

REGIONAL DIRECT TAX COURSE



Key Considerations in filing Income-tax Return (‘ITR’) and Form 29B for AY 2021-22

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June 15, 2021



INCOME TAX RETURNS

June 15, 2021

IMPORTANT DUE DATES

Particulars	Extended Date
Non audit cases	September 30, 2021
Tax Audit report	October 31, 2021
Return for persons to whom tax audit is applicable	November 30, 2021
Transfer Pricing report	November 30, 2021
Return for persons to whom transfer pricing is applicable	December 31, 2021
Revised / Belated return for AY 2021-22	January 31, 2022

RULE 12 - RELEVANT FORMS OF ITR...

Sr. No.	ITR	Eligible Assessee
1.	ITR 1 Sahaj	Individuals being a resident (other than not ordinarily resident) having total income upto Rs 50 lakh, having income from salaries, one house property, other sources (Interest etc.), and agricultural income upto Rs. 5,000 (Not for an individual who is either a director in a company or has invested in unlisted equity shares)
2.	ITR 2	Individuals and HUFs not having income from profits and gains of business or profession
3.	ITR 3	Individuals and HUFs having income from profits and gains of business or profession
4.	ITR 4 Sugam	Individuals, HUFs and Firms (other than LLP) being a resident having total income upto Rs 50 lakh and having income from business and profession which is computed u/s. 44AD, 44ADA or 44AE
5.	ITR 5	Persons other than (i) individual, (ii) HUF, (iii) company and (iv) person filing Form ITR-7
6.	ITR 6	Companies other than companies claiming exemption u/s. 11
7.	ITR 7	Persons including companies required to furnish return u/s. 139(4A) or 139(4B) or 139(4C) or 139(4D) only

...RULE 12 - RELEVANT FORMS OF ITR

Form Name	ITR 1	ITR 2	ITR 3	ITR 4	ITR 5	ITR 6	ITR 7
Nature of Income	Ind	Ind+HUF	Ind+HUF	Ind+HUF	Firm	Co.	Trust
Income from Salary	Y	Y	Y	Y	N	N	N
Income from House Property							
One House Property	Y	Y	Y	Y	Y	Y	Y
More than one House Property	N	Y	Y	N	Y	Y	Y
Income from PGBP	N	N	Y	Y (PI)	Y	Y	Y
Income from capital gains	N	Y	Y	N	Y	Y	Y
Income from other sources	Y	Y	Y	Y	Y	Y	Y
Total income	<50L	>50L	>50L	<50L	NA	NA	NA
Foreign income / assets	N	Y	Y	N	NA	NA	NA
Director in company	N	Y	Y	N	NA	NA	NA
Held unlisted equity shares	N	Y	Y	N	NA	NA	NA
Agricultural income	Upto 5K	>5K	>5K	>5K	NA	NA	NA

S. 115BAA...

- ❑ Domestic company (any activity) – AY 2020-21 onwards
- ❑ Rate of taxes

Turnover / Gross Receipts / Total Income	Applicable Rate of tax
Where total turnover or the gross receipts in PY 2018-19 does not exceed Rs. 400 crore	25%
Companies covered by provisions of s. 115BA	25%
Companies covered by provisions of s. 115BAA	22%
Companies covered by provisions of s. 115BAB	15%
Other than those above	30%

...S. 115BAA...

- ❑ For foreign companies, rate of tax continues to be at 40%
- ❑ Surcharge rates

Existing tax regime		New tax regime	
Total Income	SC rate	Total Income	SC rate
Rs. 1 crore – Rs. 10 crore	7%	Any income	10%
Above Rs. 10 crore	12%		

- ❑ Option once exercised cannot be withdrawn
- ❑ Option to be exercised by filing **Form 10IC** before the due date of filing the return
- ❑ Certain deductions / exemptions are not available

...S. 115BAA...

- ❑ ...Total income has been computed WITHOUT any deduction under
 - S. 35(1)(iii) – R&D expenses – Payment to research association for research in social science or statistical research
 - S. 35(2AA) – Weighted deduction in respect of payments for R&D to universities / IIT / Approved Scientific Research Institutes
 - S. 35AD – Any expenditure (including capital expenditure) on specified business – infrastructure facility
 - S. 35CCC – Weighted deduction on expenses related to Agricultural Extension project
 - S. 35CCD – Weighted deduction on Skill Development Project

...S. 115BAA

- ❑ Chapter VI A Deductions except s. 80JJAA (expenditure in incremental employment) and s. 80M (deduction in respect of certain inter-corporate dividends)
- ❑ Losses arising from the claim of specified deductions / exemptions which are not to be claimed
- ❑ Depreciation u/s 32 – to be allowed as per prescribed rates
- ❑ Business Losses or depreciation brought forward or carried forward from s. 72A will not be allowed to be set off
- ❑ ALL EXCLUSIONS HAVE TO BE OPTED
- ❑ MAT and MAT credit provisions not to apply
- ❑ If company fails to satisfy conditions of sub-section 2, concessional rate will not apply for the said year and all subsequent years

S. 115BAB...

Conditions that need to be satisfied:

- Company set up and registered on or after October 1, 2019
- Commencement of manufacturing or production of article or thing before March 31, 2023
- Business of generation of electricity permitted
- Business not formed by splitting up, or reconstruction, of a business already in existence
- Does not use any machinery or plant previously used for any other purpose
- Machinery or plant used outside India permitted, subject to:
 - Not used in India
 - Imported into India
 - No depreciation allowed in India on such plant or machinery
- Does not use any building previously used as hotel or convention centre on which s. 80-ID has been claimed or allowed

...S. 115BAB

- ❑ Company is not engaged in any other business, other than business of manufacture or production of article or thing and research in relation to, or distribution of such article or thing manufactured or produced by it
- ❑ Company should NOT be engaged in manufacture of:
 - Development of computer software in any form or in any media
 - Mining
 - Conversion of marble blocks or similar items into slabs
 - Bottling of gas into cylinder
 - Printing of books or production of cinematograph film
 - Specified business as may be notified by Central Government
- ❑ No deduction or exemption can be claimed, no set off of brought forward losses or allowance for UAD
- ❑ Option to be exercised by filing **Form 10ID** before the due date of filing the return

S. 115BAC...

- Special taxation regime for individuals or HUFs
- Can be opted by an assessee subject to fulfilment of certain conditions
- Rate of taxes (for individuals less than 60 years and non-residents) –

Existing tax regime		New tax regime	
Total Income	Rate of tax	Total Income	Rate of tax
Upto Rs. 2,50,000	Nil	Upto Rs. 2,50,000	Nil
Rs. 2,50,001 – Rs. 5,00,000	5%	Rs. 2,50,001 – Rs. 5,00,000	5%
Rs. 5,00,001 – Rs. 10,00,000	20%	Rs. 5,00,001 – Rs. 7,50,000	10%
Above Rs. 10,00,000	30%	Rs. 7,50,001 – Rs. 10,00,000	15%
		Rs. 10,00,001 – Rs. 12,50,000	20%
		Rs. 12,50,001 – Rs. 15,00,000	25%
		Above Rs. 15,00,001	30%

- Option to be exercised by filing **Form 10IE** before the due date of filing the return

...S. 115BAC...

