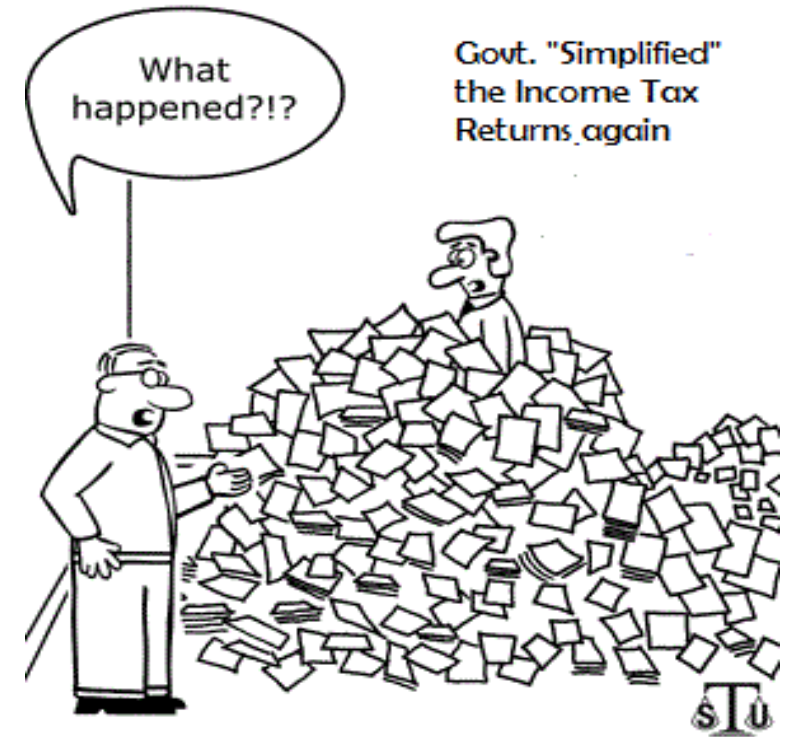


Recent changes in ITR Forms

ITR No. 1 to 7



Ajinkya Jagoje
Partner

abm & associates LLP
Chartered Accountants

Introduction



- ❑ The Central Board of Direct Taxes (CBDT) has notified the Income-tax Return (ITR) Forms applicable for the Assessment Year 2018-19.
- ❑ Rule 12 of the Income-tax Rules was amended *Notification No. No.16/2018 [F.NO.370142/1/2018-TPL], Dated 3-4-2018.*
- ❑ The new ITR Forms have shifted the entire onus on the taxpayers to prove their claim for deductions, expenses or exemptions.
 - ❑ This year the ITR forms seek lot of **new information from taxpayers who opted for presumptive taxation scheme**, in respect of capital gains from unlisted shares, **transactions with registered and unregistered suppliers under GST**, so on and so forth.
 - ❑ Linkage with all the other revenue departments.
 - ❑ Move towards Expanding Tax payers' base
 - ❑ Approach towards Transparency
 - ❑ Expansion of Area for E-Assessment to reduce manual interaction

Today's Outline

Overview

- Forms to be used

Changes made in the Income Tax Return (ITR) forms

- ITR 1 to 7

Amendments by Finance Act 2017 or 2018 to be considered for ROI

New ITR Forms to be used

Individual and HUF

**Only for
ROR**

Nature of income	ITR 1(Sahaj)	ITR 2	ITR 3	ITR 4
Income from salary/pension	✓	✓	✓	✓
Income or loss from one house property (excluding b/f and c/f forward losses)	✓			✓
Income or loss from one or more house property (including b/f and c/f forward losses)		✓	✓	
Agricultural income exceeding Rs. 5,000		✓	✓	
Total income exceeding Rs. 50 lakhs		✓	✓	✓
Dividend income exceeding Rs. 10 lakhs taxable under Section 115BBDA		✓	✓	
Unexplained credit/Investment/money taxable at 60% under Sections 68 , 69 , 69A , etc.		✓	✓	
Income from other sources (other than winnings from lottery and race horses or losses)	✓			
Income from other sources (including winnings from lottery and race horses or losses)		✓	✓	✓
Capital gains/loss on sale of investments/property		✓	✓	
Interest, salary, bonus, commission or share of profit received by a partner from a firm.			✓	
Income from business or profession			✓	
Income from presumptive business				✓
Income from foreign sources or assets or having Signing authority for any account outside		✓	✓	
Income to be apportioned in accordance with Section 5A or Rule 37BA - TDS credit (other person)		✓	✓	✓
Claiming relief of tax under sections 90 , 90A or 91		✓	✓	

New ITR Forms to be used

Other Assessee

Status of Assessee	ITR 4	ITR 5	ITR 6	ITR 7
Firm (excluding LLPs) opting for presumptive taxation scheme	✓			
Firm (including LLPs)		✓		
Association of Persons (AOP)		✓		
Body of Individuals (BOI)		✓		
Local Authority		✓		
Artificial Juridical Person		✓		
Companies other than companies claiming exemption under Sec. 11			✓	
Persons including companies required to furnish return under:				✓
A. Section 139(4A) – Charitable Trust/Company registered under section 12AA ;				
B. Section 139(4B)- Political Party;				
C. Section 139(4C)- Research Association, fund or institute under section 10(23B). (23C) etc;				
D. Section 139(4D)- University, college notified under section 35(1);				
E. Section 139(4E)- Business Trust; and				
F. Section 139(4F)- Alternate Investment Fund				

