss or losses to be carried forward under the head House Property	No	Yes	Yes	No

## ***Income from Business or Profession***

<b>Nature of Business</b>	<b>ITR 1* (Sahaj)</b>	<b>ITR 2</b>	<b>ITR 3</b>	<b>ITR 4 *</b>
Income from business or profession	No	No	Yes	No
Interest, salary, bonus, commission or share of profit received by a partner from a partnership firm	No	No	Yes	No
Income from presumptive business or profession covered u/s 44AD, 44ADA & 44AE (for person resident in India)	No	No	No	Yes
Income from presumptive business or profession covered u/s 44AD, 44ADA & 44AE (for not ordinarily resident and non-resident person)	No	No	Yes	No

## ***Capital Gain***

<b>Nature of Business</b>	<b>ITR 1* (Sahaj)</b>	<b>ITR 2</b>	<b>ITR 3</b>	<b>ITR 4 *</b>
Taxpayer has held unlisted equity shares at any time during the previous year	No	Yes	Yes	No
Capital gains/loss on sale of investments/property	No	Yes	Yes	No

### ***Income from Other Sources***

<b>Nature of Business</b>	<b>ITR 1* (Sahaj)</b>	<b>ITR 2</b>	<b>ITR 3</b>	<b>ITR 4 *</b>
Family Pension (for ordinarily resident person)	Yes	Yes	Yes	Yes
Family Pension (for not ordinarily resident and non-resident person)	No	Yes	Yes	No
Dividend income exceeding Rs. 10 lakhs taxable u/s 115BBDA	No	Yes	Yes	No
Unexplained income (i.e., cash credit, unexplained investment, etc.) taxable at 60% u/s 115BBE	No	Yes	Yes	No
Person claiming deduction u/s 57 from income taxable under the head 'Other Sources' (other than deduction allowed from family pension)	No	Yes	Yes	No
Income from other sources (other than income chargeable to tax at special rates including winnings from lottery and race horses or losses under this head)	Yes	Yes	Yes	Yes
Income from other sources (including income chargeable to tax at special rates including winnings from lottery and race horses or losses under this head)	No	Yes	Yes	No



## ***Deductions***

<b>Nature of Business</b>	<b>ITR 1* (Sahaj)</b>	<b>ITR 2</b>	<b>ITR 3</b>	<b>ITR 4 *</b>
Person claiming deduction u/s 80QQB or 80RRB in respect of royalty from patent or books	No	Yes	Yes	No
Person claiming deduction u/s 10AA or Part-C of Chapter VI-A	No	No	Yes	No
<b><i>Total Income</i></b>				
Agricultural income exceeding Rs. 5,000	No	Yes	Yes	No
Total income exceeding Rs. 50 lakhs	No	Yes	Yes	No
Assessee has any brought forward losses or losses to be carried forward under any head of income	No	Yes	Yes	No

## ***Computation of Tax liability***

<b>Nature of Business</b>	<b>ITR 1* (Sahaj)</b>	<b>ITR 2</b>	<b>ITR 3</b>	<b>ITR 4 *</b>
If an individual is taxable in respect of an income but TDS in respect of such income has been deducted in hands of any other person (i.e., clubbing of income, Portuguese Civil Code, etc.)	No	Yes	Yes	No
Claiming relief of tax u/s 90, 90A or 91	No	Yes	Yes	No

## ***Others***

<b>Nature of Business</b>	<b>ITR 1* (Sahaj)</b>	<b>ITR 2</b>	<b>ITR 3</b>	<b>ITR 4 *</b>
<b>Assessee has:</b> <ul style="list-style-type: none"> <li>• Income from foreign sources</li> <li>• Foreign Assets including financial interest in any foreign entity</li> <li>• Signing authority in any account outside India</li> </ul>	No	Yes	Yes	No
Income to be apportioned in accordance with Section 5A	No	Yes	Yes	No

***\* ITR-1 CAN BE FILED ONLY BY AN INDIVIDUAL ONLY WHO IS ORDINARILY RESIDENT IN INDIA. ITR-4 CAN BE FILED ONLY BY AN INDIVIDUAL OR HUF WHO IS ORDINARILY RESIDENT IN INDIA AND BY A FIRM (OTHER THAN LLP) RESIDENT IN INDIA.***

<b><i>Other Assesseees</i></b>				
<b>Status of Assessee</b>	<b>ITR 4</b>	<b>ITR 5</b>	<b>ITR 6</b>	<b>ITR 7</b>
Firm (excluding LLPs) opting for presumptive taxation scheme of section 44AD, 44ADA or 44AE	Yes	No	No	No
Firm (including LLPs)	No	Yes	No	No
Association of Persons (AOP)	No	Yes	No	No
Body of Individuals (BOI)	No	Yes	No	No
Artificial Juridical Person	No	Yes	No	No
Local Authority	No	Yes	No	No

## ***Other Assesseees***

<b>Status of Assessee</b>	<b>ITR 4</b>	<b>ITR 5</b>	<b>ITR 6</b>	<b>ITR 7</b>
Companies other than companies claiming exemption under Sec. 11	No	No	Yes	No
Persons including companies required to furnish return under: <input type="checkbox"/> Section 139(4A) <input type="checkbox"/> Section 139(4B) <input type="checkbox"/> Section 139(4C) <input type="checkbox"/> Section 139(4D)	No	No	No	Yes
Business Trust	No	Yes	No	No
Investment Fund as referred to in Section 115UB	No	Yes	No	No

**WHO HAS TO FILE ELECTRONIC  
RETURN FOR ASSESSMENT YEAR  
2019-20?**

For the Assessment Year 2019-20, every taxpayer shall file the income-tax return electronically except a super senior citizen (whose age is 80 years or above during the previous year 2018-19) who furnishes the return either in ITR-1 or ITR-4.

The option available to a taxpayer, whose income was below Rs. 5 lakhs during the previous year, to file the physical return has been withdrawn. Thus, it is now mandatory for every taxpayer (except super senior citizen) to file the return only electronically.

Return of income can be filed through electronic mode using any of the following three options:

1. E-filing using a Digital Signature (DSC)
2. E-filing without a Digital Signature
3. E-filing under Electronic Verification Code (EVC)

***Who can use any of the options as mentioned above has been enumerated below.***

<b>Particulars</b>	<b>E-Filing With DSC</b>	<b>E-Filing Without DSC</b>	<b>E-Filing With EVC</b>	<b>Paper Filing*</b>
Individual whose age is 80 years or above	Yes	Yes	Yes	Yes
Individual or HUF who is subject to tax audit u/s 44AB	Yes	No	No	No
Any other Individual or HUF	Yes	Yes	Yes	No
Company	Yes	No	No	No
Political Parties	Yes	No	No	No



***Who can use any of the options as mentioned above has been enumerated below.***

<b>Particulars</b>	<b>E-Filing With DSC</b>	<b>E-Filing Without DSC</b>	<b>E-Filing With EVC</b>	<b>Paper Filing*</b>
Any person filing return in ITR-5 (if tax audit is mandatory)	Yes	No	No	No
Any person filing return in ITR-5 (if tax audit is not mandatory)	Yes	Yes	Yes	No
Any person filing return in ITR-7 (other than a political party)	Yes	Yes	Yes	No

***\* Return can be filed in paper format by a super senior citizen only if he furnishes the return either in ITR-1 or in ITR-4.***

# KEY CHANGES IN ITR FORMS

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# CHANGES IN ITR 1, 2, 3, 4, 5, 6 & ITR 7

# PROPERTY WISE REPORTING OF ARREARS/UNREALISED RENT RECEIVED DURING THE YEAR

Contd.

HOUSE PROPERTY	(Tick <input checked="" type="checkbox"/> the applicable option) <input type="checkbox"/> Let out <input checked="" type="checkbox"/> Self-occupied <input type="checkbox"/> Deemed let out		Name(s) of Tenant (If let out)	BAN of Tenant(s) (if available)	PAN/TAN of Tenant(s) (if TDS credit is claimed)	
			i			
			ii			
	a	Gross rent received or receivable or lettable value			1a	
	b	The amount of rent which cannot be realized	1b			
	e	Tax paid to local authorities	1e			
	d	Total (1b + 1e)	1d			
	e	Annual value (1a - 1d) (nil, if self-occupied etc. as per section 23(2) of the Act)			1e	
	f	Annual value of the property owned (own percentage share x 1e)			1f	
	g	30% of 1f	1g			
	h	Interest payable on borrowed capital	1h			
	i	Total (1g + 1h)			1i	
	j	Arrears/Unrealised rent received during the year less 30%			1j	
	k	Income from house property 1 (1f - 1i + 1j)			1k	

**Changes in all ITRs [1, 2, 3, 4, 5, 6 & 7]**

# PROPERTY WISE REPORTING OF ARREARS/UNREALISED RENT RECEIVED DURING THE YEAR

Arrears of rent received by an assessee, which pertains to prior period, is taxable in the year of receipt under the head income from house property. However, 30% of the arrears or unrealised rent is allowed as deduction from such rental income. Up to last year, the arrears or unrealised rent was reported in aggregate for all properties.

The new forms have changed this reporting requirements. Now arrears or unrealised rent received during the year shall be reported property wise.

Further, necessary changes have been made in Form ITR 1 and 4 to report the arrears/unrealised rent. Up to last year, an assessee was unable to file return in ITR 1/4 if he had received any amount in form of arrears/unrealised rent.

*Changes in all ITRs [1, 2, 3, 4, 5, 6 & 7]*



# HEALTH AND EDUCATION CESS AT THE RATE OF 4%

PART D - COMPUTATION OF TAX PAYABLE					
D1	Tax payable on total income	D2	Rebate u/s 87A	D3	Tax after Rebate
D4	Health and education Cess @ 4% on D3	D5	Total Tax and Cess	D6	Relief u/s 89(1)
D7	Interest u/s 234A	D8	Interest u/s 234B	D9	Interest u/s 234C
D10	Fee u/s 234F	D11	Total Tax, Fee and Interest (D5+D7+D8-D9-D10 - D6)		
D12	Total Taxes Paid	D13	Amount payable (D11-D12) (if D11>D12)	D14	Refund (D12-D11) (if D12>D11)

**Changes in all ITRs [1, 2, 3, 4, 5, 6 & 7]**

# HEALTH AND EDUCATION CESS AT THE RATE OF 4%

The Finance Act, 2018 increased the rate of cess from 3% to 4%. Earlier the cess of 3% comprises of 2% of education cess and 1% of senior and higher secondary education cess. Now, cess of 4% is levied on account of health and education. Relevant changes have been made in new ITR forms to incorporate the effect of levy of health and education cess at the rate of 4%.

*Changes in all ITRs [1, 2, 3, 4, 5, 6 & 7]*

# INCOME FROM OTHER SOURCES

**Schedule OS** Income from other sources

<b>OTHER SOURCES</b>	<b>1</b> Gross income chargeable to tax at normal applicable rates (1a+ 1b+ 1c+ 1d + 1e)	<b>1</b>		
	<b>a</b> Dividends, Gross	<b>1a</b>		
	<b>b</b> Interest, Gross (bi + bii + biii + biv)	<b>1b</b>		
	<b>i</b> From Savings Bank	<b>bi</b>		
	<b>ii</b> From Deposits (Bank/ Post Office/ Co-operative)	<b>bii</b>		
	<b>iii</b> From Income-tax Refund	<b>biii</b>		
	<b>iv</b> In the nature of Pass through income	<b>biv</b>		
	<b>v</b> Others	<b>bv</b>		
<b>c</b> Rental income from machinery, plants, buildings, etc., Gross	<b>1c</b>			

**Changes in all ITRs [1, 2, 3, 4, 5, 6 & 7]**



# INCOME FROM OTHER SOURCES

- Interest income further bifurcated to –
  - Saving Bank
  - Deposits (all kinds of)
  - Income tax refund
  - In the nature of Pass Through Income u/s 115UA & 115UB
  - Others

***Changes in all ITRs [1, 2, 3, 4, 5, 6 & 7]***

# CHANGES IN ITR 1, 2, 3, 4, 5 & ITR 6

# REPORTING OF DONATION MADE IN CASH TO CURTAIL DEDUCTION U/S 80G

**Schedule 80G** Details of donations entitled for deduction under section 80G

A Donations entitled for 100% deduction without qualifying limit						
Name and address of donee		PAN of Donee	Amount of donation			Eligible Amount of donation
			Donation in cash	Donation in other mode	Total Donation	
i						
ii						
iii	Total					

**Changes in ITRs 1, 2, 3, 4, 5 & 6**



## **REPORTING OF DONATION MADE IN CASH TO CURTAIL DEDUCTION U/S 80G**

Section 80G allows deduction for donations made to certain notified funds, charitable institutions or other institutions/ funds set up by the Government of India. The Finance Act, 2017 had reduced the limit of cash donation from Rs. 10,000 to Rs. 2,000. Thus, with effect from Assessment Year 2018-19, no deduction is allowed for cash donation made in excess of Rs. 2,000.

The new ITR forms have incorporated new columns to specify the amount of donation made in cash and in other mode. Cash donation made in excess of Rs. 2,000 shall not be allowed as deduction from gross total income.