- ❑ Under existing scheme of tax, the limits for 1st slab is –
 - From 60 years to 80 years – Upto Rs. 3,00,000
 - Above 80 years – Upto Rs. 5,00,000

- ❑ Under new scheme of tax, the slabs remain the same across all age groups

- ❑ Surcharge rates are same under both the tax regimes

...S. 115BAC...

- ❑ Total income to be computed WITHOUT any exemption or deduction under...
 - S. 10(5) – Travel concession or assistance
 - S. 10(13A) – House rent allowance
 - S. 10(14) – Specific allowances to meet increased cost of living like conveyance, tour
 - S. 10(17) – Allowance received by member of Parliament
 - S. 10(32) – Rs. 1,500 in respect of each minor child
 - S. 10AA – Deduction in respect of newly established units in SEZs
 - S. 16 – Standard deduction, professional tax
 - S. 24(b) – Interest in relation to house property
 - S. 32(iia) – Additional depreciation
 - S. 32AD – Accelerated depreciation for units in notified backward areas
 - S. 33AB – Tea / Coffee / Rubber Development Account
 - S. 33ABA – Site Restoration Fund

...S. 115BAC...

- ...Total income to be computed WITHOUT any exemption or deduction under
 - S. 35(1)(ii) – R&D expenses – Weighted deduction to research association for scientific research
 - S. 35(1)(iia) – R&D expenses – Payment to a company which has main object as scientific research (approved)
 - S. 35(1)(iii) – R&D expenses – Payment to research association for research in social science or statistical research
 - S. 35(2AA) – Weighted deduction in respect of payments for R&D to universities / IIT / Approved Scientific Research Institutes
 - S. 35AD – Any expenditure (including capital expenditure) on specified business – infrastructure facility
 - S. 35CCC – Weighted deduction on expenses related to Agricultural Extension project
 - S. 57(iia) – Deduction in relation to family pension – Lower of 33 1/3rd % of such income or Rs. 15,000
 - Chapter VIA deductions other than s. 80CCD (Deduction in respect of contribution to pension scheme of CG) and s. 80JJAA (expenditure in incremental employment)

...S. 115BAC

- No set off of any loss carried forward or depreciation attributable to deductions referred earlier
- No set off of any loss under the head 'Income from house property' with any other head of income
- Depreciation u/s 32 – to be allowed as per prescribed rates
- No exemption or deduction for allowance or perquisite
- For income from business and profession - Option once exercised can be withdrawn only once and thereafter, person shall never be eligible to exercise option under this section (exception – cessation of income from business and profession)
- For others – Option available every year

S. 115BAD...

- ❑ Co-operative societies being –
 - Primary Agricultural Credit Society
 - Primary Co-Operative Agricultural and Rural Development Bank
 - Co-Operative Bank other than ‘a primary agricultural credit society’ or ‘a primary co-operative agricultural and rural development bank’
 - Other Co-operative Society

- ❑ Tax rates are as under

Existing tax regime		New tax regime	
Total Income	Rate of tax	Total Income	Rate of tax
Upto Rs. 10,000	10%	Any income	22%
Rs. 10,000 – Rs. 20,000	20%		
Above Rs. 20,000	20%		

S. 115BAD...

- ❑ Surcharge
 - Existing scheme - 12% where total income > Rs. 1 crore
 - New scheme – 10% irrespective of income

- ❑ Total income to be computed WITHOUT any exemption or deduction under...
 - S. 10AA – Deduction in respect of newly established units in SEZs
 - S. 32(iia) – Additional depreciation
 - S. 32AD – Accelerated depreciation for units in notified backward areas
 - S. 33AB – Tea / Coffee / Rubber Development Account
 - S. 33ABA – Site Restoration Fund

...S. 115BAD...

- ❑ ...Total income to be computed WITHOUT any exemption or deduction under...
 - S. 35(1)(ii) – R&D expenses – Weighted deduction to research association for scientific research
 - S. 35(1)(iia) – R&D expenses – Payment to a company which has main object as scientific research (approved)
 - S. 35(1)(iii) – R&D expenses – Payment to research association for research in social science or statistical research
 - S. 35(2AA) – Weighted deduction in respect of payments for R&D to universities / IIT / Approved Scientific Research Institutes
 - S. 35AD – Any expenditure (including capital expenditure) on specified business – infrastructure facility
 - S. 35CCC – Weighted deduction on expenses related to Agricultural Extension project
 - Chapter VIA deductions other than s. 80JJAA (expenditure in incremental employment) and s. 80LA(1A) (deduction in respect of Offshore Banking Units and IFSC)

...S. 115BAD

- No set off of any loss carried forward or depreciation attributable to deductions referred earlier
- Option to be exercised by filing **Form 10IF** before the due date of filing return
- Option once exercised cannot be withdrawn
- No AMT applicable

KEY CONSIDERATIONS – DOCUMENTS...

- ❑ Compile and carefully study the documents to be used while filing the return –
 - Bank statements / passbooks
 - Form 16
 - Interest certificates
 - Investment proofs for which deduction is to be claimed
 - Books of account (Balance sheet, Profit and Loss account, if applicable)
 - Tax Audit Report
 - Transfer Pricing Report

...KEY CONSIDERATIONS – DOCUMENTS...

Date	Particulars	Amount	Amount	Comments
01/04/2019	Opening Balance		4,95,507	
	Add: Receipts			
06-05-2019	Bank Interest	2,269		Taxable as IFOS
19-06-2019	Professional Fees	56,250		Offer 62,500 as income and claim TDS of 6,250
28-06-2019	Dividend	77		Claim exemption u/s. 10(34)
21-08-2019	Dividend	18		Claim exemption u/s. 10(34)
05-09-2019	Professional Fees From BSM	45,000		Offer 50,000 as income and claim TDS of 5,000
07-09-2019	IT Refund	12,130		Offer 300 as income
12-09-2019	Dividend	25		Claim exemption u/s. 10(34)
			4,96,440	
	Less: Payments			
15-04-2019	Sundaram Mutual Fund	5,000		No impact
15-04-2019	DSP BlackRock Mutual Fund	5,000		No impact
17-04-2019	MIRAE Asset Mutual Fund	5,000		No impact
20-04-2019	Travelling Expense Capital Account	184		Claim as an expense
26-04-2019	LIC OF INDIA	1,07,945		Claim as a deduction u/s. 80C
			9,58,640	
31/03/2020	Closing Balance		33,307	

...KEY CONSIDERATIONS – RESIDENTIAL STATUS...