Due dates for filing return of income for AY 2018-19

Due date for filing return of income depends upon –

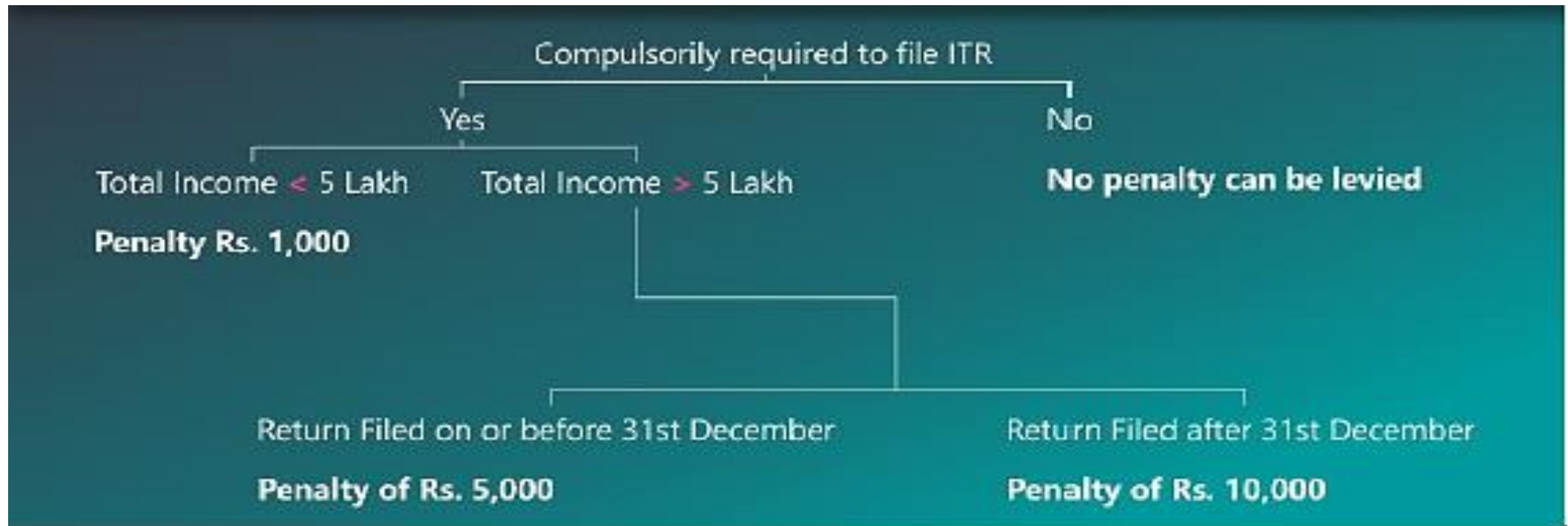
- 1) Legal status of the person;
- 2) Whether the provisions of s. 44AB of the Act are applicable to such person;
- 3) Whether such person is required to obtain Transfer Pricing Report under s.92E.

Particulars	Due Date	Revised -u/s 139(5)
Persons required to obtain Transfer Pricing Report under s.92E	30 th November, 2018	31 st March, 2019
Every person liable to get its accounts audited under s.44AB of the Act or under any other law but not required to obtain a TPR.	30 th September, 2018	
WP of a firm liable to Tax Audit u/s 44AB of the Act or under any other	30 th September, 2018	
Persons other than those stated above	31 st July, 2018	

Belated Return- u/s 139(4)

Belated Return can be filed up-to 31st March 2019. Belated return can be now revised under section 139(5).

Fees for late filing of Return under section 234F



Manner of furnishing return of income

Person	Condition	Manner of furnishing return of income
Individual or HUF	(a) Accounts are required to be audited under section 44AB of the Act	Electronically under digital signature
	<p>(b) Where (a) is not applicable and</p> <ol style="list-style-type: none"> I. the return is furnished in Form No. ITR-2 or Form No. ITR-3; or II. the person, being a resident, other than not ordinarily resident, has, (A) assets (including financial interest in any entity) located outside India; or (B) signing authority in any account located outside India; or (C) income from any source outside India; III. any relief, under section 90 or 90A or 91 is claimed; or IV. any report of audit referred to in proviso to sub-rule (2); or V. total income assessable under the Act during the previous year of the person (other than the person, being an individual of the age of 80 years or more at any time during the previous year or Individual/HUF -Income doesn't exceed Rs. 5 Lakhs and no refund is claimed)- <ol style="list-style-type: none"> I. exceeds five lakh rupees; or II. any refund is claimed in the return of income; 	<ol style="list-style-type: none"> A. Electronically under digital signature; or B. Transmitting the data in the return electronically under electronic verification code; or C. Transmitting the data in the return electronically and thereafter submitting the verification of the return in Form ITR-V.

Additional Details in ITR 1 and 4

Details of salary [ITRs 1, and 4]

PART B: Gross Total Income	
	(i) Salary (excluding all allowances, perquisites and profit in lieu of salary) <input type="text" value="0"/>
	(ii) Allowances not exempt <input type="text" value="0"/>
B1.	(iii) Value of perquisites <input type="text" value="0"/>
Salary / Pension	(iv) Profits in lieu of salary <input type="text" value="0"/>
	(v) Deduction u/s 16 <input type="text" value="0"/>
	(vi) Income chargeable under the Head 'Salaries' (i+ii+iii+iv-v) <input type="text" value="0"/>

Exempt income(For reporting Purposes)			
i.	Sec.10(38) (Exempted Long term Capital Gains)		<input type="text"/>
ii.	Sec.10(34) (Exempted Dividend Income)		<input type="text"/>
iii.	Agriculture Income(lessthan or equals 5000)		<input type="text"/>
iv.	Others		
Sl.No	Nature of Income	Description (If 'Any Other' selected)	Amount

Details of House Property [ITRs 1, and 4]

	Type of House Property	Select	
	(i) Gross rent received/ receivable/ letable value	Select	
B2.	(ii)Tax paid to local authorities	Self-Occupied	0
		Let Out	
House Property	(iii)Annual Value (i - ii)		0
	(iv)30% of Annual Value		0
	(v) Interest payable on borrowed capital		0
	(vi) Income chargeable under the head 'House Property' (iii - iv - v)		0
	Note: Maximum Loss from House property that can be set-off is INR 2,00,000		
B3.	Income from other Sources (Ensure to Fill 'Sch TDS2')		0
B4.	Gross Total Income(B1+B2+B3)		0
	Note: To avail the benefit of carry forward and set off of loss,please use ITR-2		

Abridged Balance Sheet for opting presumptive scheme [ITRs 4]

Financial Particulars of the Business	
NOTE: For E11 to E25 furnish the information as on 31st day of March, 2018	
E11	Partners/ members own capital <input type="text"/>
E12	Secured loans <input type="text"/>
E13	Unsecured loans <input type="text"/>
E14	Advances <input type="text"/>
E15	Sundry creditors <input type="text"/>
E16	Other liabilities <input type="text"/>
E17	Total capital and liabilities(E11+E12+E13+E14+E15+E16) <input type="text"/>

E18	Fixed assets <input type="text"/>
E19	Inventories <input type="text"/>
E20	Sundry debtors <input type="text"/>
E21	Balance with banks <input type="text"/>
E22	Cash-in-hand <input type="text"/>
E23	Loans and advances <input type="text"/>
E24	Other Assets <input type="text"/>
E25	Total assets(E18+E19+E20+E21+E22+E23+E24) <input type="text"/>