# CHANGES IN ITR 1, 2, 3 & ITR 4

# SALARY DETAILS

**Schedule S** Details of Income from Salary

Name of Employer		Nature of employment (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> Govt. <input type="checkbox"/> PSU <input type="checkbox"/> Pensioners <input type="checkbox"/> Others		TAN of Employer (mandatory if tax is deducted)		
Address of employer		Town/City	State	Pin code/ Zip code		
SALARIES	<b>1</b> Gross Salary (1a + 1b + 1c)				<b>1</b>	
	a	Salary as per section 17(1) (drop down to be provided)	1a			
	b	Value of perquisites as per section 17(2) (drop down to be provided)	1b			
	c	Profit in lieu of salary as per section 17(3) (drop down to be provided)	1c			
	<i>(Add multiple rows for Gross Salary in case of more than one employer)</i>					
	2 Total Gross Salary (from all employers)					2
	3 Less allowances to the extent exempt u/s 10 (drop down to be provided in e filing utility) (please refer instructions)					3
	4 Net Salary (2 - 3)					4
	5 Deduction u/s 16 (5a + 5b + 5c)					5
	a	Standard deduction u/s 16(ia)	5a			
b	Entertainment allowance u/s 16(ii)	5b				
c	Professional tax u/s 16(iii)	5c				
6 Income chargeable under the Head 'Salaries' (4 - 5)					6	

**Changes in ITRs 1, 2, 3 & 4**

# SALARY DETAILS

- Based on previous year's experience, now form clearly ask for Gross salary and then exemptions u/s 10.
- There was a confusion amongst salary tax payers in AY 2018-19 regarding allowances exempt and not exempt.
- Form 16 has also been revised on these lines.

# SECTION 80TTB DEDUCTIONS TO SENIOR CITIZENS

Schedule VI-A		Deductions under Chapter VI-A		
TOTAL DEDUCTIONS	<b>1 Part B- Deduction in respect of certain payments</b>			
	a 80C		b 80CCC	
	c 80CCD(1)		d 80CCD(1B)	
	e 80CCD(2)		f 80CCG	
	g 80D		h 80DD	
	i 80DDB		j 80E	
	k 80EE		l 80G	
	m 80GG		n 80GGA	
	o 80GGC			
	<b>2 Part C, CA and D- Deduction in respect of certain incomes/other deduction</b>			
	p 80QRB		q 80RRB	
	r 80TTA		s <b>80TTB</b>	
	t 80U			
	u Total deductions under Chapter VI-A (Total of a to t)			u

**Changes in ITRs 1, 2, 3 & 4**



# SECTION 80TTB DEDUCTIONS TO SENIOR CITIZENS

The Finance Act, 2018 inserted a new section 80TTB to allow deduction of up to Rs. 50,000 to the senior citizen who has earned interest income from deposits with banks or post office or co-operative banks. Interest earned on saving deposits and fixed deposit, both are eligible for deduction.

To give effect to this amendment, consequent change has been made in new ITR Forms wherein a new row is inserted for claiming deduction u/s 80TTB.

# CHANGES IN ITR 1, 2, 5 & ITR 6

# NEW SCHEDULE FOR CLAIMING DEDUCTION U/S 80GGA

Schedule 80GGA

Details of donations for scientific research or rural development

S. No.	Relevant clause under which deduction is claimed ( <i>drop down to be provided</i> )	Name and address of donee	PAN of Donee	Amount of donation			Eligible Amount of donation
				Donation in cash	Donation in other mode	Total Donation	
i							
ii							
	Total donation						

**Changes in ITRs 1, 2, 5 & 6**

# NEW SCHEDULE FOR CLAIMING DEDUCTION U/S 80GGA

Section 80GGA provides deduction of donations made towards scientific research/rural development. The deduction is allowed to all assessees other than those who are earning business income.

Previous forms require assessee to mention only donation amount under relevant columns of Schedule VI-A. Now, a separate Schedule has been inserted in new ITR forms to claim deduction u/s 80GGA. An assessee claiming deduction is required to furnish following information:

- a) Relevant Clause under which deduction is claimed
- b) Name and address of donee
- c) PAN of donee
- d) Amount of donation made in Cash and in other mode

***Changes in ITRs 1, 2, 5 & 6***

# CHANGES IN ITR 1 & ITR 4

# ITR 1 AND ITR 4 ASK FOR NATURE OF RESIDUARY INCOME

PART B GROSS TOTAL INCOME					Whole- Rupee(₹) only	
SALARY / PENSION	B1	i	Gross Salary (ia + ib + ic)			i
		a	Salary as per section 17(1)	ia		
		b	Value of perquisites as per section 17(2)	ib		
		c	Profit in lieu of salary as per section 17(3)	ic		
		ii	Less allowances to the extent exempt u/s 10 (drop down to be provided in e-filing utility)			ii
		iii	Net Salary (i – ii)			iii
		iv	Deductions u/s 16 (iva + ivb + ivc)			iv
		a	Standard deduction u/s 16(ia)	iva		
		b	Entertainment allowance u/s 16(ii)	ivb		
		c	Professional tax u/s 16(iii)	ivc		
	v	Income chargeable under the head 'Salaries' (iii – iv)			B1	
B2	Tick applicable option <input type="checkbox"/> Self Occupied <input type="checkbox"/> Let Out <input type="checkbox"/> Deemed Let Out					
HOUSE PROPERTY		i	Gross rent received/ receivable/ lettable value during the year			i
		ii	Tax paid to local authorities	ii		
		iii	Annual Value (i – ii)			iii
		iv	30% of Annual Value			iv
		v	Interest payable on borrowed capital			v
		vi	Arrears/Unrealised rent received during the year less 30%			vi
		vii	Income chargeable under the head 'House Property' (iii – iv – v) + vi			B2 ( )
B3	Income from Other Sources (drop down to be provided in e-filing utility specifying nature of income.)					
	Loss: Deduction u/s 57(iia) (in case of family pension only)					B3
B4	Gross Total Income (B1 + B2 + B3) (if loss, put the figure in negative)					B4 ( )

**Changes in ITRs 1 & 4**

# ITR 1 AND ITR 4 ASK FOR NATURE OF RESIDUARY INCOME

Up to Assessment Year 2018-19, taxpayers were required to disclose the aggregate amount of income taxable under the head other sources. However, from Assessment Year 2019-20, it is mandatory for an assessee to specify the nature of income taxable under the head income from other sources and the deductions claimed in respect of family pension in accordance with Section 57(iia). Such extra disclosures have been asked by the Dept. to check that the ineligible persons are not using the ITR 1 and ITR 4 for filing of return.

*Changes in ITRs 1 & 4*

# REPORTING OF RENTAL INCOME FROM 'DEEMED LET OUT' PROPERTY IN ITR 1 & 4

B2	Tick applicable option <input type="checkbox"/> Self Occupied <input type="checkbox"/> Let Out <input checked="" type="checkbox"/> Deemed Let Out			
HOUSE PROPERTY	i	Gross rent received/ receivable/ lettable value during the year		i
	ii	Tax paid to local authorities	ii	
	iii	Annual Value (i - ii)		iii
	iv	30% of Annual Value	iv	
	v	Interest payable on borrowed capital	v	
	vi	Arrears/Unrealised rent received during the year less 30%	vi	
	vii	Income chargeable under the head 'House Property' (iii - iv - v) + vi		B2 ( )



# REPORTING OF RENTAL INCOME FROM 'DEEMED LET OUT' PROPERTY IN ITR 1 & 4

ITR 1 and 4 can be filed by an assessee having income from one house property. Thus, while reporting income from house property, an assessee can either mark this house property as 'self-occupied' or 'let out' during the year.

A new option 'deemed let out' under the category of 'type of property' is inserted in the new ITR 1 & 4. Now following three options are available to select 'type of property':

- a) Self-Occupied
- b) Let out
- c) Deemed let out

The option of 'deemed let out' shall be selected in respect of that house property which has not been claimed as self-occupied by the assessee. As ITR 1 and 4 can be used only in case of income from only one house property. Therefore, in very rare situation deemed let-out option shall be selected by an assessee.

# CHANGES IN ITR 2, 3, 5 & ITR 7

# ACCRUAL OR RECEIPT OF DIVIDEND AND SECTION 2(24)(IX) INCOME SHOULD BE DISCLOSED

10 Information about accrual/receipt of income from Other Sources						
S.No.	Other Source Income	Upto 15/6	From 16/6 to 15/9	From 16/9 to 15/12	From 16/12 to 15/3	From 16/3 to 31/3
		(i)	(ii)	(iii)	(iv)	(v)
1	Dividend Income u/s 115BBDA					
2	Income by way of winnings from lotteries, crossword puzzles, races, games, gambling, betting etc. referred to in section 2(24)(ix)					

**NOTE ►** Please include the income of the specified persons (spouse, minor child etc.) referred to in Schedule SPI while computing the income under this head.

# ACCRUAL OR RECEIPT OF DIVIDEND AND SECTION 2(24)(IX) INCOME SHOULD BE DISCLOSED

In new ITR forms, the assessee can disclose the accrual or receipt of dividend income taxable u/s 115BBDA and Income by way of winnings from lotteries, crossword puzzle etc. as per applicable due dates for deposit of advance tax. These clauses are inserted as accrual or receipt of such income have direct impact on the amount payable as advance tax and interest u/s 234C for delayed payment of advance tax.

Provisions of section 234C which provides for the levy of interest for delay in payment of advance tax has no applicability on under-estimation or non-estimation of dividend income taxable u/s 115BBDA and lottery income, etc.

Thus, such disclosures are specifically inserted for determining when such income is accrued and when it is received so that liability for advance tax can be determined accordingly.

*Changes in ITRs 2, 3, 5 & 7*

# TAXABLE PORTION OF PF WITHDRAWAL NEEDS TO BE REPORTED

<b>c</b>	<b>Accumulated balance of recognised provident fund taxable u/s 111</b>			<b>2c</b>	
<b>S.No.</b>	<b>Assessment Year</b>	<b>Income benefit</b>	<b>Tax benefit</b>		
<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iv)</b>		

**Changes in ITRs 2, 3, 5 & 7**

# TAXABLE PORTION OF PF WITHDRAWAL NEEDS TO BE REPORTED

Up to Assessment Year 2018-19, total taxable amount of Recognized PF (taxable on withdrawal) had to be reported as a consolidated figure.

The new ITR forms added a new column wherein such detail had to be furnished Assessment year wise. Further, the following additions details have to be furnished in this column:

- a) Income benefit
- b) Tax benefit

# SCHEDULE 'FA'

**Schedule FA** Details of Foreign Assets and Income from any source outside India

A1 Details of Foreign Depository Accounts held (including any beneficial interest) at any time during the relevant accounting period												
Sl No	Country name	Country code	Name of financial institution	Address of financial institution	ZIP code	Account number	Status	Account opening date	Peak balance during the period	Closing balance	Gross interest paid/credited to the account during the period	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
(i)												
(ii)												
A2 Details of Foreign Custodial Accounts held (including any beneficial interest) at any time during the relevant accounting period												
Sl No	Country name	Country code	Name of financial institution	Address of financial institution	ZIP code	Account number	Status	Account opening date	Peak balance during the period	Closing balance	Gross amount paid/credited to this account during the period (drop down to be provided specifying nature of amount i.e. Interest/Dividend/proceeds from sale or redemption of financial assets/other income)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
(i)												
(ii)												
A3 Details of Foreign Equity and Debt Interest held (including any beneficial interest) in any entity at any time during the relevant accounting period												
Sl No	Country name	Country code	Name of entity	Address of entity	ZIP code	Nature of entity	Date of acquiring the interest	Initial value of the investment	Peak value of investment during the period	Closing value	Total gross amount paid/credited with respect to the holding during the period	Total gross proceeds from sale or redemption of investment during the period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(i)												
(ii)												
A4 Details of Foreign Cash Value Insurance Contract or Annuity Contract held (including any beneficial interest) at any time during the relevant accounting period												
Sl No	Country name	Country code	Name of financial institution in which insurance contract held	Address of financial institution	ZIP code	Date of contract	The cash value or surrender value of the contract	Total gross amount paid/credited with respect to the contract during the period				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
(i)												
(ii)												

DETAILS OF FOREIGN ASSETS

**Changes in ITRs 2, 3, 5 & 7**

## SCOPE OF FOREIGN ASSETS EXPANDED

The Government has expanded the scope of reporting in new ITR forms in respect of foreign asset held by a person. In this respect, following changes have been made in Schedule FA:

a) *Besides foreign bank accounts, details of foreign depository accounts are also required*

Depository accounts are the accounts in which cash or securities are deposited by the account holder. Earlier only information regarding foreign bank accounts were required to be furnished under ITRs. Now under new ITR forms, information relating to every foreign depository account held by an assessee is required to be reported.

b) *Foreign custodial accounts*

Custodial account is an account which is set up for the benefit of any other person called beneficiary and is managed and administered by a representative known as a custodian. In the new ITR forms, the assessee is required to furnish various details such as the name and code of the country in which such account is held and account opening date and peak balance during the year, etc.



## SCOPE OF FOREIGN ASSETS EXPANDED

### *c) Foreign equity and debt interest held in any entity*

The new schedule requires the assessee to provide information regarding the investments made by him in equity or debt funds of a foreign entity. Accordingly, information relating to the entity and investment made therein is required to be reported.

### *d) Foreign cash value insurance contract or annuity contract*

Cash value insurance is a particular form of life insurance whereby the premium typically remains same throughout the life of the policy and a portion of that premium goes towards the death benefit while another portion of the premium goes towards a cash account that earns interest for the policy holder.

Under new ITR forms, the assessee needs to furnish information regarding details of any foreign cash value insurance contract or annuity contract held by him, such as, name of the financial institution, cash value of the contract and gross amount paid with respect to the contract during the period, etc.