- ❑ Residential status has to be checked every year and records should be maintained like passport copy

Mr. X's residential status

Assessment Years	Dates when out of India	No. of days stayed outside India
AY 2016-17	May 1 - May 15	15
AY 2017-18	June 1 - July 31	61
AY 2018-19	April 1 - April 10	10
AY 2019-20	March 21 - March 31	10
AY 2020-21	April 1 - April 5	5

- ❑ Mr. B is a non-resident. The Taxpayer Identification Number (TIN) is not allotted in his jurisdiction of residence. How does he report the same in the column on "residential status"? (FAQ)
 - In case TIN is allotted in the jurisdiction of residence, the passport number should be mentioned instead of TIN. Name of the country in which the passport was issued should be mentioned in the column "jurisdiction of residence"

...KEY CONSIDERATIONS – HEADS OF INCOME...

- ❑ Consider Form 16 for computing salary income specifically non-monetary perquisites
- ❑ S. 44AD and s. 44ADA – If specified professions, then s. 44ADA would be applicable and not s. 44AD
- ❑ In presumptive taxation, it is higher of income claimed to have been earned or 8%/6%/50% of gross receipts – Check bank statements

Income claimed to have been earned		50% of gross receipts	
Gross receipts (income)	100	Gross receipts	100
Less: Expenses	10	50%	50
Income claimed to have been earned	90	Higher of the 2	90

- ❑ If income from business and profession - Fill up Balance sheet and profit and loss account'
 - Produce **business** balance sheet and profit and loss account – not personal balance sheet and profit and loss account (except asset and liability statement)

...KEY CONSIDERATIONS – HEADS OF INCOME...

- Ind AS adjustments may be shown in amounts disallowable u/s. 37 and give appropriate disclosure by way of notes

7	Amounts debited to the profit and loss account, to the extent disallowable under section 37	
a	Expenditure of capital nature [37(1)]	7a
b	Expenditure of personal nature [37(1)]	7b
c	Expenditure laid out or expended wholly and exclusively NOT for the purpose of business or profession [37(1)]	7c
d	Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party [37(2B)]	7d
e	Expenditure by way of penalty or fine for violation of any law for the time being in force	7e
f	Any other penalty or fine	7f
g	Expenditure incurred for any purpose which is an offence or which is prohibited by law	7g
h	Expenditure incurred on corporate social responsibility (CSR)	7h
i	Amount of any liability of a contingent nature	7i
j	Any other amount not allowable under section 37	7j
k	Total amount disallowable under section 37 (total of 7a to 7j)	

...KEY CONSIDERATIONS – HEADS OF INCOME...

Ind AS adjustments – Example

❑ Ind AS 32 / 109

- Valuing interest free deposits at amortised cost (i.e., present value) and corresponding debit or credit to **opening balance of retained earnings / profit and loss / other asset or liability**
- Every year, notional interest income / expense would be credited / debited to profit or loss section

❑ Normal tax / ICDS

- ICDS IV - Interest shall accrue on the time basis determined by the amount outstanding and the rate applicable
- Is the notional interest recognised in profit and loss account under Ind AS = “Interest” u/s. 2(28A)?
- S. 2(28A) – Uses the words ‘interest payable’

...KEY CONSIDERATIONS – HEADS OF INCOME...

- ❑ When there is a change in employer during the year –
 - Disclose income received from previous employer
 - Disclose exemption claimed from the previous employer

- ❑ Mr. A has 5 separate let out properties. Should the house property income be calculated separately for each individual property or by clubbing all the rental receipts in one calculation
 - The calculation has to be separately made for each of the properties

- ❑ Company is required to report its share in land or building in case of co-ownership

- ❑ Disclose all interest (like interest on SB, RD, FDR, NSC, Infrastructure bonds)

...KEY CONSIDERATIONS – HEADS OF INCOME...

- Gift from non-relative exceeding Rs. 50,000 taxable – Not taxable in case of gifts received from relatives or on certain occasions
- For capital gains, take demat statements or purchase and sale agreements as base for computation
- Grandfathering clause to be considered while computing capital gains – Investments upto January 31, 2018 to be grandfathered

...KEY CONSIDERATIONS – DEDUCTIONS...

- ❑ Benefit u/s. 80C can be claimed for tuition fees paid by an individual for their children and for the repayment of principal amount in respect of home loan taken by him

- ❑ Employer's contribution to EPF is incorrectly claimed as deduction u/s. 80C

- ❑ Deduction u/s. 80C has to be reversed if –
 - LIC surrendered before 2 years
 - ULIP surrendered before 5 years
 - PF encashment before 5 years on change of job
 - Deduction claimed u/s 80C for Repayment of Housing Loan and selling of house before 5 years

...KEY CONSIDERATIONS – DEDUCTIONS...

- ❑ S. 80M - Deduction to a domestic company for the amount received as dividend from another domestic company, a foreign company or a business trust
 - Deduction is allowed when the company further distributes the dividend to the shareholders
 - Deduction can be claimed for an amount received by way of dividend to the extent it is further distributed as dividend on or before one month prior to the due date of furnishing the return
- ❑ Ensure that all Schedules are Properly Filled. Eg. Schedule 80G for Donations, Bad Debts >1 lakh, with or without PAN
- ❑ Earning from investment in the name of minor child or spouse to be clubbed in assessee's income – Claim deduction of Rs. 1,500 per child

...KEY CONSIDERATIONS – BROUGHT FORWARD LOSSES...

- ❑ Compare brought forward losses and UAD with last year's details to ensure that nothing is missed
- ❑ Compare it with Clause 32 of TAR to ascertain that all the amounts have been reported

Details of brought forward loss or depreciation allowance, in the following manner, to extent available							
S.No.	Assessment Year	Nature of loss/allowance	Amount as returned	All losses/allowances not allowed under section 115BAA	Amount as adjusted by withdrawal of additional depreciation on account of opting for taxation under section 115BAA (To be filled in for assessment year 2020-21 only)	Amount as assessed (give reference to relevant order)	Remarks
1	2017-18	BUSLOSS	216075 50			216075 50	CPC/1718/A6/1809 447084 & 26-May-2018 Intimation u/s. 143(1)
2	2019-20	BUSLOSS	175029 51			175029 51	SELF ASSESSED & 30-Oct-2019 Assessed Amount is as per self assessment u/s. 140A

June
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...KEY CONSIDERATIONS – TAX AUDIT REPORT...