Note : Please refer to instructions for filling out this schedule (E15, E19, E20, E22 are mandatory and others if available)

GST related changes

GST details to be furnished by taxpayers opting for presumptive scheme

□ [ITRs 4S]

E9.Information regarding turnover/gross receipt reported for GST									
INFORMATION REGARDING TURNOVER/GROSS RECEIPT REPORTED FOR GST	Receipts for the year corresponding to the GSTIN								
<table><tr><td>GSTIN</td><td><input type="text"/></td><td>Amount of turnover/Gross receipts for the year corresponding to the GSTIN</td><td><input type="text"/></td></tr><tr><td colspan="4" style="text-align: center;"><input type="button" value="Save"/> <input type="button" value="Cancel"/></td></tr></table>	GSTIN	<input type="text"/>	Amount of turnover/Gross receipts for the year corresponding to the GSTIN	<input type="text"/>	<input type="button" value="Save"/> <input type="button" value="Cancel"/>				
GSTIN	<input type="text"/>	Amount of turnover/Gross receipts for the year corresponding to the GSTIN	<input type="text"/>						
<input type="button" value="Save"/> <input type="button" value="Cancel"/>									
<input type="button" value="Add Row"/> <input type="button" value="Copy Row"/> <input type="button" value="Edit Row"/> <input type="button" value="Delete Row"/>									
E10	Amount of total turnover/Gross receipt as per the GST return filed								

- Whether Turnover in GST Return would tally with Turnover under Column E1, E3, or E5 (Gross turnover offered under section 44AD, 44AE or 44ADA).
 - Sale of capital assets, discarding or withdrawal of capital assets- Schedule I
 - RCM Turnover
 - Inter-state supply/transactions with Distinct Persons

GST related details - [ITRs 3, 5, and 6]

Part A-BS - Ind AS		Part A - P & L		Part A-P&L - Ind AS		PART A - OI		Part A - QD		Part A - OL	
ii Total amount allowable under Section 43D (total of 11d to 11g)											
11	Any amount debited to profit and loss account of the previous year but disallowable										
a	Any sum in the nature of tax, duty, cess or fee under any law										
b	Any sum payable by way of contribution to any provident fund or superannuation										
c	Any sum payable to an employee as bonus or commission for services rendered										
d	Any sum payable as interest on any loan or borrowing from any public financial institution										
e	Any sum payable by the assessee as interest on any loan or borrowing from any other source										
f	Any sum payable towards leave encashment										
g	Any sum payable to the Indian Railways for the use of railway assets.										
h	Total amount disallowable under Section 43B (total of 11a to 11g)										
12	Amount of credit outstanding in the accounts in respect of										
a	Union Excise Duty										
b	Service tax										
c	VAT/sales tax										
d	Central Goods & Service Tax (CGST)										
e	State Goods & Services Tax (SGST)										
f	Integrated Goods & Services Tax (IGST)										
g	Union Territory Goods & Services Tax (UTGST)										
h	Any other tax										
i	Total amount outstanding (total of 12a to 12h)										
13	Amounts deemed to be profits and gains under section 33AB or 33ABA or 33AC										
i	Section 33AB										

Part A-BS - Ind AS		Part A - P & L		Part A-P&L - Ind AS		PART A	
28	Conveyance expenses						
29	Telephone expenses						
30	Guest House expenses						
31	Club expenses						
32	Festival celebration expenses						
33	Scholarship						
34	Gift						
35	Donation						
36	Rates and taxes, paid or payable to Government or any local body						
i	Union excise duty						
ii	Service tax						
iii	VAT/ Sales tax						
iv	Cess						
v	Central Goods & Service Tax (CGST)						
vi	State Goods & Services Tax (SGST)						
vii	Integrated Goods & Services Tax (IGST)						
viii	Union Territory Goods & Services Tax (UTGST)						
ix	Any other rate, tax, duty or cess incl. STT and CTT						
x	Total rates and taxes paid or payable (36i + 36ii + 36iii + 36iv + 36v + 36vi + 36vii + 36viii + 36ix)						
37	Audit fee						

Part A-BS - Ind AS		Part A - P & L		Part A-P&L - Ind AS		PART A - OI		Part A - QD		Part A - OL	
Profit and Loss Account for the financial year 2017-18 (fill items 1 to 52 in a case where the assessee is required to file ITR-3)											
CREDITS TO PROFIT AND LOSS ACCOUNT											
1	Revenue from operations										
A	Sales/ Gross receipts of business (net of returns and refunds and duty or tax, if any)										
i	Sale of products/goods										
ii	Sale of services										
iii	Other operating revenues (specify nature and amount)										
	Nature										
1	<input type="text"/>										
	<input type="button" value="+ Add"/> <input type="button" value="X Delete"/>										
	Total										
iv	Interest (in case of finance company)										
v	Other financial services (in case of finance company)										
vi	Total (i + ii + iii + iv + v)										
B	Duties, taxes and cess, received or receivable in respect of goods and services sold or supplied										
i	Union Excise duties										
ii	Service tax										
iii	VAT/ Sales tax										
iv	Central Goods & Service Tax (CGST)										
v	State Goods & Services Tax (SGST)										
vi	Integrated Goods & Services Tax (IGST)										
vii	Union Territory Goods & Services Tax (UTGST)										
viii	Any other duty, tax and cess										
ix	Total (i + ii + iii + iv + v + vi + vii + viii)										

Details of business transactions with registered and unregistered suppliers under GST

□ [ITRs 6]

Schedule GST - Break-up of total expenditure with entities registered or not registered under the GST (Details in respect of expenditure on or after 01st July, 2017 to be filled up by the assessee who is not liable to get accounts audited u/s 44AB)						
Sl.No.	Total amount of Expenditure during the year (aggregate of expenditure reported at items 6, 8 to 35, 37 & 38 of Part-A-P&L / P&L - Ind AS)	Expenditure in respect of entities registered under GST			Total payment to registered entities	Expenditure relating to entities not registered under GST
		Relating to goods or services exempt from GST	Relating to entities falling under composition scheme	Relating to other registered entities		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Points :

- Every expenditure to be Classified in 4 heads as above.
- Expenses exempt from GST Like salary, bonus, petrol & fuel, Power & Light charges, medical expenses for staff welfare etc.
- Composition scheme applies to all those dealers whose turnover is below 1.5 crores. These dealers will not collect GST in their invoices and remit directly to the Government @ 1% on their turnover
- Difference in Exempt, NIL Rated, Zero Rated, Non-taxable and Non-GST Supply**

