

ISSUES IN FILING ITR FOR AY 2018-19

For J B Nagar Study Circle Meeting



APPLICABILITY OF ITRs' FOR AY 2018-19 – NATURE OF INCOME WISE ANALYSIS

Individual and HUF				
Nature of income	ITR 1* (Sahaj)	ITR 2	ITR 3	ITR 4
Income from salary/pension (for ordinarily resident person)	✓	✓	✓	✓
Income from salary/pension (for not ordinarily resident and non-resident person)		✓	✓	✓
Income or loss from one house property (excluding brought forward and carried forward losses)	✓	✓	✓	✓
Income or loss from more than one house property		✓	✓	
Agricultural income exceeding Rs. 5,000		✓	✓	
Total income exceeding Rs. 50 lakhs		✓	✓	✓
Dividend income exceeding Rs. 10 lakhs taxable under Section 115BBDA		✓	✓	
Unexplained credit or unexplained investment taxable at 60% under Sections 68, 69, 69A, etc.		✓	✓	
Income from other sources (other than winnings from lotteries and race horses or losses under this head)	✓	✓	✓	✓

APPLICABILITY OF ITRs' FOR AY 2018-19 – NATURE OF INCOME WISE ANALYSIS...continued

Individual and HUF				
Nature of income	ITR 1* (Sahaj)	ITR 2	ITR 3	ITR 4
Income from other sources (including winnings from lotteries and race horses or losses under this head)		✓	✓	✓
Capital gains/loss on sale of investments/property		✓	✓	
Interest, salary, bonus, commission or share of profit received by a partner from a partnership firm.			✓	
Income from business or profession			✓	
Income from presumptive business			✓	✓
Income from foreign sources or Foreign assets or having Signing authority in any account outside India		✓	✓	
Income to be apportioned in accordance with Section 5A		✓	✓	✓
Claiming relief of tax under sections 90, 90A or 91		✓	✓	

* Only an Individual, who is an ordinarily resident in India, can file income-tax return in Form ITR-1.



APPLICABILITY OF ITRs' FOR AY 2018-19 - STATUS OF ASSESSEE WISE ANALYSIS...continued

Other Assesseees				
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 (AOPs)		✓		
Body of Individuals (BOIs)		✓		
Local Authority		✓		
Artificial Juridical Person		✓		
Companies other than companies claiming exemption u/s 11			✓	
Persons including companies required to furnish return u/s 139(4A), 139(4B), 139(4C), 139(4D), 139(4E) and 139(4F)				✓



CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION - ITR 1 (Sahaj)

Particulars	ITR 1 of AY 2017-18	ITR 1 of AY 2018-19
Who can file ITR 1	All individuals having income from salaries, one house property (both SOP and Let out) and other sources	Ordinarily resident individuals having income from salaries, one house property (both SOP and Let out) and other sources. RNORs and the non-residents will have to file ITR 2
IFS and IFHP disclosure	No detailed breakup	Detailed breakup of IFS and IFHP is required
Total Income Limit of Rs. 50 lacs	No change	No change



SCREENSHOTS OF EXTRACTS OF ITR 1 OF AY 2018-19 AND AY 2017-18

AY 2018-19

PART B GROSS TOTAL INCOME				Whole- Rupee(₹) only	
SALARY / PENSION	B1	i Salary (excluding all allowances, perquisites and profit in lieu of salary)	i		
		ii Allowances not exempt	ii		
		iii Value of perquisites	iii		
		iv Profit in lieu of salary	iv		
		v Deductions u/s 16	v		
		vi Income chargeable under the head 'Salaries' (i + ii + iii + iv - v)			B1
HOUSE PROPERTY	B2	Tick applicable option <input type="checkbox"/> Self Occupied <input type="checkbox"/> Let Out	If let out, furnish details below -		
		i Gross rent received/ receivable/ lettable value	i		
		ii Tax paid to local authorities	ii		
		iii Annual Value (i - ii)	iii		
		iv 30% of Annual Value	iv		
		v Interest payable on borrowed capital	v		
	vi Income chargeable under the head 'House Property' (iii - iv - v)			B2 ()	
	B3	Income from Other Sources			B3
	B4	Gross Total Income (B1+B2+B3) (If loss, put the figure in negative)			B4 ()