- ❑ Wherever applicable, the amounts mentioned are required to be reported to match with the information given in the tax audit report

- ❑ Example –
 - Clause 26 - S. 43B items
 - Clause 13 – ICDS
 - Clause 21 – Non-deduction of TDS
 - Clause 27 – Prior period items
 - Clause 33 – Deductions like s. 80G, 80JJAA

...KEY CONSIDERATIONS – TAX AUDIT REPORT...

26	(i)(A)(a)	Paid during the previous year			
		S.No.	Section	Nature of liability	Amount
		Nil			
26	(i)(A)(b)	Not paid during the previous year			
		S.No.	Section	Nature of liability	Amount
		1	Sec 43B(b)-provident,superannuation,gratuity/ other fund	Employer's contribution to ESI	527
		2	Sec 43B(a)-Tax,Duty,Cess,Fee etc	CST	427899
		3	Sec 43B(a)-Tax,Duty,Cess,Fee etc	CST	244352
26	(i)B	was incurred in the previous year and was			
26	(i)(B)(a)	Paid on or before the due date for furnishing the return of income of the previous year under section 139(1)			
		S.No.	Section	Nature of liability	Amount
		4	Sec 43B(b)-provident,superannuation,gratuity/ other fund	Employer's contribution to PF	361502
		5	Sec 43B(b)-provident,superannuation,gratuity/ other fund	Employer's contribution to ESI	24877
		6	Sec 43B(a)-Tax,Duty,Cess,Fee etc	Taxes and duties: Profession Tax	33200
		7	Sec 43B(e)-interest on loan from scheduled banks	Interest: to banks / Co-op banks	119948
		8	Sec 43B(a)-Tax,Duty,Cess,Fee etc	GST	267228
		9	Sec 43B(b)-provident,superannuation,gratuity/ other fund	Employer's contribution to gratuity fund	100128
		10	Sec 43B(c)-sum referred to u/s 36(1)(ii)	Bonus / Commission to employees	12993
		11	Sec 43B(c)-sum referred to u/s 36(1)(ii)	Bonus / Commission to employees	981112
		12	Sec 43B(c)-sum referred to u/s 36(1)(ii)	Bonus / Commission to employees	41615
		13	Sec 43B(e)-interest on loan from scheduled banks	Interest: to banks / Co-op banks	4829
26	(i)(B)(b)	not paid on or before the aforesaid date			
		S.No.	Section	Nature of liability	Amount
		14	Sec 43B(a)-Tax,Duty,Cess,Fee etc	CST	1231852
		15	Sec 43B(a)-Tax,Duty,Cess,Fee etc	CST	1382899

...KEY CONSIDERATIONS – TAX AUDIT REPORT...

16 e	Capital receipt, if any		
	S.No.	Description	Amount
	1	Government Capital Subsidy	447000

- Any adjustment made in Form 3CEB also has to be considered while filing the return

...KEY CONSIDERATIONS – TDS...

- ❑ Confirm actual TDS / TCS / Taxes paid as per Form 26AS - TDS credit may not be reflected correctly due to
 - TDS is not deposited by deductor
 - TDS is deposited but return is not filed by deductor
 - TDS is wrongly deposited under some other PAN
 - TDS credit is not updated in Form 26AS
 - Any other reason

- ❑ If any discrepancy, take appropriate steps like approaching the deductor requesting him to rectify the discrepancy – Assessee can claim TDS in the return after the correction is made

...KEY CONSIDERATIONS – TDS...

- S. 199 r.w.r. 37BA - Credit for tax deducted at source to be given in the AY in which such income is assessable - Where such income is assessable over a number of years, credit to be allowed across those years in the same proportion in which the income is assessable to tax

B Details of Tax Deducted at Source (TDS) on Income [As per Form 16 A issued or Form 16B/16C/16D furnished by Deductor(s)]															
SI No	TDS credit relating to self /other person [other person as per rule 37BA(2)]	PAN/Aadhaar No. of Other Person (if TDS credit related to other person)	TAN of the Deductor/ PAN/aadhaar No. of Tenant/ Buyer	Unclaimed TDS brought forward (b/f)		TDS of the current Financial Year (TDS deducted during the FY 2020-21)		TDS credit being claimed this Year (only if corresponding income is being offered for tax this year not applicable if TDS is deducted u/s 194N)			Corresponding Receipt /withdrawals offered		TDS credit being carried forward		
				Fin. Year in which deducted	TDS b/f	Deducted in own hands	Deducted in the hands of any other person as per rule 37BA(2) (if applicable)	Claimed in own hands	Claimed in the hands of any other person as per rule 37BA(2) (if applicable)		Gross Amount	Head of Income			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)			(11)	(12)	(13)	
							Income	TDS		Income	TDS	PAN/ Aadhaar No.			

...KEY CONSIDERATIONS – TDS...

- ❑ S. 194N - In case of tax deducted, credit to be allowed in the AY in which such tax has been deducted and if any excess TDS is deducted, then it shall be claimed as refund in the same year only
 - TDS not to be allowed to be carried forward to subsequent years

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ Identify the correct return form - FA 2019 has introduced the mandatory filing of Return by the following assesses
 - Deposits in Current Account exceeding Rs. 1 crore
 - Expenditure on Foreign Travel exceeding Rs. 2 lakhs
 - Expenditure on Consumption of Electricity exceeding Rs. 1 lakh

- ❑ File return on or before the due date. Avoid filing belated returns

- ❑ Ensure that other details like PAN, address, email, bank account details are correct
 - Take appropriate care while filling in the address as all the notices and other communication from the tax authorities is posted to this address

...KEY CONSIDERATIONS – RETURN FILING...

❑ General Information –

- All audit reports under the Income-tax Act have to be mentioned – S. 44AB, S. 115JB, S. 10AA, S. 33AB, S. 33ABA, S. 80-IA, S. 80JJAA, etc.
- All audit reports under other acts have to be mentioned – Banking Regulation Act, Charitable Trust Act, Companies Act, GST Act, LLP Act, etc

❑ Disclosure of Key Persons - Particulars of Managing Director, Directors, Secretary and Principal officer(s) who have held the office during the PY

- Disclosure is not limited to the disclosure of Directors - Secretary and Principal officer also to be disclosed

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ Can a return be filed without quoting PAN? (FAQ)
 - Mandatory to quote PAN - Apart from the return, PAN is also to be quoted in all challans for making payment of tax, correspondence with the Income Tax Department, etc.
 - W.e.f. September 1, 2019, every person having PAN and has linked his Aadhaar number with PAN - May furnish his Aadhaar number in lieu of a PAN
 - Link Aadhaar with PAN by June 30, 2021