# PASS THROUGH INCOME ALSO NEEDS TO BE REPORTED

Schedule IIP		Details of Income from House Property <i>(Please refer instructions) (Drop down to be provided indicating ownership of property)</i>	
3	Pass through income if any *	3	
4	Income under the head "Income from house property" (1k + 2k + 3) <i>(if negative take the figure to 2i of schedule CYLA)</i>	4	
NOTE ▶	<i>Please include the income of the specified persons referred to in Schedule SPI and Pass through income referred to in schedule PTI while computing the income under this head</i>		
NOTE ▶	<i>Furnishing of PAN of tenant is mandatory, if tax is deducted under section 194-IB. Furnishing of TAN of tenant is mandatory, if tax is deducted under section 194-I.</i>		

Schedule CG		Capital Gains	
<b>8</b>	Pass Through Income in the nature of Short Term Capital Gain, <i>(Fill up schedule PTI) (A8a - A8b + A8c)</i>		<b>A8</b>
<b>a</b>	Pass Through Income in the nature of Short Term Capital Gain, chargeable @ 15%	A8a	
<b>b</b>	Pass Through Income in the nature of Short Term Capital Gain, chargeable @ 30%	A8b	
<b>c</b>	Pass Through Income in the nature of Short Term Capital Gain, chargeable at applicable rates	A8c	

**Changes in ITRs 2, 3, 5 & 7**

# PASS THROUGH INCOME ALSO NEEDS TO BE REPORTED

<b>B</b>	<b>Long-term capital gain (LTCG) (Sub-items 5, 6, 7, 8 &amp; 9 are not applicable for residents)</b>			
	<b>12</b>	<b>Pass Through Income in the nature of Long Term Capital Gain, (Fill up schedule PT1) (B12a + B12b)</b>		<b>B12</b>
	<b>a</b>	<b>Pass Through Income in the nature of Long Term Capital Gain, chargeable @ 10% B12a</b>		
	<b>b</b>	<b>Pass Through Income in the nature of Long Term Capital Gain, chargeable @ 20% B12b</b>		
<b>Schedule OS Income from other sources</b>				
<b>1</b>	<b>Gross income chargeable to tax at normal applicable rates (1a+ 1b+ 1c+ 1d + 1e)</b>			<b>1</b>
	<b>a</b>	<b>Dividends, Gross</b>	<b>1a</b>	
	<b>b</b>	<b>Interest, Gross (bi + bii + biii + biv)</b>	<b>1b</b>	
	<b>i</b>	<b>From Savings Bank</b>	<b>bi</b>	
	<b>ii</b>	<b>From Deposits (Bank/ Post Office/ Co-operative Society/)</b>	<b>bii</b>	
	<b>iii</b>	<b>From Income-tax Refund</b>	<b>biii</b>	
	<b>iv</b>	<b>In the nature of Pass through income</b>	<b>biv</b>	
	<b>v</b>	<b>Others</b>	<b>bv</b>	

**Changes in ITRs 2, 3, 5 & 7**

# PASS THROUGH INCOME ALSO NEEDS TO BE REPORTED

**Schedule OS** Income from other sources

<b>2</b>	Income chargeable at special rates (2a+ 2b+ 2c+ 2d + 2e)	<b>2</b>
<b>e</b>	Pass through income in the nature of income from other sources chargeable at special rates (drop down to be provided)	<b>2e</b>

**Schedule S1** Income chargeable to tax at special rates (please see instructions No. 7 for rate of tax)

SI No	Section	<input checked="" type="checkbox"/>	Special rate (%)	Income (i)	Tax thereon (ii)
<b>21</b>	Pass Through Income in the nature of Short Term Capital Gain chargeable @ 15%	<input type="checkbox"/>		(part of 5vi of schedule BFLA)	
<b>22</b>	Pass Through Income in the nature of Short Term Capital Gain chargeable @ 30%	<input type="checkbox"/>		(part of 5vii of schedule BFLA)	
<b>23</b>	Pass Through Income in the nature of Long Term Capital Gain chargeable @ 10%	<input type="checkbox"/>		(part of 5x of schedule BFLA)	
<b>24</b>	Pass Through Income in the nature of Long Term Capital Gain chargeable @ 20%	<input type="checkbox"/>		(part of 5xi of schedule BFLA)	
<b>25</b>	Pass through income in the nature of income from other source chargeable at special rates	<input type="checkbox"/>		(2e of schedule OS)	

**Changes in ITRs 2, 3, 5 & 7**

# PASS THROUGH INCOME ALSO NEEDS TO BE REPORTED

<b>Schedule E1</b>	<b>Details of Exempt Income (Income not to be included in Total Income or not chargeable to tax)</b>
<b>6</b>	<b>Pass through income not chargeable to tax (Schedule PTI)</b>
<b>6</b>	

Schedule PTI		Pass Through Income details from business trust or investment fund as per section 115UA, 115UB				
Sl.	Name of business trust/ investment fund	PAN of the business trust/ investment fund	Sl.	Head of income	Amount of income	TDS on such amount, if any
PASS THROUGH INCOME	1.		i	House property		
			ii	Capital Gains		
			a	Short term		
			b	Long term		
			iii	Other Sources		
			iv	Income claimed to be exempt		
			a	u/s 10(23FBB)		
			b	u/s .....		
			c	u/s .....		
			i	House property		
			ii	Capital Gains		
			a	Short term		
			b	Long term		
			iii	Other Sources		
iv	Income claimed to be exempt					
a	u/s 10(23FBB)					
b	u/s .....					
c	u/s .....					
2.						

**NOTE ►** Please refer to the instructions for filling out this schedule.

**Changes in ITRs 2, 3, 5 & 7**

# PASS THROUGH INCOME ALSO NEEDS TO BE REPORTED

New ITR forms inserted new columns for reporting of the pass through income. Such disclosure is required in following schedules:

- a) Schedule OS (Income from Other sources) for pass through income in the nature of interest or special income
- b) Schedule HP (Income from house property)
- c) Schedule CG (Capital Gains) wherein such disclosure is bifurcated as follows:
  - Short Term Capital Gains taxable at the rate of 15%
  - STCG taxable at the rate of 30%
  - STCG taxable at applicable rates
  - Long Term Capital Gains taxable at the rate of 10%
  - LTTCG taxable at the rate of 20%

These pass through incomes are then reported in Schedule SI (Income taxable at special rates) if these income are taxable and in Schedule EI (Exempt Income) if such income is exempt.

***Changes in ITRs 2, 3, 5 & 7***



# CHANGES IN ITR 2, 3, 5 & ITR 6

55

# FULL VALUE OF CONSIDERATION IN CASE OF TRANSFER OF LAND OR BUILDING

## Schedule CG

## Capital Gains

A	Short-term Capital Gains (STCG) <i>(Sub-items 4 and 5 are not applicable for residents)</i>			
	1	From sale of land or building or both <i>(fill up details separately for each property)</i>		
	a	i	Full value of consideration received/receivable	ai
		ii	Value of property as per stamp valuation authority	aii
		iii	Full value of consideration adopted as per section 50C for the purpose of Capital Gains () [in case (aii) does not exceed 1.05 times (ai), take this figure as (ai), or else take (aii)]	aiii

**Changes in ITRs 2, 3, 5 & 6**



# **FULL VALUE OF CONSIDERATION IN CASE OF TRANSFER OF LAND OR BUILDING**

Section 50C has been amended, with effect from Assessment year 2019-20, to provide that in case of transfer of land or building if stamp duty value does not exceed 105% of sales consideration, the sales consideration shall not be substituted by the stamp duty value for the purpose of full value of consideration. In other words, actual sales consideration shall be deemed to be the full value of consideration if stamp duty value does not exceed 105% of actual sales consideration. Therefore, corresponding changes have been made in ITR forms.

## CG DETAIL IMMOVABLE PROPERTY

f In case of transfer of immovable property, please furnish the following details (see note)						
S.No.	Name of buyer(s)	PAN of buyer(s)	Percentage share	Amount	Address of property	Pin code
<p><b>NOTE ►</b> Furnishing of PAN is mandatory, if the tax is deducted under section 194-IA or is quoted by buyer in the documents.</p> <p>In case of more than one buyer, please indicate the respective percentage share and amount.</p>						

# BUYER'S INFORMATION IS REQUIRED IN CASE OF TRANSFER OF IMMOVABLE PROPERTY

If assessee reports capital gain, from transfer of an immovable property, in income-tax return, it would be mandatory for him to furnish the following information about the buyer:

- a) Name of buyer
- b) PAN of buyer
- c) Percentage share
- d) Amount
- e) Address of property
- f) Pin code

It is mandatory for the assessee to furnish the PAN of buyer in ITR form if tax has been deduced u/s 194-IA or PAN is quoted by buyer in the registration documents.

PAN is otherwise a mandatory document to buy or sell an immovable property if the stamp duty value or the sales consideration exceeds Rs. 10 lakhs.

# SECTION 54EC EXEMPTION CAN BE CLAIMED ON TRANSFER OF LAND OR BUILDING ONLY

Long-term Capital	<b>B Long-term capital gain (LTCG) (Sub-items 5, 6, 7, 8 &amp; 9 are not applicable for residents)</b>							
	<b>1 From sale of land or building or both (fill up details separately for each property)</b>							
	a	<b>i Full value of consideration received/receivable</b>			ai			
		<b>ii Value of property as per stamp valuation authority</b>			aii			
		<b>iii Full value of consideration adopted as per section 50C for the purpose of Capital Gains [In case (aii) does not exceed 1.05 times (ai), take this figure as (ai), or else take (aii)]</b>			aiii			
	<b>b Deductions under section 48</b>							
		<b>i Cost of acquisition with indexation</b>			bi			
		<b>ii Cost of Improvement with indexation</b>			bii			
		<b>iii Expenditure wholly and exclusively in connection with transfer</b>			biii			
		<b>iv Total (bi + bii + biii)</b>			biv			
	<b>c Balance (aiii – biv)</b>				1c			
	<b>d Deduction under section 54/54B/54D/54EC/54F/54G/54GA/54GB (Specify details in item D below)</b>				1d			
	<b>e Long-term Capital Gains on Immovable property (1c - 1d)</b>							
	<b>f In case of transfer of immovable property, please furnish the following details (see note):</b>							
		S.No.	Name of buyer(s)	PAN of buyer(s)	Percentage share	Amount	Address of property	Pin code
	<p><b>NOTE</b> ▶ Furnishing of PAN is mandatory, if the tax is deducted under section 194-IA or is quoted by buyer in the documents. In case of more than one buyer, please indicate the respective percentage share and amount.</p>							
	<b>2 From slump sale:</b>							
		<b>a Full value of consideration</b>			2a	<i>(5 of Form 3CE1)</i>		
	<b>b Net worth of the under taking or division</b>			2b	<i>(6(e) of Form 3CE1)</i>			
<b>c Balance (2a – 2b)</b>				2c				
<b>d Deduction u/s 54EC/54F (Specify details in item D below)</b>				2d				
<b>e Long term capital gains from slump sale (2c - 2d)</b>						B2e		

Changes in ITRs 2, 3, 5 & 6

# SECTION 54EC EXEMPTION CAN BE CLAIMED ON TRANSFER OF LAND OR BUILDING ONLY

Up to Assessment Year 2018-19, Section 54EC exemption was available from long-term capital gain arising from transfer of any capital asset if such gain is invested in the specified bonds of NHAI and RECL. The Finance Act, 2018 significantly curtailed the scope of this exemption and now it is allowed only if long-term capital gain arising from transfer of an immovable property, being land or building or both, is invested in specified bonds.

Corresponding amendments have been made in new ITR forms, i.e. option for claiming exemption u/s 54EC is allowed from LTCG arising from transfer of immovable property only.

# SECTION 54EE DELETED FROM CAPITAL GAIN SCHEDULE

In order to promote the start-up ecosystem in the country, it was envisaged in 'Start-Up India Action Plan' to establish a fund to finance the start-ups. Keeping this objective in view, exemption u/s 54EE was introduced by the Finance Act, 2016. This exemption from capital gains tax was available if long term capital gains proceeds are invested by an assessee in units of specified fund, as may be notified by the Central Government in this behalf. However, no fund has been notified yet by the Government in this regard. Therefore, Section 54EE has been deleted from Schedule-CG (Capital Gains) from ITR forms.

# LTCG S. 112A

4 From sale of equity share in a company or unit of equity oriented fund or unit of a business trust on which STT is paid under section 112A

a	Full value of consideration	4a	
b	Deductions under section 48		
i	Cost of acquisition without indexation (higher of iA and iB)	bi	
	A Cost of acquisition	iA	
	B If the long term capital asset was acquired before 01.02.2018, lower of B1 and B2	iB	
	1 Fair Market Value of capital asset as per section 55(2)(ac)	B1	
	2 Full value of consideration	B2	
ii	Cost of improvement without indexation	bii	
iii	Expenditure wholly and exclusively in connection with transfer	biii	
iv	Total deductions (bi + bii +biii)	biv	
c	Balance (4a – biv)	4c	
d	Less- LTCG threshold limit as per section 112A (4c – Rs. 1 lakh)	4d	
e	Deduction under sections 54F (Specify details in item D below)	4e	
f	Long-term Capital Gains on sale of capital assets at B4 above (4d – 4e)		

**Changes in ITRs 2, 3, 5 & 6**

## CONSEQUENTIAL CHANGES ON WITHDRAWAL OF SECTION 10(38) EXEMPTION

Up to Assessment Year 2018-19, any long-term capital gain arising from transfer of securities, being equity shares, units of equity-oriented mutual fund or units of business trust, if transfer of such capital asset is chargeable to Securities Transaction Tax (STT), was fully exempt from tax u/s 10(38).

The Finance Act, 2018 withdrew this exemption by inserting a new Section 112A with effect from Assessment Year 2019-20. Tax is levied under this provision at the concessional rate of 10% on long-term capital gains arising from transfer of said securities, if long-term capital gain exceeds Rs. 1 lakh.



# CONSEQUENTIAL CHANGES ON WITHDRAWAL OF SECTION 10(38) EXEMPTION

Section 112A provides relief to an assessee who has acquired the aforesaid capital assets before February 1, 2018. In that situation, the cost of acquisition of such assets shall be taken to be higher of the following:

- a) Actual cost of acquisition of equity shares/units
- B} Lower of FMV of such asset as on 31-01-2018 or full value of consideration received as a result of transfer of such assets.