Depreciation related changes

Revised Depreciation Schedule

[Applicable for ITR 3, 5 and 6]

Schedule DPM - Depreciation on Plant and Machinery (Other than assets on which full capital expenditure is allowable as deduction under any other section)				
1	Block of assets	Plant and machinery		
2	Rate (%)	15	30	40
		(i)	(ii)	(iii)
3a	Written down value on the first day of previous year	<input type="text"/>	<input type="text"/>	<input type="text"/>
3b	Written down value on the first day of previous year, of those block of assets which were eligible for depreciation @ 50%, 60% or 80% as per the old Table	<input type="text"/>	<input type="text"/>	<input type="text" value="★"/>
		* To fill up here the total of Op WDV of 50, 60, 80 & 100 block in this column		
16	Depreciation disallowed under section 38(2) of the I.T. Act (out of column 15)	<input type="text" value="Proportionate depreciation on asset not used for business"/>	<input type="text"/>	<input type="text"/>
17	Net aggregate depreciation (15-16)	<input type="text"/>	<input type="text"/>	<input type="text"/>
18	Proportionate aggregate depreciation allowable in the event of succession, amalgamation, demerger etc. (out of column 17)	<input type="text" value="6<sup>th</sup> Proviso to Section 32(1) in case of Succession"/>		
19	Expenditure incurred in connection with transfer of asset/ assets	<input type="text"/>	<input type="text"/>	<input type="text"/>
20	Capital gains/ loss under section 50(5 + 8 -3(a) - 3(b)-4 -7 -19) (enter negative only if block ceases to exist)	<input type="text"/>	<input type="text"/>	<input type="text"/>
21	Written down value on the last day of previous year (6+ 9 -15) (enter 0 if result is negative)	<input type="text"/>	<input type="text"/>	<input type="text"/>

CBDT vide Income-Tax (Twenty Ninth Amendment) Rules, 2016, dated 07-11-2016 – Highest rate to be 40%

Revised Depreciation Schedule

[Applicable for ITR 3, 5 and 6]

Depreciation on other assets (Other than assets on which full capital expenditure is allowable as deduction)					
1	Block of assets	Land	Building (not including land)		Furniture and Fittings
2	Rate (%)	nil	5	10	40
		(i)	(ii)	(iv)	(v)
3	Written down value on the first day of previous year				
4	Additions for a period of 180 days or more in the previous year				
5	Consideration or other realization during the previous year out of 3 or 4				
6	Amount on which depreciation at full rate to be allowed (3 + 4 - 5) (enter 0, if result is negative)				
7	Additions for a period of less than 180 days in the previous year				
8	Consideration or other realizations during the year out of 7				
9	Amount on which depreciation at half rate to be allowed (7 - 8) (enter 0, if result is negative)				
10	Depreciation on 6 at full rate				
11	Depreciation on 9 at half rate				
12	Total depreciation (10+11)				
13	Depreciation disallowed under section 38(2) of the I.T. Act (out of column 12)				
14	Net aggregate depreciation (12-13)				
15	Proportionate aggregate depreciation allowable in the event of succession, amalgamation, demerger etc. (out of column 14)				
16	Expenditure incurred in connection with transfer of asset/ assets				
17	Capital gains/ loss under section 50 (5 + 8 - 3 - 4 - 7 - 16)* (enter negative only if block ceases to exist)				
18	Written down value on the last day of previous year* (6+ 9 -12)(enter 0 if result is negative)				

Proportionate depreciation on asset not used for business

6th Proviso to Section 32(1) in case of Succession

ICDS

Impact on profit or loss due to ICDS deviation

☐ [Applicable for ITR 3, 5 and 6]

Schedule ICDS - Effect of Income Computation Disclosure Standards on profit		
Sl.No.	ICDS	Amount (+) or (-)
(i)	(ii)	(iii)
I	Accounting Policies	
II	Valuation of Inventories (other than the effect of change in method of valuation u/s 145A, if the same is separately reported at col. 4d or 4e of Part A-OI)	
III	Construction Contracts	
IV	Revenue Recognition	
V	Tangible Fixed Assets	
VI	Changes in Foreign Exchange Rates	
VII	Government Grants	
VIII	Securities (other than the effect of change in method of valuation u/s 145A, if the same is separately reported at col. 4d or 4e of Part A-OI)	
IX	Borrowing Costs	
X	Provisions, Contingent Liabilities and Contingent Assets	
11(a)	Total effect of ICDS adjustments on profit (I+II+III+IV+V+VI+VII+VIII+IX+X) (if positive)	
11(b)	Total effect of ICDS adjustments on profit (I+II+III+IV+V+VI+VII+VIII+IX+X) (if negative)	

Schedule BP - Computation of income from business or profession

25 Increase in profit or decrease in loss on account of ICDS adjustments and deviation in method of valuation of stock (Column 3a + 4d of Schedule OI)

33 Decrease in profit or increase in loss on account of ICDS adjustments and deviation in method of valuation of stock (Column 3b + 4e of Schedule OI)



Part A : OI Other Information (optional in a case not liable for audit under section 44AB)

1	Method of accounting employed in the previous year	1	Mercantile
2	Is there any change in method of accounting	2	No
3	a Increase in the profit or decrease in loss because of deviation, if any, as per Income Computation Disclosure Standards notified under section 145(2) [column 11a(iii) of Schedule ICDS]	3a	0
	b Decrease in the profit or increase in loss because of deviation, if any, as per Income Computation Disclosure Standards notified under section 145(2) [column 11b(iii) of Schedule ICDS]	3b	0

Amendments vis-à-vis ICDS

[Section 36, 40A, 43AA, 43CB, 145A, 145B – Applicable retrospectively from Assessment Year 2017-18]

Marked to market losses: ICDS – I
section 36(1)(xviii), section 40A(13)

Expected Loss not allowed

Foreign currency gains or losses: ICDS –VI
section 43AA

Forex- Capital Account taxable

Construction contracts: ICDS – III
section 43CB

Proportionate completion method

Revenue Recognition: ICDS – IV
section 145B

Taxing Subsidy/incentives immediately

Valuation of Inventory: ICDS – II
Section 145A

Valuation including taxes

Capital Gains

Capital Gains in case of transfer of unquoted shares

☐ [Applicable for ITR 2, 3, 5, 6 and 7]