- ❑ In case of death of a person, 2 ITRs have to be filed in the year of death
 - 1st return – In the name of the deceased person till the date of death
 - 2nd return – In the name of the legal heir from the date of death till March 31

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ In case of a refund, the bank account number needs to be filled in accurately
 - Any mistake may lead to problems in credit of tax refund and consequent inconvenience
 - The assessee has an option to choose multiple bank accounts for payment of refund
 - However, assessee should pre-validate all such bank accounts on the e-filing website

- ❑ At the time of filing return, assessee is required to furnish the details of all bank accounts held in India during the previous year (excluding dormant accounts)
 - Dormant bank accounts (non operative for 3 years) are not required to be disclosed

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ Schedule AL-1 - Details of motor vehicle, aircraft, yacht or other mode of transport

H Details of motor vehicle, aircraft, yacht or other mode of transport						
Sl No	Particulars of asset	Description	Registration number of vehicle	Cost of acquisition	Date of acquisition	Purpose for which used
1	Motor Vehicle		MH04DW3299	409632	2009-02-24	Own Business Use
2	Motor Vehicle		MH04EH9085	996342	2010-09-21	Own Business Use
3	Motor Vehicle		MH48AC8834	709721	2016-01-08	Own Business Use
4	Motor Vehicle		MH48AC5243	1815556	2015-09-05	Own Business Use

Page 74

- ❑ Difficulty for large unlisted company having number of vehicles
- ❑ How to report if the vehicle has mixed use amongst the options given?

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ Schedule AL-1 - Details of Jewellery, archaeological collections, drawings, paintings, sculptures, any work of art or bullion
 - Quantitative Details (for stock in trade) already given once in Form 3CD or Part A-QD
 - In case of Valuation Methods such as weighted Average Cost – The cost of acquisition cannot be exactly correlated with any specific purchase
 - Similarly, if the assessee is a manufacturer, the cost of acquisition and date of acquisition is not possible to be mentioned in the case of manufactured item
 - Reporting for Investment assets and stock in trade cannot be generalised in this manner as both have completely different parameters for accounting and record keeping

- ❑ Asset and liability statement (individuals having income more than Rs. 50 lakhs) – LIC policy values are not available – Use premium paid x no. of years

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ Mr. Z holds foreign assets during the previous year which have been duly reported in the Schedule FA. Whether he is required to report such foreign asset again in the Schedule AL (if applicable)? (FAQ)
 - Yes
- ❑ An unlisted company is required to furnish details of shareholding as at the end of previous year in the Schedule SH-1 of ITR-6. Please clarify whether these details are required to be furnished in case of an unlisted foreign company (FAQ)
 - Not required
- ❑ An unlisted company is required to furnish details of assets and liabilities in the Schedule AL-1 of ITR-6. Please clarify whether these details are required to be furnished in case of an unlisted foreign company (FAQ)
 - Not required

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ Mr. C is a director in a foreign company which does not have PAN. How does he report the same against the column "Whether you were Director in a company at any time during the previous year? (FAQ)
 - A resident director should mention directorship in both, Indian and foreign companies
 - You should choose "foreign company" in the drop-down provided for "type of company". In such case, PAN is not mandatory. However, PAN should be mentioned, if such foreign company has been allotted a PAN

- ❑ Mr. D has held shares of a company during the previous year, which are listed in a recognized stock exchange outside India. Whether he is required to report the requisite details against the column "Whether you have held unlisted equity shares at any time during the previous year? (FAQ)
 - No

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ Mr. G has held unlisted equity shares as stock-in-trade of business during the previous year. Whether he has to report the same in the column "Whether you have held unlisted equity shares at any time during the previous year?" (FAQ)
 - Yes

- ❑ Please clarify whether holding of equity shares of a Co-operative Bank or Credit Societies, which are unlisted, are required to be reported? (FAQ)
 - The details of equity shareholding in any entity which is registered under the Companies Act, and is not listed on any recognised stock exchange, is only required to be reported

...KEY CONSIDERATIONS – RETURN FILING...

- ❑ What to be reported in the column ‘date of allotment’ if the existing shareholder had purchased the shares from some other shareholder in earlier years? (FAQ)
 - Date on which shares were transferred to the current shareholder has to be reported

- ❑ Schedule GST – Report Annual Value of Outward Supplies as per GST return(s) filed
 - The information has to be separately given for each GSTIN

- ❑ Issue :
 - Returns = GSTR1 ? Or GSTR 3B? Form 26AS states amounts as per GSTR 3B
 - Instructions states that the amount to be mentioned as per monthly returns filed
 - What about amendments carried out
 - In the current year – pertaining to earlier year
 - In the subsequent year – pertaining to current year

...KEY CONSIDERATIONS – FINAL...

- ❑ Ensure Consistency of the data
 - Internally in the return in different Schedules
 - With amount reported in TAR and transfer pricing report
 - Filing under other laws, For eg. GST

- ❑ Confirm the calculation of total income, deductions, interest, tax liability / refund, etc.

- ❑ No documents to be attached with the return
 - In case if certain calls are taken while computing income which may be disputed by the department, give appropriate disclosure by way of filing notes with jurisdictional AO to avoid penalty

...KEY CONSIDERATIONS – GENERAL...

- Discuss issues with the senior and take mail confirmations from clients wherever possible
- Ensure sufficient and accurate back up is available for future requirements. Not to depend much on the system, better to have one hard copy
- Delete the workings created from time to time to ensure that the latest figures are only available which were used for the returns filing
- Returns generated from private software should not be considered as blindly accurate and final

...KEY CONSIDERATIONS – GENERAL...

- Validation Utilities provided by ITD is more or less control oriented. Final Computation needs to be physically verified before filing
- Do not try to over-ride the utilities provided to suit the same as per the requirements since these are control based
- Always generate print preview of the return filled
- Send the same to the client for the purpose of vetting and obtain mail confirmation from them regarding the same
- Re-register DSC under the new portal beforehand

CONSEQUENCES OF NON-FILING OF RETURN

- ❑ Losses cannot be carried forward
- ❑ Levy of interest u/s. 234A
- ❑ Late filing fees u/s. 234F
 - Rs. 1000 if total income does not exceed Rs. 5,00,000
 - Rs. 5,000 in other cases
- ❑ Exemptions u/s. 10A, 10B not available
- ❑ Deduction u/s. 80-IA, 80-IAB, 80-IB, 80-IC, 80-ID, 80-IE, 80IAC, 80IBA, 80JJAA, 80LA, 80P, 80PA, 80QQB, 80RRB not available
- ❑ Prosecution u/s 276CC (Wilful default)
- ❑ S. 119(2)(b) empowers CBDT to authorise any income tax authority to admit application or claim after the expiry of the time limit to avoid genuine hardship in any case or class of cases

DEFECTIVE RETURN

- ❑ Return regarded as defective unless all the following conditions are fulfilled :
 - Relevant Annexures / Statements / Columns duly filled in
 - SA tax has been paid on or before date of furnishing the return
 - Return is accompanied by Tax audit report
 - BS/PL duly filled (In case not liable to maintain books, then alternate required information is not filled)
- ❑ Time limit to rectify defect - 15 days from the date of intimation by the AO
- ❑ If not rectified - Return treated as invalid and the provision will apply as if the assessee has failed to furnish the return
- ❑ AO has power to condone the delay of rectification of defect after 15 days but before completion of the assessment

ITR-V

❑ What to do if your ITR-V is Rejected ?