***Now ITR forms have been amended to incorporate the effect of these amendments in the Act.***

# SCH – EXEMPT INCOME

Contd..

**Schedule EI** Details of Exempt Income (Income not to be included in Total Income or not chargeable to tax)

EXEMPT INCOME							I		
1	Interest income					1			
2	Dividend income from domestic company (amount not exceeding Rs. 10 lakh)					2			
3	i	Gross Agricultural receipts (other than income to be excluded under rule 7A, 7B or 8 of I.T. Rules)			i				
	ii	Expenditure incurred on agriculture			ii				
	iii	Unabsorbed agricultural loss of previous eight assessment years			iii				
	iv	Net Agricultural income for the year (i – ii – iii) (enter nil if loss)					3		
	v	In case the net agricultural income for the year exceeds Rs.5 lakh, please furnish the following details (Fill up details separately for each agricultural land)							
	a	Name of district along with pin code in which agricultural land is located							
	b	Measurement of agricultural land in Acre							
	c	Whether the agricultural land is owned or held on lease (drop down to be provided)							
	d	Whether the agricultural land is irrigated or rain-fed (drop down to be provided)							
4	Other exempt income (including exempt income of minor child)					4			
5	Income not chargeable to tax as per DTAA								
	Sl. No.	Amount of income	Nature of income	Country name & Code	Article of DTAA			Head of Income	Whether TRC obtained (Y/N)
	I								
	II								
	III	Total Income from DTAA not chargeable to tax				5			
6	Pass through income not chargeable to tax (Schedule PTD)					6			
7	Total (1+2+3+4+5+6)					7			

Changes in ITRs 2, 3, 5 & 6

# SCH – EXEMPT INCOME

Section 10(1) of the Income-tax Act, 1961 exempts the agricultural income from income-tax. Agricultural income exempt from tax is reported in Schedule EI (Exempt Income). The new ITR forms seek following additional details if net agricultural income earned during the year exceeds Rs. 5 lakhs:

- a) Name of district (with PIN code) where agricultural land is located
- b) Measurement of agricultural land in Acre
- c) Whether land is owned or held on lease
- d) Whether land is irrigated or rain-fed

# CHANGES IN ITR 2, ITR 3 & ITR 5

# INVESTMENT MADE IN UNLISTED COMPANIES

Part A-GEN

GENERAL

- (i) Whether you have held unlisted equity shares at any time during the previous year? (Tick)  Yes  No
- If yes, please furnish following information in respect of equity shares

Name of company	PAN	Opening balance		Shares acquired during the year					Shares transferred during the year		Closing balance	
		No. of shares	Cost of acquisition	No. of shares	Date of subscription / purchase	Face value per share	Issue price per share (in case of fresh issue)	Purchase price per share (in case of purchase from existing shareholder)	No. of shares	Sale consideration	No. of shares	Cost of acquisition
1	2	3	4	5	6	7	8	9	10	11	12	13

**Changes in ITRs 2, 3 & 5**

# INVESTMENT MADE IN UNLISTED COMPANIES

- Name and PAN of unlisted company
- No. of shares & Cost of acquisition (for opening balance)
- Date of purchase, Face value, Issue price (primary market) and Purchase Price (secondary market) for acquisition during the year
- No. of shares & Sale consideration (for transfers during the year)
- Closing balance, No. of shares, Cost of acquisition

# CHANGES IN ITR 2 / ITR 3



# NON-RESIDENTS INDIVIDUALS

Part A-GEN		GENERAL								
(d)	<b>Residential Status in India (for individuals)</b> <i>(Tick applicable option)</i>	<b>A. Resident</b>	<input type="checkbox"/> You were in India for 182 days or more during the previous year [section 6(1)(a)] <input type="checkbox"/> You were in India for 60 days or more during the previous year, and have been in India for 365 days or more within the 4 preceding years [section 6(1)(c)] [where Explanation 1 is not applicable]							
		<b>B. Resident but not Ordinarily Resident</b>	<input type="checkbox"/> You have been a non-resident in India in 9 out of 10 preceding years [section 6(6)(a)]							
			<input type="checkbox"/> You have been in India for 729 days or less during the 7 preceding years [section 6(6)(a)]							
		<b>C. Non-resident</b>	<input type="checkbox"/> You were a non-resident during the previous year. (i) Please specify the jurisdiction(s) of residence during the previous year -							
		<table border="1"> <thead> <tr> <th>S.No.</th> <th>Jurisdiction of residence</th> <th>Taxpayer Identification Number</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> </tr> </tbody> </table>	S.No.	Jurisdiction of residence	Taxpayer Identification Number	1			2	
S.No.	Jurisdiction of residence	Taxpayer Identification Number								
1										
2										
		(ii) In case you are a Citizen of India or a Person of Indian Origin (POI), please specify -								
		Total period of stay in India during the previous year (in days)	Total period of stay in India during the 4 preceding years (in days)							

**Changes in ITRs 2 & 3**



# TAN OF EMPLOYER TO BE FURNISHED IN 'SALARY SCHEDULE' IF TAX IS DEDUCTED

Schedule S		Details of Income from Salary						
Name of Employer		Nature of employment (Tick) <input checked="checked" type="checkbox"/> <input type="checkbox"/> Govt. <input type="checkbox"/> PSU <input type="checkbox"/> Pensioners <input type="checkbox"/> Others		TAN of Employer (mandatory if tax is deducted)				
Address of employer		Town/City	State		Pin code/Zip code			
1	Gross Salary (1a + 1b + 1c)			1				

Changes in ITRs 2 & 3

# TAN OF EMPLOYER TO BE FURNISHED IN 'SALARY SCHEDULE' IF TAX IS DEDUCTED

Details of income from salary is furnished under the 'Schedule S' of the ITR forms. Previous forms sought PAN of employer, if available, in the said schedule.

The new ITR forms seek TAN (Tax Deduction and Collection Account Number) of the employer instead of PAN. Further, furnishing of TAN is mandatory in case tax is deducted at source by employer on the salary income.

# DIRECTORSHIP DETAILS (TO FIND OUT SHELL COMPANIES)

	<i>option)</i>									
(e)	Do you want to claim the benefit under section 115H? <i>(applicable in case of resident)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No								
(f)	Are you governed by Portuguese Civil Code as per section 5A? <i>Tick</i> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>{If "YES" please fill Schedule 5A}</i>									
(g)	Whether this return is being filed by a representative assessee? <i>Tick</i> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please furnish following information -									
	(1) Name of the representative									
	(2) Capacity of the Representative <i>(drop down to be provided)</i>									
	(3) Address of the representative									
	(4) Permanent Account Number (PAN) of the representative									
(h)	Whether you were Director in a company at any time during the previous year? <i>Tick</i> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please furnish following information -									
	Name of Company                      PAN                      Whether its shares are listed or unlisted                      Director Identification Number (DIN)									
		<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>								

**Changes in ITRs 2 & 3**

# **DIRECTORSHIP DETAILS**

## **(TO FIND OUT SHELL COMPANIES)**

- Name of Company
- PAN of company
- Company is listed or unlisted
- DIN

# NEW ADDITION IN ITR 2

77

# SCH - AMT

1	Total Income as per item 12 of PART-B-TI	
2	Adjustment as per section 115JC(2)	
	a	Deduction claimed under any section included in Chapter VI-A under the heading "C.—Deductions in respect of certain incomes" 2a
3	Adjusted Total Income under section 115JC(1) (1+2a)	
4	Tax payable under section 115JC [18.5% of (3)] (if 3 is greater than Rs. 20 lakhs)	

***New Addition in ITR 2***

# SCH - AMT

## SCHEDULE AMTC-COMPUTATION OF TAX CREDIT U/S 115JD

1	Tax under section 115JC in assessment year 2019-20 (1d of Part-B-TTI)				1	
2	Tax under other provisions of the Act in assessment year 2019-20 (7 of Part-B-TTI)				2	
3	Amount of tax against which credit is available [enter (2 – 1) if 2 is greater than 1, otherwise enter 0]				3	
4	Utilisation of AMT credit Available (Sum of AMT credit utilized during the current year is subject to maximum of amount mentioned in 3 above and cannot exceed the sum of AMT Credit Brought Forward)					
S. No.	Assessment Year (A)	AMT Credit			AMT Credit Utilised during the Current Assessment Year (C)	Balance AMT Credit Carried Forward (D)= (B3) –(C)
		Gross (B1)	Set-off in earlier assessment years (B2)	Balance brought forward to the current assessment year (B3) = (B1) – (B2)		
i	2013-14					
ii	2014-15					
iii	2015-16					
iv	2016-17					
v	2017-18					
vi	2018-19					
vii	Current AY (enter 1-2, if 1>2 else enter 0)					
viii	Total					
5	Amount of tax credit under section 115JD utilised during the year [total of item No. 4 (C)]				5	
6	Amount of AMT liability available for credit in subsequent assessment years [total of 4 (D)]				6	

***New Addition in ITR 2***

# SCH - AMT

Schedule AMT has been inserted under new ITR-2. Hence, if an Individual or HUF, who don't have income from business or profession, can use ITR-2 for filing their return of income if they are liable to pay AMT.

*New Addition in ITR 2*



# CHANGES IN ITR 3, 4, 5 & ITR 6

# ASSEESSEE OPTING FOR PRESUMPTIVE SCHEME NEEDS TO DISCLOSE BUSINESS NAME, CODE & DESCRIPTION

PRESUMPTIVE INCOME CASES	<b>61 COMPUTATION OF PRESUMPTIVE BUSINESS INCOME UNDER SECTION 44AD</b>			
	<b>SR. NO</b>	<b>Name of Business</b>	<b>Business code</b>	<b>Description</b>
	(i) Gross Turnover or Gross Receipts (in T ib)			61i
	a Through a/c payee cheque or a/c payee bank draft or bank electronic clearing system received before specified date		1a	
	b Any other mode		1b	
	(ii) Presumptive Income under section 44AD (iia + iib)			61ii
	a 6% of 61ia, or the amount claimed to have been earned, whichever is higher		iia	
	b 8% of 61ib, or the amount claimed to have been earned, whichever is higher		iib	
	<i>NOTE: If income is less than the above percentage of Gross Receipts/Turnover, it is mandatory to maintain books of accounts and have a tax audit under section 44AB</i>			
<b>62 COMPUTATION OF PRESUMPTIVE INCOME FROM PROFESSIONS UNDER SECTION 44ADA</b>				
<b>SR. NO</b>	<b>Name of Business</b>	<b>Business code</b>	<b>Description</b>	
(i) Gross Receipts			62i	
(ii) Presumptive Income under section 44ADA (50% of 62i, or the amount claimed to have been earned, whichever is higher)			62ii	
<i>NOTE: If income is less than 50% of Gross Receipts, it is mandatory to maintain books of accounts and have a tax audit under section 44AB</i>				
<b>63 COMPUTATION OF PRESUMPTIVE INCOME FROM GOODS CARRIAGES UNDER SECTION 44AE</b>				
<b>SR. NO</b>	<b>Name of Business</b>	<b>Business code</b>	<b>Description</b>	

**Changes in ITRs 3, 4, 5 & 6**

# TAXABILITY U/S 44AE ON BASIS OF TONNAGE CAPACITY OF GOODS CARRIAGE

64 COMPUTATION OF PRESUMPTIVE INCOME FROM GOODS CARRIAGES UNDER SECTION 44AE						
SR.NO.	Name of Business			Business code	Description	
	<u>Registration No. of goods carriage</u>	<u>Whether owned/leased/hired</u>	<u>Tonnage capacity of goods carriage (in MT)</u>	<u>Number of months for which goods carriage was owned/leased/hired by assessee</u>	<u>Presumptive income u/s 44AE for the goods carriage (Computed @ Rs.1000 per ton per month in case tonnage exceeds 12MT, or else @ Rs.7500 per month) or the amount claimed to have been actually earned, whichever is higher</u>	
(i)	(1)	(2)	(3)	(4)	(5)	
(a)						
(b)						
Add row options as necessary (upto maximum 10)						
(ii)	Total presumptive income from goods carriage u/s 44AE [total of column (5) of table 64(i)]					64(ii)
(iii)	Less: Salary/Remuneration to Partners of the firm					64(iii)
(iv)	Total Presumptive Income u/s 44AE (ii-iii)					64(iv)
<i>NOTE—If the profits are lower than prescribed under S.44AE or the number of goods carriage owned at any time during the year exceeds 10, then the regular ITR 3 or ITR 5 form has to be filled up.</i>						

**Changes in ITRs 3, 4, 5 & 6**

# TAXABILITY U/S 44AE ON BASIS OF TONNAGE CAPACITY OF GOODS CARRIAGE

A taxpayer who is engaged in the business of plying, hiring or leasing of Goods Carriage and having not more than 10 good carriages, has an option to avail of presumptive taxation scheme u/s 44AE.

Up to Assessment Year 2018-19, income of taxpayer is deemed to be Rs. 7,500 per goods carriage per month irrespective of tonnage capacity of goods carriage. Accordingly, the big transporters who own large capacity/size goods carriages were also eligible to avail the benefit of section 44AE.

The Finance Act, 2018 made an amendment u/s 44AE to provide that in the case of heavy goods vehicle (more than 12MT gross vehicle weight), the income would be deemed to be an amount equal to Rs. 1,000 per ton of gross vehicle weight or unladen weight per month for each goods vehicle. The vehicles other than heavy goods vehicle will continue to be taxed as per the existing scheme.

Now, consequent amendments have been made in ITR forms.