AY 2017-18

PART B GROSS TOTAL INCOME			Whole- Rupee(₹) only	
B1	Income From Salary /Pension		B1	
B2	Income from One house property <input type="checkbox"/> Self Occupied <input type="checkbox"/> Let Out <input type="checkbox"/> (If loss, put the figure in negative)		B2 ()	
B3	Income from Other Sources		B3	
B4	Gross Total Income (B1+B2+B3) (If loss, put the figure in negative)		B4 ()	



CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION - ITR 2

Particulars	ITR 2 of AY 2017-18	ITR 2 of AY 2018-19
Who can file ITR 2	Individuals and HUFs not carrying out business or profession under any proprietorship. Partners having income from firms.	Individuals and HUFs not having income from profits and gains of business or profession Now Partners of firms will have to file ITR 3 as they cannot file ITR 2. RNORs and Non-Residents who used to file ITR 1 upto AY 2017-18 will have to file ITR 2 as now ITR 1 is applicable only to Ordinary Residents
Field of "PGBP" under Part B - TI , Schedule-IF (Income from Firm) and Schedule-BP	Available in case of partners	Not available
Schedule AL, the line item pertaining to "Interest held in the assets of a firm or AOP as a partner or member thereof"	Available	Not available

Presumptive Taxation – Section 44AD of the Act

- ▶ Section 44AD deals with Presumptive Tax applicable to certain class of Assessee satisfying certain conditions. Some of the conditions are specified herein below:–
 - Assessee is an Individual, HUF or a Partnership Firm.
 - Assessee has earned Business Income during any year.
 - His Turnover from Business does not exceed 2 Crore.
- ▶ If above conditions are satisfied, then Assessee has an option to declare 8% of its Turnover as Net Profit earned out of Business carried on in his Return of Income (and 6% if gross receipts of business is by Account payee Cheque or Bank Draft or through Online transfers through a bank account).
- ▶ In case Assessee opts for presumptive tax system u/s 44AD and declares income @ 8%/ 6% of Turnover as aforesaid, he will not be required to maintain Books of Accounts u/s 44AA and will not be required to get the accounts audited u/s 44AB of the Act.