- ITR filed but status showing as “ITR-V Rejected”
- Know reason of rejection on clicking of acknowledgement No
- If reason is “Filing date has exceeded the due date”, means ITR-V has not reached to CPC-Bangalore within 120 days of e-Filing
- What do I do now? **File a revised return** and send the revised ITR-V to CPC Bangalore
- Other reasons for the ITR-V rejection either signature is missing or the ITR-V document is of “poor quality”
- If the 120 days not elapsed, simply print a fresh copy of ITRV, sign to CPC within 120 days

FILING OF RETURN...

The screenshot shows the e-Filing portal interface. At the top, there is a navigation bar with the following items: Dashboard, e-File, Authorised Partners, Services, Pending Actions, Grievances, Help, and Session Time. The main content area displays a welcome message: "Welcome to e-Filing portal POOJA!" and "Your one step solution to Income Tax Needs". Below this, the profile status is shown as "66% Complete" with a corresponding progress bar. The page is divided into two columns. The left column, titled "You can avail following services:", lists three services with green checkmarks: "File Return" (File return through e-file menu), "File Forms" (File forms through e-file menu), and "e-Verify Return". The right column, titled "Update Profile to avail following services", lists three services with grey checkmarks: "Condonation Request", "Download Pre-filled XML", and "Register as Representative".

...FILING OF RETURN...

The screenshot displays the e-Filing portal interface. The browser address bar shows the URL: eportal.incometax.gov.in/iec/foservices/#/welcomeScreen. The page header includes the e-Filing logo and the text "Income Tax Department, Government of India". The user profile is identified as "POOJA, Individual". The main navigation menu includes "Dashboard", "e-File", "Authorised Partners", "Services", "Pending Actions", "Grievances", and "Help". The "Services" dropdown menu is open, highlighting the "File Income Tax Return" option. Other options in the dropdown include "View Filed Returns", "E-Verify Return", "View Form 26AS", and "Download Pre-Filled Data". The main content area features a "Welcome to e-Filing portal" message and a "Profile Status : 66% Complete" progress bar. Below this, there are two sections: "You can avail following services:" and "Update Profile to avail following services:". The "You can avail following services:" section lists "File Return", "File Forms", and "e-Verify Return" with green checkmarks. The "Update Profile to avail following services:" section lists "Condonation Request", "Download Pre-filled XML", and "Register as Representative" with grey checkmarks.

...FILING OF RETURN...

eportal.incometax.gov.in/iec/foervices/#/dashboard/fileIncomeTaxReturn

Login Tax Laws & Rules >... TRACES | Login Logitronics Pvt. Ltd... Tax Planning for De... Commissioner Of In...

e-Filing *Anywhere Anytime*
Income Tax Department, Government of India

Income Tax Return (ITR)

* Indicates mandatory fields

Select Assessment year *

Select

Select

2021-22 (Current A.Y.)

2020-21

2019-20


2018-19

2017-18

Select

...FILING OF RETURN – OFFLINE...

Login Tax Laws & Rules >... TRACES | Login Logitronics Pvt. Ltd.... Tax Planning for De... Commis

 **e-Filing** *Anywhere Anytime*
Income Tax Department, Government of India

Dashboard > e-File > Income Tax Return > File Income Tax Return

You need to select a mode of filing to proceed

Select mode of filing

Online (Recommended)

Offline

Select ITR Type *

ITR-4

Select Filing Type *

139(1) - Original Return

Proceed

...FILING OF RETURN – OFFLINE...

Please follow the steps

Download

Offline Utility

 Download

Prefilled data

(.json containing Income details, tax details, etc.)

 Download

Upload

Upload your filled ITR from Here

 Attach File

Only .json files. 100kb max file size

[< Back](#)

[Proceed To Verification >](#)


...FILING OF RETURN – ONLINE...

The screenshot shows the e-filing portal interface. At the top, the URL is eportal.incometax.gov.in/iec/fooservices/#/dashboard/fileIncomeTaxReturn. The navigation bar includes links for Login, Tax Laws & Rules >..., TRACES | Login, Logitronics Pvt. Ltd..., Tax Planning for De..., and Commissioner Of In... The main header features the e-Filing logo with the tagline "Anywhere Anytime" and "Income Tax Department, Government of India". The breadcrumb trail reads: Dashboard > e-File > Income Tax Return > File Income Tax Return. The main heading is "Income Tax Return". A light blue message box states: "You have saved draft of Income Tax Return pending for submission". Below this, it says "No Saved Draft". A horizontal line with "OR" in the center separates this from the next section. The section contains the text "To file a fresh Income Tax return" and a blue button labeled "Start New Filing".

...FILING OF RETURN – ONLINE...

eportal.incometax.gov.in/iec/foservices/#/foreturns-ay21/common_pages/common_pages_2021/select_status

Login Tax Laws & Rules >... TRACES | Login Logitronics Pvt. Ltd... Tax Planning for De... Commissioner Of In... Deductions

 **e-Filing** *Anywhere Anytime*
Income Tax Department, Government of India

Dashboard > Filing Returns for A.Y. 2021-22

Please select the status applicable to you to proceed further

Based on your Profile we have pre-selected a status applicable to you.
You may change the status if it is not applicable to you.

Individual

HUF

Others


[< Back](#)

[Continue >](#)

...FILING OF RETURN – ONLINE

eportal.incometax.gov.in/iec/foervices/#/foreturns-ay21/common_pages/common_pages_2021/pick_an_itr_form

Login Tax Laws & Rules >... TRACES | Login Logitronics Pvt. Ltd... Tax Planning for De... Commissioner Of In... Deductions allowat

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Income Tax Department, Government of India

Call Us | A⁻ A A⁺ | ⓘ

Dashboard e-File ▾ Authorised Partners ▾ Services ▾ Pending Actions ▾ Grievances ▾ Help

Dashboard > Filing Returns for A.Y. 2021-22

Income Tax Returns

You need to choose an ITR Form to proceed

Help me decide which ITR Form to file

Proceed >

< Back

I know which ITR Form I need to file

Select ITR Form

Select ITR Form

ITR - 1

ITR - 4

CHANGES IN ITR - 1

- Option to avail benefit of new tax regime u/s. 115BAC
- ITR cannot be filed by assessee having TDS u/s. 194N (Payment of certain amounts in cash)
 - S. 194N - Every banking company (including any bank or banking institution), co-operative bank or a post-office, which is responsible for payment of cash to a person, from one or more accounts maintained by him, shall be required to deduct tax
 - Tax is required to be deducted if the amount of cash withdrawn during the year exceeds Rs. 20 lakhs in case of certain non-filers of return and Rs. 1 crore in other cases
- Resident individual having income-tax deferred on ESOP is restricted to file ITR 1
- Provide quarterly breakup of dividend income
- Date of donation made in cash has been inserted

CHANGES IN ITR – 2...