# REVISED SCHEDULE GST

## Schedule GST INFORMATION REGARDING TURNOVER/GROSS RECEIPT REPORTED FOR GST

DETAILS OF GST	Sl. No.	GSTIN No(s).	Annual value of outward supplies as per the GST return(s) filed
	(1)	(2)	(3)

**NOTE** ▶ Please furnish the information above for each GSTIN No. separately

## REVISED SCHEDULE GST

ITR forms have incorporated new Schedule requiring GSTIN of the assessee and turnover as per GST return filed by him. The same schedule has now been incorporated in ITR Forms 3, 5 and 6.

# CHANGES IN ITR 3, ITR 5 & ITR 6

# SCHEDULE P&L HAS BEEN ENLARGED TO SEEK MORE INFORMATION

## Part A- Manufacturing Account

**Manufacturing Account for the financial year 2018-19** (fill items 1 to 3 in a case where are maintained, otherwise fill items 61 to 64 as applicable)

<b>1</b>	<b>Opening Inventory</b>			
<b>A</b>	<b>i</b>	Opening stock of raw-material	<b>i</b>	
	<b>ii</b>	Opening stock of Work in progress	<b>ii</b>	
	<b>iii</b>	Total (i + ii)		<b>Aiii</b>
	<b>B Purchases (net of refunds and duty or tax, if any)</b>			<b>B</b>
	<b>C Direct wages</b>			<b>C</b>
	<b>D Direct expenses (Di + Dii + Diii)</b>			<b>D</b>
	<b>i</b>	Carriage inward	<b>i</b>	
	<b>ii</b>	Power and fuel	<b>ii</b>	
	<b>iii</b>	Other direct expenses	<b>iii</b>	
	<b>E Factory Overheads</b>			
	<b>I</b>	Indirect wages	<b>i</b>	
	<b>ii</b>	Factory rent and rates	<b>ii</b>	
	<b>iii</b>	Factory Insurance	<b>iii</b>	
	<b>iv</b>	Factory fuel and power	<b>iv</b>	
	<b>v</b>	Factory general expenses	<b>v</b>	
	<b>vi</b>	Depreciation of factory machinery	<b>vi</b>	
	<b>vii</b>	Total (i+ii+iii+iv+v+vi)		<b>Evi</b>
	<b>F Total of Debits to Manufacturing Account (Aiii + B + C + D + Evi)</b>			<b>F</b>
<b>2</b>	<b>Closing Stock</b>			
	<b>i</b>	Raw material	<b>2i</b>	
	<b>ii</b>	Work-in-progress	<b>2ii</b>	
	<b>Total (2i + 2ii)</b>			<b>2</b>
<b>3</b>	<b>Cost of Goods Produced transferred to Trading Account (F - 2)</b>			<b>3</b>

**Changes in ITRs 3, 5 & 6**



# SCHEDULE P&L HAS BEEN ENLARGED TO SEEK MORE INFORMATION

In new ITR forms, in place of existing Part A P&L, following new Parts have been inserted:

- a) Manufacturing Account
- b) Trading Account
- c) Profit & Loss Account

Thus, if assessee is engaged in manufacturing activities then he shall be required to arrive at cost of goods sold through manufacturing account, gross profit through trading account and net profit through profit and loss account. Manufacturing account is not meant for service providers and traders. Hence, they can start directly from trading account.

# REPORTING OF PROFIT ON CONVERSION OF INVENTORY INTO CAPITAL ASSET UNDER PROFIT AND LOSS ACCOUNT

**Part A-P&L**

*Profit and Loss Account for the financial year 2018-19 (fill items 13 to 60 in a case where regular books of accounts are maintained, otherwise fill items 61 to 64 as applicable)*

<b>ix</b>	<b>Profit on conversion of inventory into capital asset u/s 28(via) (Fair Market Value of inventory as on the date of conversion)</b>	<b>ix</b>	
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# REPORTING OF PROFIT ON CONVERSION OF INVENTORY INTO CAPITAL ASSET UNDER PROFIT AND LOSS ACCOUNT

Section 28 of the Income-tax Act was amended by the Finance Act, 2018 to immediately tax the notional gain arising on conversion of stock into capital asset. As per the amendment, any profit or gains arising from conversion of inventory into capital asset shall be charged to tax as business income and, for the purpose of computing the business income, the fair market value of the inventory as on the date of conversion, shall be deemed to be the full value of the consideration of such inventory. Corresponding insertions have been made in the ITR form to report the income from conversion of stock into capital asset under profit and loss account.

# GAIN/LOSS ON ACCOUNT OF FOREIGN EXCHANGE FLUCTUATIONS

**Part A-P&L**

**Profit and Loss Account for the financial year 2018-19** *(fill items 13 to 60 in a case where regular books of accounts are maintained, otherwise fill items 61 to 64 as applicable)*

<b>viii</b>	<b>Gain (loss) on account of foreign exchange fluctuation u/s 43AA</b>	<b>viii</b>	
-------------	--	-------------	--

**Changes in ITRs 3, 5 & 6**

# **GAIN/LOSS ON ACCOUNT OF FOREIGN EXCHANGE FLUCTUATIONS**

The Finance Act, 2018 inserted a new section 43AA to provide the tax treatment of foreign exchange fluctuations other than those which are dealt with by section 43A. Any gain or loss arising from such foreign exchange fluctuation shall be allowed as income or loss u/s 43AA if it is computed in accordance with ICDS –VI (The effects of changes in foreign exchange rates). For the purpose of calculating gains or loss, foreign currency transaction shall be calculated in following categories:

- a) Monetary items and non-monetary items;
- b) Translation of financial statements of foreign operations;
- c) Forward exchange contracts;
- d) Foreign currency translation reserves.

Earlier when this provision was not introduced, foreign exchange gain or loss on revenue account was dealt u/s 28 and section 37, respectively.

Consequently amendments in ITR 3, 5 and 6 have been made in the Part A-P&L, wherein clause for 'profit on account of currency fluctuations' is replaced with 'Gain or loss on account of Foreign exchange fluctuations u/s 43AA'.

## REPORTING OF TURNOVER AND PROFIT FROM SPECULATIVE ACTIVITIES UNDER PROFIT & LOSS ACCOUNT

65	i	Turnover from speculative activity	65i
	ii	Gross Profit	65ii
	iii	Expenditure, if any	65iii
	iv	Net income from speculative activity (65ii-65iii)	65iv

## REPORTING OF TURNOVER AND PROFIT FROM SPECULATIVE ACTIVITIES UNDER PROFIT & LOSS ACCOUNT

In new ITR forms, a separate schedule has been inserted in Schedule P&L for persons earning income from speculative activities. Following information is required to be reported in that schedule:

- a) Turnover from speculative activities
- b) Gross profit
- c) Expenditure
- d) Net income from speculative activities

The separate disclosures have been asked about the speculative income and losses, because losses from speculative business can be set-off only against speculative income and the unabsorbed losses can be carried forward only for 4 years vis-à-vis 8 years in case of losses from non-speculative business.

Under ITR-6 also, turnover and income from intra-day transactions are required to be reported under trading account.

# REPORTING FOR BAD DEBTS > 1 LAC

<b>47</b>	<b>Bad debts (specify PAN of the person, if available, for whom Bad Debt for amount of Rs. 1 lakh or more is claimed and amount)</b>									
<b>i</b>									<b>47i</b>	
<b>ii</b>									<b>47ii</b>	
<b>iii</b>									<b>47iii</b>	
<b>iv</b>	<b>Rows can be added as required</b>								<b>47iv</b>	
<b>v</b>	<b>Others (more than Rs. 1 lakh) where PAN is not available (provide name and complete address)</b>								<b>47v</b>	
<b>vi</b>	<b>Others (amounts less than Rs. 1 lakh)</b>								<b>47vi</b>	
<b>vii</b>	<b>Total Bad Debt (47i + 47ii + 47iii + 47iv + 47v+47vi)</b>									<b>47vii</b>



# REPORTING FOR BAD DEBTS > 1 LAC

Till now PAN had to be provided where available.

However, no information about these debtors was required to be furnished in old ITR forms if PAN was not available.

In new ITR forms, Name and address of the debtor is required to be furnished in case PAN of such debtors isn't available

# DEDUCTION U/S 10AA IS ALLOWED FROM TOTAL INCOME OF ASSESSEE

**Schedule AMT** Computation of Alternate Minimum Tax payable under section 115JC

1	Total Income as per item 14 of PART-B-TI			1
2	Adjustment as per section 115JC(2)			
	a	Deduction claimed under any section included in Chapter VI-A under the heading "C.—Deductions in respect of certain incomes"	2a	
	b	Deduction claimed u/s 10AA	2b	
	c	Deduction claimed u/s 35AD as reduced by the amount of depreciation on assets on which such deduction is claimed	2c	
	d	Total Adjustment (2a+ 2b+ 2c)	2d	

**Part B – TI** Computation of total income

13 Deduction u/s 10AA (c of Sch. 10AA)

13

**Changes in ITRs 3, 5 & 6**

## **DEDUCTION U/S 10AA IS ALLOWED FROM TOTAL INCOME OF ASSESSEE**

Section 10AA provides deduction from total income of an assessee, in respect of profits and gains arising from Unit operating in SEZ, subject to fulfillment of certain conditions. In various cases, courts have taken a view that the deduction u/s 10AA is allowed from the total income of the assessee and not from the total income from the eligible undertaking. In order to remove this ambiguity, the Finance Act, 2017 clarified that the deduction shall be allowed from the total income of the assessee.

Now, relevant changes have been incorporated in the new ITR forms wherein the deduction of section 10AA is allowed from total income of assessee after claiming deduction under chapter VI-A.

# REPORTING OF DISALLOWANCE U/S 14A

Part A-01

Other Information *(mandatory if liable for audit under section 44AB, for other fill, if applicable)*

16	Amount of expenditure disallowed u/s 14A	16
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## REPORTING OF DISALLOWANCE U/S 14A

Under new ITR forms, separate reporting in Schedule-OI (Other Information) is required for disallowance made u/s 14A.

## SEPARATE REPORTING IS REQUIRED FOR INCOME GENERATED FROM PARTIAL AGRICULTURAL AND PARTIAL BUSINESS OPERATIONS

**Schedule BP** Computation of income from business or profession

<b>4b</b>	<b>Profit from activities covered under rule 7, 7A, 7B(1), 7B(1A) and 8 (Dropdown to be provided and capture as individual line item)</b>	<b>4b</b>	
<b>39</b>	<b>Balance of income deemed to be from agriculture, after applying Rule 7, 7A, 7B(1), 7B(1A) and Rule 8 for the purpose of aggregation of income as per Finance Act</b> <b>[4b-(38a+38b+38c+38d+38e)]</b>		<b>39</b>

## **SEPARATE REPORTING IS REQUIRED FOR INCOME GENERATED FROM PARTIAL AGRICULTURAL AND PARTIAL BUSINESS OPERATIONS**

Income from agricultural activities is exempt from tax by virtue of Section 10. However, where a person earns income from partial agricultural and partial business activities, the total income shall be bifurcated into agricultural income and business income as per Rules 7, 7A, 7B and 8 of the Income-tax Rules, 1962.

In new ITR forms, if a person is having income from aforesaid activities then he has to separately report income from business activities under schedule BP (Business Profits) and income from agricultural activities in schedule EI (Exemption Income).

# TREATMENT OF MARKED-TO-MARKET LOSSES

**Part A- OI**

Other Information *(mandatory if liable for audit under section 44AB, for other fill, if applicable)*

6	Amounts debited to the profit and loss account, to the extent disallowable under section 36 due to non-fulfilment of conditions specified in relevant clauses	
q	Marked to market loss or other expected loss as computed in accordance with the ICDS notified u/s 145(2) [36(1)(xviii)]	6q



# TREATMENT OF MARKED-TO-MARKET LOSSES

‘Marked-to-Market’ is a methodology of revaluing a financial instrument based on its market price on the closing day of the accounting period. A financial instrument is valued at market rate so as to report its actual value on the date of reporting. Refer ICDS 1

As per ICDS-VIII (Securities), the listed securities held as stock-in-trade shall be valued at lower of actual cost initially recognised or net realisable value at the end of the previous year. Where due to such restatement, any loss arises, it shall be allowed as deduction u/s 36(1)(xviii). The option to restate the value at the year-end shall not be available in respect of securities, which are not listed or which are listed but not quoted on a recognised stock exchange. Such securities shall be recognised in the books at the actual cost at which it has been recognised initially. If any marked-to-market loss is recognized by the assessee in the books in respect of such unlisted or unquoted securities, it shall be disallowed u/s 40A(13).

The consequential amendments have been made in Schedule OI (Other Information) to require the taxpayer to disclose the marked-to-market losses to be allowed u/s 36(1)(xviii) and losses to be disallowed u/s 40A(13).

# CHANGES IN ITR 3 & ITR 5

106

# AMT AT THE RATE OF 9% ON UNITS LOCATED IN IFSC

**Schedule AMT** Computation of Alternate Minimum Tax payable under section 115JC

1	Total Income as per item 13 of PART-B-11	1	
2	Adjustment as per section 115JC(2)		
	a Deduction Claimed under any section included in Chapter VI-A under the heading "C.—Deductions in respect of certain incomes"	2a	
	b Deduction Claimed u/s 10AA	2b	
	c Deduction claimed u/s 35AD as reduced by the amount of depreciation on assets on which such deduction is claimed		
	d Total Adjustment (2a+ 2b+ 2c)	2d	
3	Adjusted Total Income under section 115JC(1) (1+2d)	3	
4	Tax payable under section 115JC(1) <i>[18.5% or 9% as the case may be of (3)] (In the case of AOP, BOI, AJP this is applicable if 3 is greater than Rs. 20 lakhs)</i>	4	

**Changes in ITRs 3 & 5**

# **AMT AT THE RATE OF 9% ON UNITS LOCATED IN IFSC**

In order to promote the development of world class financial infrastructure in India, Finance Act, 2018 amended section 115JC so as to provide that in case of a unit located in an International Financial Service Centre (IFSC) which derives its income solely in convertible foreign exchange, the rate of Alternate Minimum Tax (AMT) shall be charged at the rate of 9% instead of 18.50% of adjusted total income. Therefore, corresponding changes have been made in ITR 3 and ITR 5 to incorporate this amendment.