*A new Section 50CA, if unquoted shares are transferred at a price which is less than its FMV, the sales consideration shall be deemed to be the price as calculated as on the **valuation date** as per Rule 11UAA.*

Schedule CG . Short-term A- 5 (non-resident) & 6 for resident . Similiarly, Long-Term B-6 for non-resident and 8 for resident

a In case securities sold include shares of a company other than quoted shares, enter the following details				
i	a	Full value of consideration received/receivable in respect of unquoted shares	5aia	<input type="text"/>
	b	Fair market value of unquoted shares determined in the prescribed manner	5aib	<input type="text"/>
	c	Full value of consideration in respect of unquoted shares adopted as per section 50CA for the purpose of Capital Gains (higher of a or b)	5aic	<input type="text"/>
ii	Full value of consideration in respect of securities other than unquoted shares		5aii	<input type="text"/>
iii	Total (ic + ii)		5aiii	<input type="text"/>

Info relating to capital gains exemption to be furnished in detail

☐ [Applicable for ITR 2, 3, 5, 6 and 7]

D		Information about deduction claimed against Capital Gains			
	1	In case of deduction u/s 54/54B/54D/54EC/54EE /54F/54G/54GA/115F give following details			
	a	Deduction claimed u/s 54			
		i	Date of transfer of original asset	ai	<i>dd/mm/yyyy</i>
		ii	Cost of new residential house	aii	
		iii	Date of purchase /construction of new residential house	aiii	<i>dd/mm/yyyy</i>
		iv	Amount deposited in Capital Gains Accounts Scheme before due date	aiv	
		v	Amount of deduction claimed	av	
		b	Deduction claimed u/s 54B		
		i	Date of transfer of original asset	bi	<i>dd/mm/yyyy</i>
		ii	Cost of new agricultural land	bii	
		iii	Date of purchase of new agricultural land	biii	<i>dd/mm/yyyy</i>
		iv	Amount deposited in Capital Gains Accounts Scheme before due date	biv	
		v	Amount of deduction claimed	bv	
	2	In case of deduction u/s 54GB, furnish PAN of the company			

Going further. These columns will be cross checked with data in deemed STCG (at Sr. 7(b)) and LTCG (at Sr. No. 9 (b))

Other Income

Details of Gift chargeable to tax as per section 56(2)(x) is to be provided

□ [Applicable for ITR 2, 3, 5, 6 and 7]

Schedule OS		Income from other sources	
1	Income		
	iii	Income of the nature referred to in section 56(2)(x) which is chargeable to tax	
	a	Aggregate value of sum of money received without consideration	
	b	In case immovable property is received without consideration, stamp duty value of	
	c	In case immovable property is received for inadequate consideration, stamp duty value of property in excess of such consideration	
	d	In case any other property is received without consideration, fair market value of	
	e	In case any other property is received for inadequate consideration, fair market value of property in excess of such consideration	
		Total (a+ b + c +d + e)	1diii

Impact of Section 56(2)(x)

Cash

Any amount of money received,
without any consideration,
exceeds Rs. 50,000

Then the whole of such sum will
be taxable

Agreement Date shall be
considered only if part
consideration is paid by way
of ECS on or before the date of
agreement

Immovable Property

Stamp Duty Value of which
exceeds Rs. 50,000
OR
Consideration which is less
than Stamp Duty Value by an
amount exceeding Rs. 50,000

Then the whole of such sum
will be taxable

If there is a agreement then Stamp
Duty as on Agreement Date shall be
taken, if not then registration date
will be considered

Movable Property

Stamp Duty Value of which
exceeds Rs. 50,000
OR
Consideration which is less
than Stamp Duty Value by an
amount exceeding Rs. 50,000

Then the whole of such sum
will be taxable

Only those movable properties
which were u/s 56(2)(vii)

Impact of Section 56(2)(x) on Trusts Registered u/s 12AA

Previously only if gifts received from a Trust Registered u/s 12AA were exempt u/s 56(2)(viia)
BUT
As per the latest amendment received by a Trust Registered u/s 12AA is also exempt u/s 56(2)(x)

Voluntary Contribution made to a Trust is exempt.

But, they are specifically exempt u/s 11.

Even if the conditions specified in Section 11 are not satisfied, exemption u/s 12AA is applicable as it specifically mentioned u/s 56(2)(x)

Thus, now it is relaxation for the trusts regarding compliance for voluntary contribution specified u/s 11.

Reporting of sum taxable as Gift

❑ Section 56(2)(x)- 'Property' - whether covers

- Interest in partnership firm ?
- Interest in LLP ?
- “Undertaking”
- Right shares - Renunciation of rights

❑ Section 56(2)(x)- Receipt from 'any person' - whether covers

- Receipt by HUF from relative of karta/member - [Harshadbhai Dahyalal Vaidhya \(HUF\) v ITO \(144 ITD 605\) and Subodh Gupta \(HUF\) v PCIT \(169 ITD 60\) \(Delhi -Trib.\)](#)
- Receipt by member from HUF - [Vineetkumar Raghavjibhai Bhalodia v. ITO \[2011\] 46 SOT 97 \(Rajkot\)](#)

Disallowance of expenses and Taxability on remission of trading liability

□ [Applicable for ITR 2, 3, 5, 6 and 7]

i	Amounts not deductible u/s 58	li	
j	Profits chargeable to tax u/s 59	lj	

The Finance Act, 2017 introduced the disallowance provision in case of income from other sources if tax is not deducted or not deposited in accordance with Chapter XVII-B

Special Rate Income, DTA Relief, TDS
Credit etc.,

Income chargeable at Special Rates – other Sources

□ [Applicable for ITR 2, 3, 5, 6 and 7]

f	Income included in '1e' chargeable to tax at special rate (to be taken to schedule SI)
i	Income by way of winnings from lotteries, crossword puzzles, races, games, gambling, betting etc (u/s 115BB)
ii	Dividend Income from domestic company that exceeds Rs.10 Lakh (u/s 115BBDA)
iii	Deemed Income chargeable to tax u/s 115BBE
iv	Income from patent chargeable u/s 115BBF
v	Tax on income from transfer of carbon credits. 115BBG
vi	Any other income chargeable to tax at the rate specified under chapter XII/XII-A
vii	Income chargeable at special rates under DTAA

Assessee claiming DTAA relief is required to report more details

□ [Applicable for ITR 2, 3, 5, 6 and 7]

vii Income chargeable at special rates under DTAA										
Sl. No.	Amount of income	Nature of income	Country name & Code	Article of DTAA	Rate as per Treaty <i>(enter NIL, if not chargeable)</i>	Whether TRC obtained <i>(Y/N)</i>	Section of I.T. Act	Rate as per I.T. Act	Applicable rate <i>[lower of (6) or (9)]</i>	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
I										
II										
III	Total amount of income chargeable at special rates under DTAA									

Every assessee (resident or non-resident) claiming DTAA relief in India in respect of capital gains or income from other sources are required to provide details of applicable DTAA.