Presumptive Taxation – Section 44AD of the Act

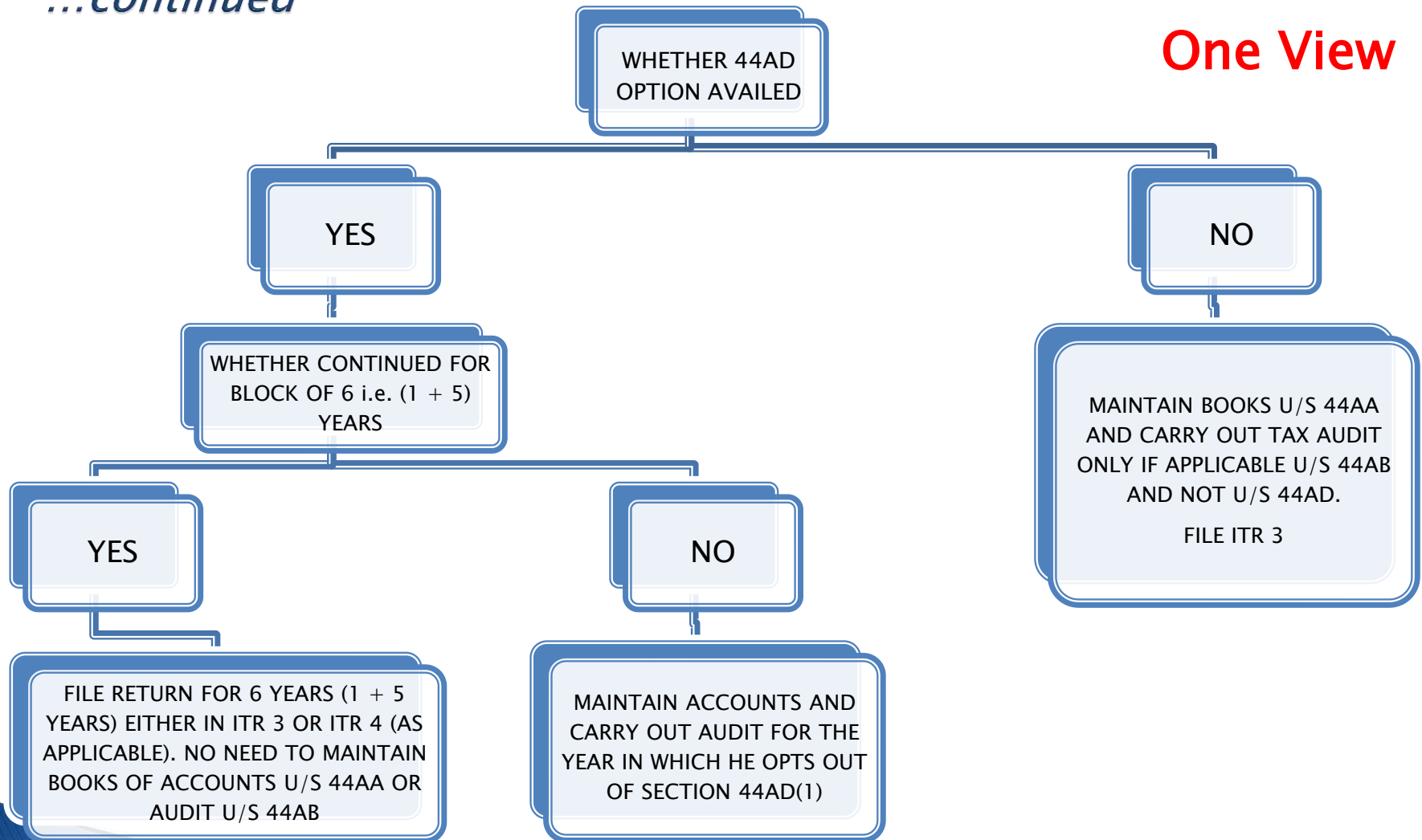
...continued

- ▶ Once Assessee exercises option of presumptive tax he will have to follow presumptive tax regime in 5 subsequent years from the first year in which such option is exercised (1 + 5 years).
- ▶ In case he opts not to exercise the option in any of the 5 subsequent years, then he will be liable to maintain books of accounts and get the accounts audited for the year in which he opts out from presumptive taxation scheme.
- ▶ Whether he has to carry out Tax Audit u/s 44AB of the Act for the subsequent 5 years from the year in which he opts out from the presumptive taxation scheme is debatable.

Presumptive Taxation - Section 44AD of the Act

...continued

One View



CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 3

- ▶ This ITR has been specifically prescribed for individuals and HUF having “Income from PGBP”.
- ▶ Chapter XIA of the Act provides an option to resident taxpayers which were non-resident in earlier years and having income from specified investment derived from foreign exchange assets, to continue with the benefit of concessional rate of taxation until such assets have been transferred or converted into money. The taxpayer is required to opt for the said option at the time of furnishing the tax return. Under General Information, a field relating to Section 115H has been added to select this option.

(c)	If filed, in response to a notice u/s 139(9)/142(1)/148/153A/153C enter date of such notice, or u/s 92CD enter date of advance pricing agreement		
(d)	Residential Status	<i>Tick applicable option</i> <input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident <input type="checkbox"/> Resident but Not Ordinarily Resident	Do you want to claim the benefit under section 115H? (applicable in case of resident)
(e)	Whether any transaction has been made with a person located in a jurisdiction notified u/s 94A of the Act?		

- ▶ Depreciation has been restricted to a maximum of 40% on depreciable assets in all depreciation related schedules which was @ 60% in certain block of assets.