# CHANGES IN ITR 3

109

# IF LIABLE TO FURNISH AUDIT UNDER OTHER ACT, MENTION THE DATE OF FURNISHING THE AUDIT

AUDIT INFORMATION	(a) Are you liable to maintain accounts as per section 44AA? (Tick) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																						
	(b) Are you liable for audit under section 44AB? (Tick) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																						
	(c) If (b) is Yes, whether the accounts have been audited by an accountant? (Tick) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, furnish the following information below:																																						
	(1)	Date of furnishing of the audit report (DD/MM/YYYY) / /																																					
	(2)	Name of the auditor signing the tax audit report																																					
	(3)	Membership No. of the auditor																																					
	(4)	Name of the auditor (proprietorship/ firm)																																					
	(5)	Proprietorship/firm registration number																																					
	(6)	Permanent Account Number (PAN) of the proprietorship/ firm																																					
	(7)	Date of report of the audit																																					
(di)	Are you liable for Audit u/s 92E? <input type="checkbox"/> Yes <input type="checkbox"/> No   Date of furnishing audit report? DD/MM/YYYY																																						
(dii)	If liable to furnish other audit report, mention the date of furnishing the audit report? (DD/MM/YY) (Please see Instruction 6)																																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td colspan="10">Sl. No.</td> <td colspan="5">Section Code</td> <td colspan="5">Date (DD/MM/YYYY)</td> </tr> </table>																			Sl. No.										Section Code					Date (DD/MM/YYYY)				
Sl. No.										Section Code					Date (DD/MM/YYYY)																								
(e)	If liable to audit under any Act other than the Income-tax act, mention the Act, section and date of furnishing the audit report?																																						
	Act and section	(DD/MM/YY)	Act and section	(DD/MM/YY)																																			

Changes in ITR 3



# AUDIT UNDER OTHER ACTS

New ITR-3 inserted a new clause asking for the details regarding the liability of assessee for audit under any Act other than the Income-tax Act, wherein assessee is required to mention the relevant Act and section under which audit is required and date of furnishing of audit report for the same.

# CHANGES IN ITR 5 & ITR 6

112



# SET-OFF OF LOSSES AGAINST INCOME FROM LIFE INSURANCE BUSINESS

E Intra head set off of business loss of current year				
Sl.	Type of Business income	Income of current year (Fill this column only if figure is zero or positive)	Business loss set off	Business income remaining after set off
		(1)	(2)	(3) = (1) - (2)
i	Loss to be set off (Fill this row only if figure is negative)		(A38)	
ii	Income from speculative business	(B43)		
iii	Income from specified business	(C49)		
iv	Profit and gains from life insurance business u/s 115B	(A4b)		
v	Total loss set off (ii + iii + iv)			
vi	Loss remaining after set off (i - v)			

# SET-OFF OF LOSSES AGAINST INCOME FROM LIFE INSURANCE BUSINESS

Business income arising from life insurance business is taxable at the special rate of 12.5%.

In old ITR forms, income from life insurance business was directly transferred from Schedule BP (Business Profit) to Schedule SI (Special Income). Hence, an assessee was not eligible to adjust inter-head losses and brought forward losses against such income. Now, this mistake has been rectified under new ITR forms and income from life insurance business is routed through Schedule CYLA and Schedule BFLA for adjustment of inter-head losses and brought forward losses, respectively.

## GENERAL INFORMATION

(p)	Whether you are recognized as start up by DPIIT	<input type="checkbox"/> Yes <input type="checkbox"/> No
1	If yes, please provide start up recognition number allotted by the DPIIT	
2	Whether certificate from inter-ministerial board for certification is received?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3	If yes provide the certification number	
4	Whether declaration in Form-2 in accordance with para 5 of DPIIT notification dated 19/02/2019 has been filed before filing of the return?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	If yes, provide date of filing Form-2	

# GENERAL INFORMATION

With a view to provide an impetus to start-ups and facilitate their growth in the initial phase of their business, Section 80-IAC was inserted in Income-tax Act with effect from Assessment Year 2017-18 to provide a deduction of up to 100% of profits and gains derived by an eligible start-up. Deduction under section 80-IAC can an eligible start-up if it has been approved by the DPIIT. No information about the registration with the DPIIT was required to be mentioned in the previous year's ITR forms. However, to track eligibility of a start-up, following information is now being asked in new ITR forms:

- a) Registration no. allotted by DPIIT
- b) Certificate Number of the certificate received from Inter Ministerial Board
- c) Date of filing of form 2 with DPIIT

# CHANGES IN ITR 5 & ITR 7

117

## BUSINESS TRUST AND INVESTMENT FUND CANNOT USE ITR-7

12	Incomes not forming part of total income (12a + 12b+ 12c)	12
a	Deduction u/s 10AA ( <i>c of Sch. 10AA</i> )	12a
<b>b</b>	<b>Income of investment fund referred to in section 10(23FB) or 10(23FBA)</b>	<b>12b</b>
<b>c</b>	<b>Income of a business trust referred to in section 10(23FC) or 10(23FCA)</b>	<b>12c</b>

# **BUSINESS TRUST AND INVESTMENT FUND CANNOT USE ITR-7**

Up to Assessment Year 2018-19, ITR – 7 could be used by persons including companies who are required to furnish return u/s 139(4A) or section 139(4B) or section 139(4C) or section 139(4D) or section 139(4E) or section 139(4F) (i.e., trusts, political parties, institutions, colleges, investment fund etc.).

With effect from Assessment Year 2019-20, Rule 12 of the I-T Rules has been amended to exclude sections 139(4E) and 139(4F) from the list which are applicable to Business Trust and Investment Funds respectively. Hence, business trust and investment fund shall not be able to use ITR-7 for filing the return of income. Therefore, these assesseees have to use to ITR-5. Consequent amendments have also been made in ITR-5 wherein the 'Business Trust' & 'Investment Fund' have been added in the 'Status' column.

Further, new rows have been added in ITR-5 to claim deduction of income of investment fund or business trust as referred to in sections 10(23FB), 10(23FBA), 10(23FC), 10(23FCA).

***Changes in ITRs 5 & 7***

# CHANGES IN ITR 5

120



# NEW SCH 'IF'

Number of firms in which you are partner							
Sl. No.	Name of the Firm	PAN of the firm	Whether the firm is liable for audit? (Yes/No)	Whether section 92E is applicable to firm? (Yes/No)	Percentage Share in the profit of the firm	Amount of share in the profit	Capital balance on 31 <sup>st</sup> March in the firm
						i	ii
1							
2							
3							
4	Total						

# SCHEDULE 'IF' INSERTED IN FORM ITR-5

Form ITR-3 includes a Schedule IF wherein partners are required to furnish the details of his partnership firm. Following information about the partnership firm is furnished in this schedule:

- a) Name of the Firm
- b) PAN of the firm
- c) Whether the firm is liable for tax audit?
- d) Whether the firm is liable for transfer pricing audit?
- e) Profit sharing ratio in firm
- f) Share of profit from firm
- Capital balance on 31st March of the previous year in the firm

As ITR-3 can be furnished by an Individual and HUF only, these details were not sought from other persons who were the partners in a partnership firm.

Accordingly, this schedule has also been inserted in ITR-5.

# NO SEPARATE REPORTING OF INTEREST PAID TO PARTNERS BY FIRMS

Up to last year, a partnership firm was required to disclose separately the amount of interest paid to the partners and to others in Schedule P&L. ***The new ITR-5 has removed this requirement of separate reporting.*** Thus, the partnership firm can show the aggregate amount of interest paid during the previous year in this Schedule.

# INFORMATION ABOUT EXECUTOR OF AJP

A Whether there was any change during the previous year in the partners/members of the firm/AOP/BOI (Tick)  Yes  No  
 (In case of societies and cooperative banks give details of Managing Committee) If Yes, provide the following details

Sl	Name of the Partner/member	Admitted/Retired	Date of admission/retirement	Percentage of share (if determinate)
1.				
2.				

B Is any member of the AOP/BOI/executor of AJP a foreign company? (Tick)  Yes  No

C If Yes, mention the percentage of share of the foreign company in the AOP/BOI/executor of AJP

D Whether total income of any member of the AOP/BOI/executor of AJP (excluding his share from such association or body or executor of AJP) exceeds the maximum amount which is not chargeable to tax in the case of that member? (Tick)  Yes  No

# INFORMATION ABOUT EXECUTOR OF AJP

A firm, AOP or BOI are required to furnish the details about their partners or members in ITR-5. However, no such information was required to be furnished by an Artificial Juridical Person ('AJP') about its executor. Thus, the new ITR-5 requires an AJP to furnish details about its executor.

# CHANGES IN ITR 6

126

## REPORTING OF BUSINESS TRANSACTIONS WITH REGISTERED AND UNREGISTERED SUPPLIERS UNDER GST REMOVED

A new schedule was inserted in ITR 6 last year, which requires every company, who is not required to get its accounts audited u/s 44AB, to provide the details in respect of transactions entered into during the year with a registered or unregistered supplier under GST. ***This reporting requirement has been removed from new ITR-6.***

# FOREIGN COMPANIES TO REPORT ABOUT ITS ULTIMATE AND IMMEDIATE PARENT COMPANY

In case of unlisted company, particulars of natural persons who were the ultimate beneficial owners, directly or indirectly, of shares holding not less than 10% of the voting power at any time of the previous year					
S.No.	Name	Address	Percentage of shares held	PAN (if allotted)	
In case of Foreign company, please furnish the details of immediate parent company.					
S.No	Name	Address	Country of residence	PAN (if allotted)	Taxpayer's registration number or any unique identification number allotted in the country of residence
In case of foreign company, please furnish the details of ultimate parent company					
S.No	Name	Address	Country of residence	PAN (if allotted)	Taxpayer's registration number or any unique identification number allotted in the country of residence

OWNERSHIP INFORMATION



# FOREIGN COMPANIES TO REPORT ABOUT ITS ULTIMATE AND IMMEDIATE PARENT COMPANY

Under new ITR 6, foreign companies are required to report the following information about their immediate and ultimate parent company:

- a) Name of the parent company
- b) Address
- c) Country of residence
- d) PAN (if allotted)
- e) Tax Identification No. or Unique Identify No. of the parent company as per its country of residence

# TAX ON SMALL DOMESTIC COMPANIES

Part A-GEN

GENERAL

(f) Whether total turnover/ gross receipts in the previous year 2016-17 exceeds 250 crore rupees? (Yes/No) (applicable for Domestic Company)

# TAX ON SMALL DOMESTIC COMPANIES

The Income-tax Act provides for the concessional tax rate of 25% in case of small domestic companies. Up to Assessment Year 2018-19, the concessional tax rate of 25% was applicable if turnover or gross receipts of the domestic company does not exceed Rs. 50 crore (in the previous year 2015-16). However, the Finance Act, 2018 has increased this turnover limit to Rs. 250 crore (in the previous year 2016-17) to allow the entities to pay tax on income taxable in the Assessment Year 2019-20 at concessional rate. The ITR-6 has accordingly been revised to incorporate the effect of aforesaid amendment.

# DDT ON DEEMED DIVIDEND COVERED U/S 2(22)(E)

Schedule- DDT		Details of tax on distributed profits of domestic companies and its payment					
Sl	Description	Details of 1 <sup>st</sup> dividend		Details of 2 <sup>nd</sup> dividend		Details of 3 <sup>rd</sup> dividend	
(i)	(ii)	(iii)		(iv)		(v)	
<b>1</b>	<b>Section Under which dividend is being declared</b>						
2	Date of declaration or distribution or payment, whichever is earliest, of dividend by domestic company	(DD/MM/YYYY)		(DD/MM/YYYY)		(DD/MM/YYYY)	
3	Rate of dividend, declared, distributed or paid						
4	Amount of dividend declared, distributed or paid						
5	Amount of reduction as per section 115-C(1A)						
6	Tax payable on dividend declared, distributed or paid	a	Additional income-tax (eg:15% or 30% as applicable payable under section 115-C on (4-5)				
		b	Surcharge on 'a'				
		c	Health & Education cess on (a+b)				
		d	Total tax payable (a+b+c)				
7	Interest payable under section 115F						
8	Additional income-tax and interest payable (6d+7)						
9	Tax and interest paid						
10	Net payable/refundable (8-9)						
11	Date(s) of deposit of dividend distribution tax	Date 1 (DD/MM/YYYY)	Date 2 (DD/MM/YYYY)	Date 1 (DD/MM/YYYY)	Date 2 (DD/MM/YYYY)	Date 1 (DD/MM/YYYY)	Date 2 (DD/MM/YYYY)
12	Name of Bank and Branch						
13	BSR Code						
14	Serial number of challan						
15	Amount deposited						

**Changes in ITR 6**

# **DDT ON DEEMED DIVIDEND COVERED U/S 2(22)(E)**

Loan or advance given by closely held companies to its shareholders, who have substantial interest in such company, or to a concern in which such shareholder has substantially interest, is deemed as dividend u/s 2(22)(e) of the Income-tax Act. Up to Assessment Year 2018-19, deemed dividend u/s 2(22)(e) was taxable in the hands of the shareholder and company was not liable to pay dividend distribution tax (DDT) on such dividend.

However, with effect from Assessment Year 2019-20, dividend distribution tax at the rate of 30% has been levied on such deemed dividend. Consequently, shareholder is not liable to pay any tax on such dividend. Corresponding changes have been made in new ITR forms to incorporate the effect of such amendment made by the Finance Act, 2018 and a new entry for deemed dividend u/s 2(22)(e) has inserted in Schedule DDT.