Details of foreign bank account of non-residents

□ [Applicable for ITR 2, 3, 4, 5, 6 and 7]

BANK ACCOUNT	13	Details of all Bank Accounts held in India at any time during the previous year (excluding dormant accounts) (In case of non-residents, details of any one foreign Bank Account may be furnished for the purpose of credit of refund)				
		Sl.	IFS Code of the Bank in case of Bank Accounts held in India (SWIFT Code in case of foreign Bank Account)	Name of the Bank	Account Number (IBAN in case of foreign Bank Accounts)	Indicate the account in which you prefer to get your refund credited, if any (tick one account <input checked="" type="checkbox"/>)
		i				
		ii				

The new ITR forms allow non-residents to furnish details of any one foreign Bank Account for the purpose of payment of income-tax refund.

Transfer of TDS Credit to Other Person

□ [Applicable for ITR 2, 3, 4, 5, 6 and 7]

C Details of Tax Deducted at Source (TDS) on Income [As per Form 16 A issued or Form 26QB/26QC furnished by Deductor(s)]															
TDS ON OTHER INCOME	SI No	TAN of the Deductor/ PAN of the Buyer/ Tenant	Name of the Deductor/ Buyer/Tenant	Unique TDS Certificate Number	Unclaimed TDS brought forward (b/f)		TDS of the current fin. Year			TDS credit out of (7) or (8) being claimed this Year (only if corresponding income is being offered for tax this year)			TDS credit out of (7) or (8) being carried forward		
					Fin. Year in which deducted	Amount b/f	Deducted in own hands	Deducted in the hands of spouse as per section 5A or any other person as per rule 37BA(2) (if applicable)			Claimed in own hands	Claimed in the hands of spouse as per section 5A or any other person as per rule 37BA(2) (if applicable)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			(9)	(10)			(11)
								Income	TDS	PAN of spouse/ other person		Income	TDS	PAN of spouse/ other person	
i															
ii															

NOTE ▶ Please enter total of column 8 in 10b of Part B-TTI

Whether entire TDS or only to the extent belong to Assessee

To extent claimed by other person

Transfer of TDS Credit to Other Person- Example

Succession - Death of Assessee – 01-08-2017

Particulars	Total	Deceased Assessee (Mr X)	Legal heir (Mr. Y)
Interest on FDR	Rs. 1 Lakh	Rs. 40000	Rs. 60000
TDS	Rs. 10000	Rs. 4000	Rs. 6000

A issued or Form 26QB/26QC furnished by Deductor(s)]								
TDS of the current fin. Year				TDS credit out of (7) or (8) being claimed this Year (only if corresponding income is being offered for tax this year)			TDS credit out of (7) or (8) being carried forward	
Deducted in own hands	Deducted in the hands of spouse as per section 5A or any other person as per rule 37BA(2) (if applicable)			Claimed in own hands	Claimed in the hands of spouse as per section 5A or any other person as per rule 37BA(2) (if applicable)			
(7)	(8)			(9)	(10)			(11)
	Income	TDS	PAN of spouse/ other person		Income	TDS	PAN of spouse/ other person	
10000				4000	60000	6000	PAN of Y	
	100000	10000	PAN of X	6000	40000	4000	PAN of X	

For X
For Y

Changes specific to ITR-6 (Companies)

Changes specific to ITR -6

51 Appropriations			
i	Transfer to reserves and surplus	51i	<input type="text"/>
ii	Proposed dividend/ Interim dividend	51ii	<input type="text"/>
iii	Tax on dividend/ Tax on dividend for earlier years	51iii	<input type="text"/>
iv	Appropriation towards Corporate Social Responsibility (CSR) activities (in case of companies covered under section 135 of Companies Act, 2013)	51iv	<input type="text"/>

Reporting of **CSR** appropriations
[P & L – Sr. No. 51(iv)]

Break-up of payments/receipts in **foreign currency**
Revenue/Capital

Schedule FD - Break-up of payments/receipts in Foreign currency

S.No.	
i	Payments made during the year on capital account
ii	Payments made during the year on revenue account
iii	Receipts during the year on capital account
iv	Receipts during the year on revenue account

Note: Please refer to instructions for filling out this schedule.

Under the Income Tax Act, **beneficial owner** means person who has paid for an asset (**directly or indirectly**) for immediate or future benefit (directly or indirectly) of himself or any other person

Ownership information in case of unlisted company
(beneficial interest => 10%)

Additional disclosure requirements for **Ind-AS Compliant** Companies

Details of adjustments made to profits of company following IndAS under section (2A) to (2C) of section 115JB are to be provided i.e. adjustment on account of OCI items not to be reclassified to P&L account, distribution of non-cash assets to shareholders during demerger and impact of transmission amount.

Changes specific to ITR-7 (Charitable Trust)

Changes specific to ITR -7

Details of Project or Institute Run by Trust

Details of fresh registration upon change of objects [Section 12A]

- A. Date of change in objects
- B. Whether application for fresh registration has been made within stipulated time period?
- C. Whether fresh registration has been granted?
- D. Date of such fresh registration.

A political party will lose its tax exemption if donation exceeding Rs. 2,000 is received other than by an account payee cheque or draft or ECS or electoral bonds

Political Parties to confirm if cash donations are received in excess of Rs. 2000 [Section 13A]

No deduction for corpus donations made to other institutions [Section 11]

The Finance Act, 2017 has inserted a new *Explanation 2* to section 11 with effect from Assessment Year 2018-19

Impact of Section 10(23C)

Any trust or educational institution or hospital makes any voluntary contribution out of the Current Income to a trust registered u/s 12AA specifically as a Corpus Donation then, it shall not be considered as application of Income.

If there is any violation then the same shall not be exempt u/s 10(23C).

There will not be any impact on registration u/s 12AA being cancelled

As per Sec 11 only the amount which is provided by way of Corpus Donation shall be subject to tax

But the Assessing Officer may deny exemption as per 5th proviso of Sec 10(23C)

Impact

Then the entire amount will be subject to tax.