- ❑ Option to avail benefit of new tax regime u/s. 115BAC
- ❑ Option to file return in response to notice u/s. 153A and 153C is removed (w.e.f. April 1, 2021, assessments to be framed u/s. 147 r.w.s. 148, 148A, 149, 151)
- ❑ In Schedule CG, allowable difference between full value of consideration and value of property as per stamp authority increased from 1.05 time to 1.10 times
- ❑ Dividend income is taxable since s. 115BBDA is omitted – Changes made in Schedule OS to include dividend income and expense to earn dividend – Dividend removed from Schedule EI - exempt income
- ❑ Provide quarterly breakup of dividend income
- ❑ Date of donation made in cash (limit Rs. 2,000) has been inserted

...CHANGES IN ITR – 2...

- ❑ FA 2020 has allowed to defer the payment or deduction of tax on ESOPs allotted by an eligible start-up referred u/s. 80-IAC. The tax is required to be paid or deducted in respect of such ESOPs within 14 days from the earliest of the following period:
 - After expiry of 48 months from the end of assessment year relevant to the financial year in which ESOPs are allotted
 - From the date the assessee ceases to be an employee of the organisation
 - From the date of sale of shares allotted under ESOP
- ❑ Where payment or deduction of tax in respect of such ESOPs has been deferred, ITR 1 or ITR 4 cannot be furnished
- ❑ Gross tax payable bifurcated into (i) Tax on income without including deferred amount on ESOPs (ii) Deferred amount on ESOPs

...CHANGES IN ITR – 2...

- ❑ Disclose surcharge before ‘Marginal Relief’ and after ‘Marginal Relief’
- ❑ Earlier, TDS credit allowed only if corresponding income is offered to tax – Exception now made for TDS u/s. 194N

CHANGES IN ITR – 3...

- ❑ Option to avail benefit of new tax regime u/s. 115BAC
- ❑ Option to file return in response to notice u/s. 153A and 153C is removed (w.e.f. April 1, 2021, assessments to be framed u/s. 147 r.w.s. 148, 148A, 149, 151)
- ❑ Tax audit limit is increased from 5 crore to 10 crore where cash receipts or payments by a business do not exceed 5% of total receipts or payments
- ❑ Dividend income is taxable since s. 115BBDA is omitted – Changes made in Schedule OS to include dividend income and expense to earn dividend – Dividend removed from Schedule EI - exempt income
- ❑ Provide quarterly breakup of dividend income

...CHANGES IN ITR – 3...

- ❑ As a one-time relief, the proviso to s. 115BAC(3) and s. 115BAD(3) allow the assessee to increase the WDV of the block of asset by the amount of the unabsorbed depreciation provided he opts for the alternative tax regime in AY 2021-22
- ❑ Schedule DPM (Depreciation on Plant and Machinery) amended to make such one-time adjustment to the WDV of the respective block of asset
- ❑ Further, Schedule UD has also been amended to make the corresponding adjustment to the UAD for the amount of depreciation already adjusted with the WDV of the respective block of asset
- ❑ 45% depreciation was allowed on motor cars, buses w.r.t. assets purchased on or after 23.8.2019 but before 1.4.2020 and is put to use before 1.4.2020 – No additions will not be allowed in 45% block
- ❑ In Schedule CG, allowable difference between full value of consideration and value of property as per stamp authority increased from 1.05 time to 1.10 times

...CHANGES IN ITR – 3...

- ❑ Following deductions are removed due to sunset clause –
 - S. 80-IB(4) – Deduction in respect of industrial undertaking located in industrially backward states specified in Eight Schedule
 - S. 80-IB(5) – Deduction in respect of industrial undertaking located in industrially backward districts
 - S. 80-IB(11) - Deduction in the case of an undertaking operating a cold chain facility

- ❑ In a case where the excess money or part thereof has not been repatriated on time, the assessee has an option to pay additional income-tax @ 20.96%

- ❑ If such additional income-tax is paid, the assessee shall not be required to make a secondary adjustment or compute interest from the date of payment of such tax
 - Eg. A (Indian) and B (foreign related party). A sold goods to B at Rs. 80 whereas Rs. 100 was the ALP. Rs. 20 will be the primary adjustment. This Rs.20 will be considered as loan given by A to B and interest to be computed on the same

...CHANGES IN ITR – 3

- ❑ New changes
 - Amount of primary adjustment on which option u/s. 92CE(2A) is exercised and such excess money has not been repatriated within the prescribed time
 - Additional income tax payable @ 18% on above + Surcharge + Cess
 - Taxes already paid
 - Date of deposit of tax on secondary adjustments and payment / bank details
- ❑ Gross tax payable bifurcated into (i) Tax on income without including deferred amount on ESOPs (ii) Deferred amount on ESOPs
- ❑ Disclose surcharge before ‘Marginal Relief’ and after ‘Marginal Relief’
- ❑ Earlier, TDS credit allowed only if corresponding income is offered to tax – Exception now made for TDS u/s. 194N

CHANGES IN ITR – 4

- Option to avail benefit of new tax regime u/s. 115BAC
- Provide quarterly breakup of dividend income
- Resident individual having income-tax deferred on ESOPs cannot file ITR 4

CHANGES IN ITR – 5...

- Option to avail benefit of new tax regime u/s. 115BAD
- Option to file return in response to notice u/s. 153A and 153C is removed (w.e.f. April 1, 2021, assessments to be framed u/s. 147 r.w.s. 148, 148A, 149, 151)
- Tax audit limit is increased from 5 crore to 10 crore where cash receipts or payments by a business do not exceed 5% of total receipts or payments
- Provide quarterly breakup of dividend income

...CHANGES IN ITR – 5...