# B/S – NO ACCOUNT CASE

- Separate Schedule for Ind AS B/s and PL
- If No A/c case then the following information required

In a case where regular books of account of business or profession are not maintained - (furnish the following information as on 31<sup>st</sup> day of March, 2019, in respect of business or profession)

a	Amount of total sundry debtors
b	Amount of total sundry creditors
c	Amount of total stock-in-trade
d	Amount of the cash balance

# PL – 3 CATEGORIES

54		Provision for current tax			54
55		Provision for Deferred Tax and deferred liability			55
56		Profit after tax (53 - 54 - 55)			56
57		Balance brought forward from previous year			57
58		Amount available for appropriation (56 + 57)			58
<b>59 Appropriations</b>					
i		Transfer to reserves and surplus		59i	
ii		Proposed dividend/ Interim dividend		59ii	
iii		Tax on dividend/ Tax on dividend for earlier years		59iii	
iv		Appropriation towards Corporate Social Responsibility (CSR) activities (in case of companies covered under section 135 of Companies Act, 2013)		59iv	
v		Any other appropriation		59v	
vi		Total (59i + 59ii + 59iii + 59iv + 59v)		59vi	
60		Balance carried to balance sheet (58 - 59vi)			60
<b>61 COMPUTATION OF PRESUMPTIVE INCOME FROM GOODS CARRIAGES UNDER SECTION 44AE</b>					
SR. NO.	Name of Business			Business code	Description
	Registration No. of goods carriage	Whether owned/leased/hired	Tonnage capacity of goods carriage (in MT)	Number of months for which goods carriage was owned/leased/hired by assessee	Presumptive income u/s 44AE for the goods carriage (Computed @ Rs.1000 per ton per month in case tonnage exceeds 12MT, or else @ Rs.7500 per month) or the amount claimed to have been actually earned, whichever is higher
(i)	(1)	(2)	(3)	(4)	(5)
(a)					
(b)					

# PL – 3 CATEGORIES

	Add row options as necessary (upto maximum 10)		
	(ii)	Total presumptive income from goods carriage w/s 44AE [total of column (5) of table 61(i)]	61(ii)
	<i>NOTE— If the profits are lower than prescribed under S.44AE or the number of goods carriage owned / leased / hired at any time during the year exceeds 10, then, it is mandatory to maintain books of accounts and have a tax audit under section 44AB</i>		
NO ACCOUNT CASE	62	In case of Foreign Company whose total income comprises solely of profits and gains from business referred to in sections 44B, 44BB, 44BBA or 44BBB, furnish the following information	
	a	Gross receipts / Turnover	62a
	b	Net profit	62b



## **PL – 3 CATEGORIES**

In case of a foreign company whose total income comprises solely of presumptive income computed in accordance with Sections 44B, 44BB, 44BBA or 44BBB, it shall now be required to furnish the gross receipts and net profits from such business, computed under each provision, in Part A - P&L.

# SCHEDULE 'SH -1' UNLISTED CO.

## **SCHEDULE SH-1** SHAREHOLDING OF UNLISTED COMPANY *(other than a start-up for which Schedule SH-2 is to be filled up)*

If you are an unlisted company, please furnish the following details:-

Details of shareholding at the end of the previous year

Name of the shareholder	Residential status in India	Type of share	PAN	Date of allotment	Number of shares held	Face value per share	Issue Price per share	Amount received

Details of equity share application money pending allotment at the end of the previous year

Name of the applicant	Residential status in India	Type of share	PAN	Date of application	Number of shares applied for	Application money received	Face value per share	Proposed issue price

Details of shareholders who is not a shareholder at the end of the previous year but was a shareholder at any time during the previous year

Name of the shareholder	Residential status in India	Type of share	PAN	Number of shares held	Face value per share	Issue Price per share	Amount received	Date of allotment	Date on which cease to be shareholder	Mode of cessation	In case of transfer, PAN of the new shareholder

**Changes in ITR 6**

# SCH. 'SH -2' START - UP

## SCHEDULE SH-2 SHAREHOLDING OF START-UPS

If you are a start-up which has filed declaration in Form-2 under para 5 of DPIIT notification dated 19.02.2019, please furnish the following details of shareholding:-

### Details of shareholding as at the end of the previous year

Name of the shareholder	Category of shareholder (drop down to be provided- non-resident/ venture capital company/ venture capital fund/ specified company/ any other person)	Type of share	PAN	Date of allotment	Number of shares held	Face value per share	Issue Price per share	Paid up value per share	Share premium
					<b>Total</b>				

### Details of share application money pending allotment as at the end of the previous year

Name of the applicant	Category of applicant (drop down to be provided- non-resident/ venture capital company/ venture capital fund/ specified company/ any other person)	Type of share	PAN	Date of application	Number of shares applied for	Face value per share	Proposed issue price per share	Share application money	Share application premium
					<b>Total</b>				

### Details of shareholder who is not a shareholder at the end of the previous year but was a shareholder at any time during the previous year

Name of the shareholder	Category of shareholder (drop down to be provided- non-resident/ venture capital company/ venture capital fund/ specified company/ any other person)	Type of share	PAN	Date of allotment	Number of shares held	Face value per share	Issue Price per share	Paid up value per share	Date on which ceased to be shareholder	Mode of cessation	In case of transfer, PAN of the new shareholder

**NOTE** For definition of expressions- "venture capital company", "venture capital fund" and "specified company", please refer DPIIT notification dated 19.02.2019.

**Changes in ITR 6**

# SCH. 'AL -1' UNLISTED

Contd..

**Schedule AL-1** Assets and liabilities as at the end of the year (mandatorily required to be filled up by an unlisted company) (other than a start-up for which Schedule AL-2 is to be filled up)

DETAILS OF ASSETS AND LIABILITIES	<b>A</b> Details of building or land appurtenant there to, or both, being a residential house											
	Sl. No.	Address			Pin code		Date of acquisition			Cost of acquisition Rs.		Purpose for which used <i>(dropdown to be provided)</i>
	(1)	(2)			(3)		(4)			(5)		(6)
	(i)											
	(ii)											
	<b>B</b> Details of land or building or both not being in the nature of residential house											
	Sl. No.	Address			Pin code		Date of acquisition			Cost of acquisition Rs.		Purpose for which used <i>(dropdown to be provided)</i>
	(1)	(2)			(3)		(4)			(5)		(6)
	(i)											
	<b>C</b> Details of listed equity shares											
	Opening balance			Shares acquired during the year			Shares transferred during the year			Closing balance		
	No. of shares	Type of shares	Cost of acquisition	No. of shares	Type of shares	Cost of acquisition	No. of shares	Type of shares	Sale consideration	No. of shares	Type of shares	Cost of acquisition
	1	2	3	4	5	6	7	8	9	10	11	12

Changes in ITR 6

# SCH. 'AL -1' UNLISTED

D Details of unlisted equity shares													
Name of company	PAN	Opening balance		Shares acquired during the year					Shares transferred during the year		Closing balance		
		No. of shares	Cost of acquisition	No. of shares	Date of subscription / purchase	Face value per share	Issue price per share (in case of fresh issue)	Purchase price per share (in case of purchase from existing shareholder)	No. of shares	Sale consideration	No. of shares	Cost of acquisition	
E Details of other securities													
Type of securities	Whether listed or unlisted	Opening balance		Securities acquired during the year					Securities transferred during the year		Closing balance		
		No. of securities	Cost of acquisition	No. of securities	Date of subscription / purchase	Face value per share	Issue price of security (in case of fresh issue)	Purchase price per security (in case of purchase from existing holder)	No. of securities	Sale consideration	No. of securities	Cost of acquisition	
F Details of capital contribution to other entity													
Name of entity	PAN	Opening balance	Amount contributed during the year	Amount withdrawn during the year	Amount of profit/loss/ dividend/ interest debited or credited during the year	Closing balance							

Changes in ITR 6

# SCH. 'AL -1' UNLISTED

G Details of Loans & Advances to any other concern (If money lending is not assessee's substantial business )							
Name of the person	PAN	Opening Balance	Amount received	Amount paid	Interest debited, if any	Closing balance	Rate of interest (%)
H Details of motor vehicle, aircraft, yacht or other mode of transport							
Particulars of asset	Registration number of vehicle	Cost of acquisition	Date of acquisition	Purpose for which used (dropdown to be provided)			
I Details of Jewellery, archaeological collections, drawings, paintings, sculptures, any work of art or bullion							
Particulars of asset	Quantity	Cost of acquisition	Date of acquisition	Purpose of use (dropdown to be provided)			
Details of liabilities							
Details of loans, deposits and advances taken from a person other than financial institution							
Name of the person	PAN	Opening Balance	Amount received	Amount paid	Interest credited, if any	Closing balance	Rate of interest (%)

Changes in ITR 6

# SCH. 'AL -2' START – UP

**Schedule AL-2** Assets and liabilities as at the end of the year (applicable for start-ups only)

<b>If you are a start-up which has filed declaration in Form-2 under para 5 of DPIIT notification dated 19.02.2019, please furnish the following information for the period from the date of incorporation upto end of the year:-</b>								
<b>DETAILS OF ASSETS AND LIABILITIES</b>	<b>A Details of building or land appurtenant there to, or both, being a residential house acquired since incorporation</b>							
	Sl. No.	Address	Pin code	Date of acquisition	Cost of acquisition Rs.	Purpose for which used (dropdown to be provided)	Whether transferred on or before the end of the previous year, if Yes date of transfer	
	(i)	(2)	(3)	(4)	(5)	(6)	(7)	
	(ii)							
	<b>B Details of land or building or both not being a residential house acquired since incorporation</b>							
	Sl. No.	Address	Pin code	Date of acquisition	Cost of acquisition Rs.	Purpose for which used (dropdown to be provided)	Whether transferred on or before the end of the previous year, if Yes date of transfer	
	(i)	(2)	(3)	(4)	(5)	(6)	(7)	
	(ii)							
	<b>C Details of Loans &amp; Advances made since incorporation (If lending of money is not assessee's substantial business)</b>							
		Name of person	PAN	Date on which loans and advances has been made	Amount of loans and advances	Amount	Whether loans and advances has been repaid, if Yes date of such repayment	Closing balance as at the end of the previous year, if any

**Changes in ITR 6**

# CHANGES IN ITR 7

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# GENERAL

Contd..

## AY 2018-19

Details of registration or approval				
Sl.	Date of registration or approval	Section under which registered or approved	Approval/ Notification/ Registration No.	Approving/ registering Authority
1				
2				

## AY 2019-20

Details of registration or approval under the Income-tax Act (Mandatory, if required to be registered)				
Sl.	Section under which registered or approved	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
1				
2				
3				
4				

  

Details of registration or approval under any law other than Income-tax Act				
Sl.	Law under which registered	Date of registration or approval	Approval/ Notification/ Registration No.	Approving/ registering Authority
1				
2				
3				
4				

**Changes in ITR 7**

# GENERAL

ITR-7 is generally filed by trusts engaged in charitable or religious activities. Such trusts are formed as per Indian Trust Act, 1882. Income-tax Act provides exemption from tax to such trust subject to certain condition, inter-alia, they get registration in accordance with Section 12A and 12AA of the Act.

Up to Assessment Year 2018-19, a person filing ITR-7 was required to report details of registration under Income-tax only. Now, details of registration under any other law is also required to be reported. Further, if a person is registered under Income-tax Act then it is mandatory to furnish details such registration.

# EXEMPTION U/S 11(1A) *REMOVED* FROM SCHEDULE CAPITAL GAIN

Schedule E.C		Amount applied to charitable or religious purposes in India or for the stated objects of the trust/institution during the previous year—Capital Account [excluding amount exempt u/s 11(1A)] [to be filled by assesses claiming exemption u/s 11 and 12 or u/s 10(23C)(iv)/(v)/(vi)/(via)]		Amount
1	Addition to Capital work in progress (for which exemption u/s 11(1A) has not been claimed)	1		
2	Acquisition of capital asset (not claimed earlier as application of income and for which exemption u/s 11(1A) has not been claimed)	2		
3	Cost of new asset for claim of Exemption u/s 11(1A) (restricted to the net consideration (row 8 of schedule AI, if new asset is not application towards object)	3		
4	Other capital expenses			
	i	4i		
	ii	4ii		
	iii	4iii		
	iv Total expenses (4i + 4ii + 4iii)	4		
5	Total capital expenses {1   2   3   4}	5		

**Changes in ITR 7**

# **EXEMPTION U/S 11(1A) *REMOVED* FROM SCHEDULE CAPITAL GAIN**

Where a property held under trust is transferred and consideration is utilized for acquiring another capital asset, the capital gain arising from the transfer is deemed to have been applied for charitable or religious purposes as per Section 11(1A).

Up to last year, exemption u/s 11(1A) is required to be reported under Schedule Capital Gains. Now, it is required to be reported in Schedule EC (Application of Income on Capital Account) as same is allowed as application on capital account.

# REPORTING OF AMOUNT DISALLOWABLE U/S 40 OR 40A

5	Additions		
	i	Corpus donation to other trust or institution chargeable as per Explanation 2 to section 11(1) [item No. B1(i) of Schedule ER]	5i
	ii	Income chargeable under section 11(1B)	5ii
	iii	Income chargeable under section 11(3)	5iii
	iv	Income in respect of which exemption under section 11 is not available	
		a Being anonymous donation (Diii of schedule VC)	5iva
		b Disallowable u/s 13(1)(e) or 13(1)(d) (including Part E of Schedule J)	5ivb
	v	Income chargeable under section 12(2)	5v
	vi	Amount disallowable under section 11(1) r.w.s 40(a)(ia) or 10(23C) r.w.s 40(a)(ia)	5vi
	vii	Amount disallowable under section 11(1) r.w.s 40A(3)/(3A) or 10(23C) r.w.s 40A(3)/(3A)	5vii
viii	Total [5i + 5ii+5iii+5iva+5ivb+5v + 5vi + 5vii]	5viii	

**Changes in ITR 7**

# REPORTING OF AMOUNT DISALLOWABLE U/S 40 OR 40A

Up to Assessment Year 2018-19, there were no restrictions on mode of payments by charitable or religious trusts or institutions. There were also no checks on whether such trusts or institutions follow TDS provisions. This has resulted in missing audit trail for verification of application of income.