No deduction for corpus donations made to other institutions

Impact of New Explanation 2 to section 11

		Pre-amendment	Post-amendment
(a)	Income	100	100
(b)	Less: Application of income (excluding corpus donations)	80	80
(c)	Less: corpus donation	5	-
(d)	Less: basic exemption (15% of income)	15	15
(e)	Taxable income [(a)-(b)-(c)-(d)]	Nil	5

The implications of the amendment

	Application of Income	Applied as Corpus donation
(a)	Applied in the same year (" primary application ");	Hit by Explanation 2
(b)	Applied in subsequent year [Explanation 1(2) to section 11(1)] (" deemed application ").	Hit by Explanation 2
(c)	accumulate or set apart for accumulation extent the income so accumulated or set apart is not in excess of 15% of the income (" basic exemption "); or	Probably hit by Explanation 2
(d)	accumulate the income under section 11(2) and apply latter (" secondary application ");	Explanation to section 11(2) already provides for amendment
(e)	utilise corpus donations received to give corpus donations. section 11(1)(d)	Explanation 2 covers only income in section 11(1)(a) and (b) and not section 11(1)(d)

Computation of Trust Income

Registered under 12A	Rs	Computation of Income	Rs	ITR- 7	Sec.
(a) Income from Engineering College affiliated to University (Gross receipts < 100 lakhs)	10	(a) Income From College	10	Sch – AI –Details in PI	
(b) Corpus Donation	20	(b) Corpus Donation	NIL	Sch -VC	11(1)(d)
(c) Agriculture Income	1	(c) Agriculture Income	1	Sch – AI	
(d) Income from properties held in trust (<i>out of this Rs. 2 lakhs was not received during the year and Rs. 2 lakhs was received only on the last day of the year</i>)	26	(d) Income from Property	26	Sch – AI	
(e) Net income from business held under Trust (As incidental to the main objects) as per books	2	(e) Income from business incidental	2	Sch –AI	
(f) Amount spent on free scholarship, free meals and free medical relief	9	Less: Exempt-10(23C)(iiiad)	(10)	Part B- TI 9(c)	
(g) Repayment of loan taken for construction of Health Care Centre	3	Less: Exempt – 10 – Agri. Income	(1)	Part B- TI 10	
		Less: 15% of Income ((c)+(d) + (e))	(4.35)	Part B- IT – 4(vi)	11(1)(a)
		Less: Income not received or could not be applied for reasons beyond control	(4)	Part B- IT – 4(v) Form 9A*	Expl 2 sec. 11
		Less: Application –Revenue	(9)	Sch ER	11(1)(a)
		Less: Repayment of Loan- Capital	(3)	Part B- IT – 4(iii)	11(1)(a)
		Balance – Option to accumulate for 5 years.	7.65	Part B- IT – 4(vii) Form 10*	11(2)

* Digitally uploaded before filing the ROI

Amendments affecting Computation & ROI

No notional income for house property held as stock-in-trade 23(5)

- ❑ The property or any part of the property (Stock-in-trade) is **not let/vacant** during the whole or any part of the previous year.
- ❑ The annual value of such property or part of the property, for the period upto one year from the end of the financial year in which the certificate of completion of construction of the property is obtained from the competent authority, shall be taken as **NIL**.

Completion certificate from Competent Authority on 25 Dec 2016 (FY 2016-17)

Circumstances	Annual Value for 2017-18	Annual Value for 2018-19
Property is Vacant	NIL (<i>as per section 23(5)</i>)	Deemed Let-out (House Property Income)*
Property Sold in Aug, 2017	Apr to Aug - NIL August - Business Income	
Property let-out in June 2017	Apr to May - NIL June to Mar - Rental/ Business Inomc	Rental/ Business Inomc

***Restriction on set-off of loss from House property [Section 71(3A)] - upto 2 lakhs**

Amendment to section 43(1) and Section 35AD – Cash Payments above 10000

- ❑ The cost in acquisition of **any asset or part thereof** in respect of which a **payment or aggregate of payments made to a person in a day**, otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account, exceeds ten thousand rupees, **such expenditure shall be ignored for the purposes of determination of actual cost**

Components	Cost	Effect
Cost of Machinery- Payment through NEFT – Rs. 800000 Balance Outstanding	10,00,000	Eligible for Depreciation whether Rs. 800000 or 1000000 <i>(what if balance paid in Cash in next year)</i>
Transportation – Without TDS Payment by A/c payee Cheque	50,000	Eligible for Depreciation
Installation- payment is Cash Single payee but multiple bills	1,20,000	Not Eligible – <i>effect on calculation of STCG under section 50</i>
Interest on Borrowing – As per ICDS (outstanding – disallowable as per section 43B) CBDT-FAQ – Q.No. 20	12,000	

Deduction for Employment of new Employees [s. 80JJAA]



[Section 80JJAA – Applicable from Assessment Year 2019-20]

Illustrative examples

FY	Scenario 1	Scenario 2	Scenario 2
2018-19	130 days	90 days	240 days
2019-20	110 days	240 days	240 days
2020-21	Resigned	More than 240 days	More than 240 days
FY in which deduction under section 80JJAA eligible	None	FY 2019-20 onwards	FY 2018-19 onwards

Restropective or Prospective

Employee appointed in FY 2016-17 for less than 240 days but worked for more than 240 in FY 2017-18 whether eligible for deduction in FY 2017-18 ? - [Calcutta Export Company \[2018\] 93 taxmann.com 51 \(SC\)](#)

Things to keep in mind while filing ITR for AY 2018-19



REBATE UNDER SECTION 87A :

Available only if the total income less deductions (under Chapter VIA) is equal to or **less than INR 3,50,000**



HOLDING PERIOD OF CAPITAL ASSETS

An immovable property **being land or building or both** if held for more than **24 months** immediately prior to the date of its transfer will be a long term capital asset.



Section 43B-interest

Borrowings from **Co-operative Bank**



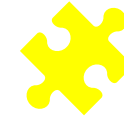
SET OFF OF LOSS FROM HOUSE PROPERTY:

The set off of loss arising from house property against other heads of income is **restricted to INR 2,00,000**



INCOME FROM OTHER SOURCES – GIFT

Any sum or property received by **all taxpayers** without any consideration or inadequate consideration (in excess of INR 50,000) shall be taxable as Income from other sources'



Book of Accounts

Section 44AA

Individual or HUF – Turnover exceeding **25 Lakhs** or Income exceeding **2.5 Lakhs**



Donation – 80 G

Cash donation restricted to Rs. **2000**



BASE DATE FOR COST INFLATION INDEX (CII)

For the purpose of Section 55(1)(b)(2) and 55(2)(b)(i) base year is shifted from 1-4-1981 to **1-4-2001**.