- ❑ Schedule DPM (Depreciation on Plant and Machinery) amended to make such one-time adjustment to the WDV of the respective block of asset
- ❑ Further, Schedule UD has also been amended to make the corresponding adjustment to the UAD for the amount of depreciation already adjusted with the WDV of the respective block of asset
- ❑ 45% depreciation was allowed on motor cars, buses w.r.t. assets purchased on or after 23.8.2019 but before 1.4.2020 and is put to use before 1.4.2020 – No additions will not be allowed in 45% block
- ❑ In Schedule CG, allowable difference between full value of consideration and value of property as per stamp authority increased from 1.05 time to 1.10 times

...CHANGES IN ITR – 5

- ❑ Following deductions are removed due to sunset clause –
 - S. 80-IB(4) – Deduction in respect of industrial undertaking located in industrially backward states specified in Eight Schedule
 - S. 80-IB(5) – Deduction in respect of industrial undertaking located in industrially backward districts
 - S. 80-IB(11) - Deduction in the case of an undertaking operating a cold chain facility

- ❑ Date of donation made in cash (limit Rs. 2,000) has been inserted

- ❑ S. 92CE(2A) (Secondary adjustments) – Which option is exercised has to be selected

- ❑ Disclose surcharge before ‘Marginal Relief’ and after ‘Marginal Relief’

- ❑ Earlier, TDS credit allowed only if corresponding income is offered to tax – Exception now made for TDS u/s. 194N

CHANGES IN ITR – 6...

- ❑ Option to file return in response to notice u/s. 153A and 153C is removed (w.e.f. April 1, 2021, assessments to be framed u/s. 147 r.w.s. 148, 148A, 149, 151)
- ❑ If total turnover or gross receipts of PY 2018-19 does not exceed Rs. 400 crores, tax rate is 25%
- ❑ Tax audit limit is increased from 5 crore to 10 crore where cash receipts or payments by a business do not exceed 5% of total receipts or payments
- ❑ Provide quarterly breakup of dividend income
- ❑ In Schedule DPM, columns relating to WDV adjustment on adoption of s. 115BAA in AY 2020-21 has been removed

...CHANGES IN ITR – 6...

- ❑ 45% depreciation was allowed on motor cars, buses w.r.t. assets purchased on or after 23.8.2019 but before 1.4.2020 and is put to use before 1.4.2020 – No additions will not be allowed in 45% block
- ❑ In Schedule CG, allowable difference between full value of consideration and value of property as per stamp authority increased from 1.05 time to 1.10 times
- ❑ Following deductions are removed due to sunset clause –
 - S. 80-IB(4) – Deduction in respect of industrial undertaking located in industrially backward states specified in Eight Schedule
 - S. 80-IB(5) – Deduction in respect of industrial undertaking located in industrially backward districts
 - S. 80-IB(11) - Deduction in the case of an undertaking operating a cold chain facility
- ❑ Date of donation made in cash (limit Rs. 2,000) has been inserted
- ❑ S. 92CE(2A) (Secondary adjustments) – Which option is exercised has to be selected

...CHANGES IN ITR – 6

- Schedule DDT removed
- Earlier, TDS credit allowed only if corresponding income is offered to tax – Exception now made for TDS u/s. 194N

CHANGES IN ITR – 7...

- ❑ Assessee to furnish following details in respect of application for registration made under new provisions –
 - Whether application for registration is made as per new provisions
 - Section under which registration is applied
 - Date on which application for registration / approval as per new provision is made
 - Relevant section for claiming exemption under the new provisions

- ❑ Entity has an option to claim exemption u/s. 10(23C) or 11 – To select the section of exemption opted for under the new provisions

- ❑ These details shall be filled only if the application for registration under new provisions has been filed before filing the return

- ❑ Corpus donations is not required to be considered as part of application of income for donor

...CHANGES IN ITR – 7

- Earlier, TDS credit allowed only if corresponding income is offered to tax – Exception now made for TDS u/s. 194N
- Dividend related changes made



FORM 29B AND FORM 29C

MAT PROVISIONS – S. 115JC...

- For persons other than company
- Rate of tax = 18.5% on **adjusted total income**
- Adjusted total income = Total income + Chapter VIA Deductions in respect of certain incomes (other than s. 80P) + Deduction u/s. 10AA + Deduction u/s. 35AD as reduced by the amount of depreciation u/s. 32 as if no deduction u/s. 35AD was allowed
- File **Form 29C** one month prior to the date of filing the return
- Not applicable if s. 115BAC or 115BAD apply

...MAT PROVISIONS – S. 115JB...

- For company
- Rate of tax = 15% on **Book profits**
- Book profits = Profit as per statement of profit and loss + Certain additions – Certain deductions +/- Certain adjustments as per Ind AS
- File **Form 29B** one month prior to the date of filing the return
- Not applicable if s. 115BAA or 115BAB apply

...MAT PROVISIONS – S. 115JB...

On transition- Sub-section (2C)

Book profit to be increased/decreased every year for five years by 1/5th of the transition amount

Transition amount = Aggregate of adjustments made in Other Equity excluding capital reserve/securities premium on the convergence date

6 exclusions for determining the transition amount – Explanation to section 115JB(2C)(iii)

Subsequent years- Sub-sections (2A) and (2B)

Addition to profits

Amounts credited to OCI for items not to be re-classified to profit or loss

Amounts debited to P/L on distribution of non-cash assets to SH on demerger

2 exclusions from 'items not to be re-classified to profit or loss' for addition/deduction from book profits – First proviso to section 115JB(2A)

Deduction from profits

Amounts debited to OCI for items not to be re-classified to profit or loss

Amounts credited to P/L on distribution of non-cash assets to SH on demerger

...MAT PROVISIONS – S. 115JB...

❑ Exclusions from transition amount adjusted on transition date - On transition

- Amount adjusted in OCI and subsequently re-classified to profit or loss
- Revaluation surplus for assets
- Gains/losses from investments in equity instruments designated at fair value through OCI
- Adjustments relating to PPE and intangible assets recorded at fair value as deemed cost
- Adjustments relating to investments in subsidiaries, joint ventures and associates recorded at fair value as deemed cost
- Adjustments relating to cumulative translation differences of a foreign operation

❑ The above amounts to be adjusted in book profits when the related asset/investment/foreign operation is retired/disposed/realised/otherwise transferred [1st and 2nd proviso to s. 115JB (2C)]

...MAT PROVISIONS – S. 115JB

- ❑ **Exclusions from “Items not to be re-classified to profit or loss” for addition/deduction from book profits – On Subsequent measurement**
 - Revaluation surplus for assets in accordance with Ind AS 16 and Ind AS 38; and
 - Gains/losses from investments in equity instruments designated at FVTOCI as per Ind AS 109

- ❑ The above amounts to be adjusted in book profits when the related asset/investment/foreign operation is retired/disposed/realised/otherwise transferred [2nd proviso to s. 115JB(2A)]

THANK YOU!!!

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