In order to encourage a cash-less economy and to reduce the generation and circulation of black money, Section 11 of the Income-tax Act was amended by the Finance Act, 2018 to provide that the trusts or institutions shall also be required to follow the provisions of TDS and will make all expenses in excess of Rs. 10,000 through banking channels.

Consequently, the provisions of TDS disallowance u/s 40(a)(ia) and expenses disallowance u/s 40A(3) and 40A(3A) were made applicable while computing the application of income in case of trusts or institutions.

Consequently, in new ITR 7, the relevant changes have been made to incorporate the effect of above amendments.

# SCH – ‘ER’

**Schedule ER**

Revenue expenditure incurred during the year and amount applied to stated objects of the trust/institution during the previous year - Revenue Account [to be filled by assessee claiming exemption u/s 11 and 12 or u/s 10(23C)(iv),(v),(vi),(vii)]

		Amount
<b>A</b>	<b>Establishment and Administrative expenses</b>	
1	Rents	1
2	Repairs and maintenance	2
3	Compensation to employees	3
4	Insurance	4
5	Workmen and staff welfare expenses	5
6	Entertainment and Hospitality	6
7	Advertisement	7
8	Professional / Consultancy fees / Fee for technical services	8
9	Conveyance and Traveling expenses other than on foreign travel	9
10	Remuneration to Trustee	10
11	Rates and taxes, paid or payable to Government or any local body (excluding taxes on income)	11
12	Interest	12
13	Audit fee	13
14	Depreciation and amortization cost of which is not already claimed as application in same or any other previous year	14

**Changes in ITR 7**

# SCH – ‘ER’

<b>15</b>	<b>Other expenses (Specify nature and amount)</b>				
		<b>Nature</b>		<b>Amount</b>	
	<b>a</b>		<b>a</b>		
	<b>b</b>		<b>b</b>		
	<b>c</b>		<b>c</b>		
	<b>d</b>		<b>d</b>		
<b>e</b>	<b>Total (15a+ 15b+ 15c+ 15d)</b>		<b>e</b>		<b>15</b>
<b>16</b>	<b>Total (A1 to A15)</b>				<b>A16</b>
<b>B</b>	<b>Expenditure on objects of the trust/institution</b>				
<b>1</b>	<b>Donation</b>				<b>1</b>
	<b>i</b>	<b>Corpus</b>	<b>ii</b>		
<b>ii</b>	<b>Other than Corpus</b>	<b>iii</b>			
<b>2</b>	<b>Religious</b>				<b>2</b>
<b>3</b>	<b>Relief of poor</b>				<b>3</b>
<b>4</b>	<b>Educational</b>				<b>4</b>
<b>5</b>	<b>Yoga</b>				<b>5</b>
<b>6</b>	<b>Medical relief</b>				<b>6</b>
<b>7</b>	<b>Preservation of environment</b>				<b>7</b>
<b>8</b>	<b>Preservation of monuments etc.</b>				<b>8</b>
<b>9</b>	<b>General public utility</b>				<b>9</b>
<b>10</b>	<b>Total (B 1 to B9)</b>				<b>B10</b>

*Changes in ITR 7*



# SCH – ‘ER’

<b>C</b>	<b>Disallowable expenditure (C1 + C2 + C3)</b>		<b>C</b>
	1	Bad debts	1
	2	Provisions	2
	3	Any other disallowable expenditure	3
<b>D</b>	<b>Total Revenue expenditure incurred during the year (A16 + B10 + C)</b>		<b>D</b>
<b>E</b>	<b>Source of fund to meet revenue expenditure</b>		<b>E</b>
	1	Income derived from the property/income earned during previous year	1
	2	Income deemed as application in any preceding year under clause 2 of explanation 1 of section 11(1) (applicable only when exemption is claimed u/s 11 and 12)	2
	3	Income of earlier years upto 15% accumulated or set apart	3
	4	Borrowed Fund	4
	5	Any other (Please specify)	5

# SCH – ‘EC’

Schedule EC		Amount applied to charitable or religious purposes in India or for the stated objects of the trust/institution during the previous year–Capital Account [excluding amount exempt u/s 11(1A)] [to be filled by assesses claiming exemption u/s 11 and 12 or u/s 10(23C)(iv)/(v)/(vi)/(via)]		Amount
1	Addition to Capital work in progress (for which exemption u/s 11(1A) has not been claimed)	1		
2	Acquisition of capital asset (not claimed earlier as application of income and for which exemption u/s 11(1A) has not been claimed)	2		
3	Cost of new asset for claim of Exemption u/s 11(1A) (restricted to the net consideration (row 8 of schedule AI, if new asset is not application towards object)	3		
4	Other capital expenses			
	i	4i		
	ii	4ii		
	iii	4iii		
	iv	Total expenses (4i + 4ii + 4iii)	4	
5	Total capital expenses (1 + 2 +3 +4)	5		
A	Source of fund to meet capital expenditure			
	1	Income derived from the property during previous year	1	
	2	Income deemed as application in any preceding year under clause 2 of explanation 1 of section 11(1)	2	
	3	Income of earlier years upto 15% accumulated or set apart	3	
	4	Borrowed Fund	4	
	5	Any other (Please specify)	5	

Changes in ITR 7

## **SCH – ‘EC’**

Up to Assessment Year 2018-19, Schedule AI, Schedule ER and Schedule EC were mandatory to be filled by every person filing ITR-7 except political party or electoral trust. The above schedules seek following details:

- a) Schedule AI - Aggregate of income derived during the previous year
- b) Schedule ER - Amount applied to charitable/religious purposes or towards objects of trust/institutions (Revenue account)
- c) Schedule EC - Amount applied to charitable/religious purposes or towards objects of trust/institutions (Capital account)

Under New ITR-7 form, these schedules are applicable only for trusts / institutions claiming exemption under Sections 11, 12 or 10(23C)(iv), (v), (vi), (via) ...

# SCH – ‘EC’

New ITR-7 has brought many changes in the existing Schedules ER and EC which require furnishing of details regarding sum applied to charitable/religious purposes or towards stated objects of trust/institutions. Expenses to be reported in Schedule ER have been bifurcated into two categories:

- a) Establishment and Administrative Expenses
- b) Expenses incurred on objects of trust/institution

Further, separate segment has been incorporated in Schedules ER and EC asking for source of fund to meet revenue and capital expenditure. The trust is required to mention following source of funds:

- a) Income derived from the property/income earned during previous year
- b) Income deemed as application in any preceding year
- c) Income of earlier years up to 15% accumulated or set apart
- d) Borrowed fund
- e) Others

# NEW SCH – ‘IE’

Schedule IE- 1		Income & Expenditure statement (Applicable for assessee claiming exemption under sections 10(21), 10(22B), 10(23AAA), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(29A), 10(46), 10(47) and other clauses of section 10 where income is unconditionally exempt)	
	1	Total receipts including any voluntary contribution	1
	2	Application of income towards object of the institution	2
Schedule IE- 2		Income & Expenditure statement (Applicable for assessee claiming exemption under sections 10(23A), 10(24))	
A	1	Total receipts including any voluntary contribution	1
	2	Application of income towards object of the institution	2
	3	Accumulation of income	3
B	1	Do you have any income which is taxable? If Yes Please provide details of taxable income (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No	
	a	Income from House Property (Please fill Schedule HP)	1a
	b	Income from Business or Profession (Please fill Schedule BP)	1b
	c	Income from Capital gains (Please fill Schedule CG)	1c
	d	Income from other Sources (Please fill Schedule OS)	1d

# NEW SCH – ‘IE’

**Schedule IE- 3** Income & Expenditure statement (applicable for assessee claiming exemption under sections 10(23C)(iiiab) or 10(23C)(iiiac) (please fill up separate schedule for each institution):

1	Objective of the institution (drop down to be provided - Educational / Medical)	
2	Addresses where activity is carrying out	
3	Total receipts including any voluntary contribution	
4	Government Grants out of Sl. No. 3 above	
5	Amount applied for objective	
6	Balance accumulated	

**Schedule IE- 4** Income & Expenditure statement (applicable for assessee claiming exemption under sections 10(23C)(iiiad) or 10(23C)(iii ae) (please fill up separate schedule for each institution):

1	Objective of the institution (drop down to be provided - Educational / Medical)	
2	Addresses where activity is carrying out	
3	Gross Annual receipts	
4	Amount applied for objective	
5	Balance accumulated	

## **NEW SCH – ‘IE’**

New ITR Form 7 has inserted new schedules for reporting of Income & Expenditure Statement by trust and institutions. Total 4 schedules have been inserted for different classes of assesseees:

- a) Schedule IE-1: Applicable for assessee claiming exemption u/s 10(21), 10(22B), 10(23AAA), 10(23B), 10(23D), 10(23DA), 10(23EC), 10(23ED), 10(23EE), 10(29A), 10(46), 10(47) and other clauses of section 10 where income is unconditionally exempt
- b) Schedule IE-2: Applicable for assesseees claiming exemption under section 10(23A), 10(24)
- c) Schedule IE-3: Applicable for assesseees claiming exemption under section 10(23C) (iiiab) or 10(23C) (iiiac)
- d) Schedule IE-4: Applicable for assesseees claiming exemption under section 10(23C)(iiiad) or 10(23C)(iiiiae)

# PART B – SCH 'TI'

## Changes in Point No. 4

### A.Y. 2018-19

If registered under section 12A/12AA or approved under section 10(23C)(iv)/10(23C)(v)/ 10(23C)(vi)/10(23C)(vii) fill out items 1 to 7 (as applicable)

1	Voluntary contribution forming part of corpus as per section 11(I)(d) [(Ai + Bi) of schedule VC]
2	Voluntary Contributions other than corpus (C – (Ai+Bi) of schedule VC)
3	Aggregate of income referred to in sections 11, 12 and sections 10(23C)(iv),10(23C)(v),10(23C)(vi) and 10(23C)(vii) derived during the previous year excluding Voluntary contribution included in 1 and 2 above (9 of Schedule AI)
4	Application of income for charitable or religious purposes or for the stated objects of the trust/institution:-

### A.Y. 2019-20

Application of income for charitable or religious purposes or for the stated objects of the trust/institution:-	
i	Amount applied during the previous year- Revenue Account [Excluding application from borrowed fund, deemed application, previous year accumulation upto 15% etc, i.e. not from the income of prev. year] [(A16 + B10- E2-E3-E4-E5) from Schedule ER]
ii	Amount applied during the previous year- Capital Account [Excluding application from Borrowed Funds, deemed application, previous year accumulation upto 15% etc., i.e. not from income of the prev. year] [(5 - A2-A3-A4-A5) of Schedule EC]
iii	Amount applied during the previous year- Revenue/ Capital Account (Repayment of Loan)

Changes in ITR 7



## **PART B – SCH ‘TI’**

Exemption under section 11 is allowed to a trust if it applies income for charitable or religious purposes or for its stated objects. Out of 100% of the income, 15% thereof is automatically deemed to be applied for the objects of the trust. Hence, a trust is required to apply 85% of its income every year to get exemption under Section 11 or 12. If 85% of income could not be applied for charitable or religious purposes either because such income could not be received, wholly or partly, during that year or for any other reason, the exemption can be claimed if trust furnishes a statement in Form No. 10 before the due date of filing of return of income.

## **PART B – SCH ‘TI’**

Further, if application is made out of borrowed funds then exemption under section 11 is allowed not at the time of application of such funds but at the time of repayment of borrowed funds. In light of the above provisions of the Income-tax Act, the new ITR 7 has specifically excluded the following from the amount of application of income:

- a) Application out of borrowed funds as same is allowed at the time of repayment of funds
- b) Income which has been deemed to be applied in preceding years on filing of Form No. 10
- c) Previous Years accumulation of up to 15% of income.

A trust or institution cannot claim application of income if it has spent any amount from above mentioned sources. Further, this is applicable for both revenue expense and capital expense.

## REPORTING OF INCOME NOT ELIGIBLE FOR SECTION 11 EXEMPTION DUE TO VIOLATION OF SECTION 13(1)(C)/(D)

<b>5</b>	<b>Additions</b>		
	i	Corpus donation to other trust or institution chargeable as per Explanation 2 to section 11(1) [ <i>item No. B1(i) of Schedule ER</i> ]	5i
	ii	Income chargeable under section 11(1B)	5ii
	iii	Income chargeable under section 11(3)	5iii
	iv	Income in respect of which exemption under section 11 is not available	
	a	Being anonymous donation ( <i>Diii of schedule VC</i> )	5iva
	b	Disallowable u/s 13(1)(c) or 13(1)(d) (including Part E of Schedule J)	5ivb
	v	Income chargeable under section 12(2)	5v

## **REPORTING OF INCOME NOT ELIGIBLE FOR SECTION 11 EXEMPTION DUE TO VIOLATION OF SECTION 13(1)(C)/(D)**

Exemption u/s 11 is allowed to a trust subject to certain condition, inter-alia, income of trust shouldn't be used for the benefit of its trustees and their relatives, trust are allowed to invest or deposit money in specified funds only. In case trust fails to comply with any of such conditions, exemption shall get withdrawn.

Under new ITR-7, separate reporting is required if exemption is denied due to aforesaid reasons.

# Thank You

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