TDS AND ADVANCE TAX

- Individuals and HUF paying rent to a resident exceeding INR 50,000 per month- deduct TDS at the rate of 5% as per **194-IB**.
- Professionals covered u/s 44ADA has the advantage to pay Advance Tax in **one instalment** instead of paying in four instalments.



Return filing Mandatory - Trust

ITR needs to be filed before due date for claiming exemption Sec 11 to 12



MAT credit period -

Section 115JAA(3A)- Increased to **15 Years** from 10 Years

Cash Restriction-Provisions at a Glance

Who is concerned	Income computation related provisions	Penalty related provisions	Reporting related provisions
Receiver	<ul style="list-style-type: none"> ▪ Section 13A ▪ Section 43CA ▪ Section 44AD ▪ Section 50C 	<ul style="list-style-type: none"> ▪ Section 269SS ▪ Section 269ST 	<ul style="list-style-type: none"> ▪ Section 139A ▪ Section 285BA
Payer	<ul style="list-style-type: none"> ▪ Section 35AD ▪ Section 36(1)(ib) ▪ Section 40A(3) ▪ Section 40A(3A) ▪ Section 43(1) ▪ Section 56(2)(x) ▪ Section 80D ▪ Section 80G ▪ Section 80GGA ▪ Section 80GGB ▪ Section 80GGC ▪ Section 80JJAA 	<ul style="list-style-type: none"> ▪ Section 269T 	<ul style="list-style-type: none"> ▪ Section 139A

Personal documents

- Permanent Account Number or PAN card
- Aadhaar card or enrolment number
- Details of domestic assets and liabilities
- Details of foreign assets

INCOME RELATED

- ▶ Details of exempt income (for example, dividends) earned during the year
- ▶ Form 16/16A/16B to fill in the details of income
- ▶ Balance sheet, P&L account statement and other audit reports, wherever applicable



DOCUMENTS CHECKLIST

Taxpayers don't have to attach supporting documents along with the income-tax return form, but they may need these to fill the form

BANK RELATED

- ▶ Bank statement
- ▶ Interest statement for the year
- ▶ Details of all bank accounts held during the year (IFSC code, account number, name and nature of account)



TAX RELATED

- ▶ Copy of last year's tax return
- ▶ TDS certificate
- ▶ Savings certificate or deduction (for example, NSC and KVP)
- ▶ Form 26AS to cross check TDS details



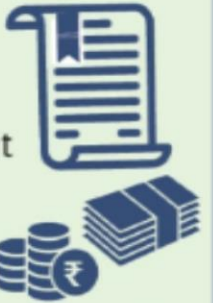
REAL ESTATE RELATED

- ▶ Buyer agreement, sale deed and investment documents to show capital gains on sale and exemption
- ▶ Lease deed to show rental income



INVESTMENT AND EXPENSES RELATED

- ▶ Home loan statement to claim deduction
- ▶ Proofs of investment such as mutual fund account statement
- ▶ Premium receipt for life insurance plans
- ▶ Medical insurance premium and preventive check-up receipts
- ▶ Statement of demat and trading accounts to compute capital gain/loss



OTHERS

- ▶ Proofs of donation



TDS: tax deducted at source, **IFSC:** Indian Financial System Code, **NSC:** National Savings Certificate, **KVP:** Kisan Vikas Patra, **P&L:** Profit and loss, List is not exhaustive

Source: Mint research
VIPUL SHARMA/MINT

Precautions

Section 269ST-Restriction on cash transaction

No person shall receive an amount (shall have meaning of sum) of **Two lakh rupees** or more:

b) in respect of a single transaction

- Without reference to any day
- With reference to single transaction
- Single transaction qua receiver

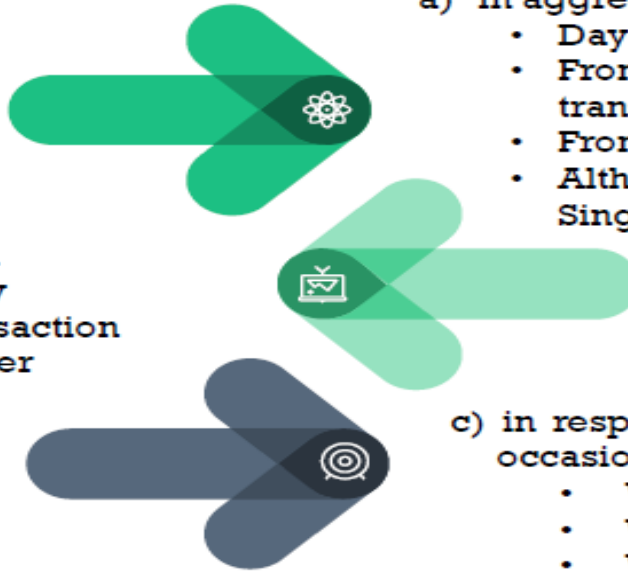
a) In aggregate from a person in a day

- Day wise aggregate
- From a person-with reference to any transaction or event
- From a person-from a single person
- Although General clauses Act includes- Singular .V. Plural – not here...

c) in respect of transactions relating to one event occasion from a person.

- Without reference to any day
- With reference to any transaction
- With reference to one event or occasion
- With reference to a person

otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account.



Precautions

Sec 270A - Penalty for under-reporting and misreporting of income.

Any person who has under-reported his income shall be liable to pay a penalty in addition to tax,

➤ A person shall be considered to have under-reported his income,

1 Penalty will be 50% of Tax payable on unreported Income

If the income assessed > the income determined in the return processed under clause (a) of sub section (1) of section 143
or
If return is not filed
The Income assessed > maximum amount not chargeable to tax.

2 If Unreported Income is due to misreporting Penalty will be 200% of Tax payable on unreported Income

Misreporting Includes:

- (a) Misrepresentation or suppression of facts;
- (b) Failure to record investments in the books of account;
- (c) Claim of expenditure not substantiated by any evidence;
- (d) Recording of any false entry in the books of account;
- (e) Failure to record any receipt in books of account having a bearing on total income