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 3

- ▶ Fields under Schedule PL have been modified to include GST related details.

C	Duties, taxes and cess received or receivable in respect of goods and services sold or supplied		
	i	Union Excise duties	i
	ii	Service tax	ii
	iii	VAT/ Sales tax	iii
	iv	Central Goods & Service Tax (CGST)	iv
	v	State Goods & Services Tax (SGST)	v
	vi	Integrated Goods & Services Tax (IGST)	vi
	vii	Union Territory Goods & Services Tax (UTGST)	vii
	viii	Any other duty, tax and cess	viii
	ix	Total (i + ii + iii + iv +v+ vi+vii+viii)	

These details were not present in ITR of AY 2017-18

6	Purchases (net of refunds and duty or tax, if any)		
7	Duties and taxes, paid or payable, in respect of goods and services purchased		
	i	Custom duty	7i
	ii	Counter veiling duty	7ii
	iii	Special additional duty	7iii
	iv	Union excise duty	7iv
	v	Service tax	7v
	vi	VAT/ Sales tax	7vi
	vii	Central Goods & Service Tax (CGST)	7vii
	viii	State Goods & Services Tax (SGST)	7viii
	ix	Integrated Goods & Services Tax (IGST)	7ix
	x	Union Territory Goods & Services Tax (UTGST)	7x
	xi	Any other tax, paid or payable	7xi
	xii	Total (7i + 7ii + 7iii + 7iv + 7v + 7vi + 7vii + 7viii + 7ix + 7x + 7xi)	

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 4

- ▶ ITR 4 (SUGAM) can be used by eligible assesseees having presumptive income from business or profession.
- ▶ Thus, eligible assesseees having only presumptive income under section 44AD, 44ADA or 44AE, under the head PGBP may file return in ITR 4. Alternatively, they can also file ITR 3.

(When should one file ITR 3 and when ITR 4 has been discussed exhaustively in subsequent slides)

- ▶ Information relating to the GST Number and the Turnover/ Gross Receipt as per GST return filed. It should be ensured that the details provided are verified correspondingly with GST Returns and also with Form 26AS.

INFORMATION REGARDING TURNOVER/GROSS RECEIPT REPORTED FOR GST	
E9	GSTR No.
E10	Amount of turnover/Gross receipt as per the GST return filed

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 4...continued

- There are few additional disclosures required regarding financial particulars of business which was not a requirement in AY 2017-18

FINANCIAL PARTICULARS OF THE BUSINESS			
NOTE —For E11 to E25 furnish the information as on 31 st day of March, 2018			
E11	Partners/ Members own capital	E11	
E12	Secured loans	E12	
E13	Unsecured loans	E13	
E14	Advances	E14	
E15	Sundry creditors	E15	
E16	Other liabilities	E16	
E17	Total capital and liabilities (E11+E12+E13+E14+E15+E16)	E17	
E18	Fixed assets	E18	
E19	Inventories	E19	
E20	Sundry debtors	E20	
E21	Balance with banks	E21	
E22	Cash-in-hand	E22	
E23	Loans and advances	E23	
E24	Other assets	E24	
E25	Total assets (E18+E19+E20+E21+E22+E23+E24)	E25	
NOTE ▶ Please refer to instructions for filling out this schedule (E15, E19, E20, E22 are mandatory and others if available)			

- Explanation (f) to section 139(9)** – where regular books of account are not maintained by the assessee, the return is accompanied by a statement indicating the amounts of turnover or, as the case may be, **gross receipts, gross profit, expenses and net profit** of the business or profession and the basis on which such amounts have been computed, and also disclosing the amounts of total **sundry debtors, sundry creditors, stock-in-trade and cash balance** as at the end of the previous year.

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 4...*continued*

Given below is the extract of Schedule BP wherein information in relation to presumptive business is required to be entered.

SCHEDULE BP – DETAILS OF INCOME FROM BUSINESS OR PROFESSION			
COMPUTATION OF PRESUMPTIVE INCOME UNDER 44AD			
E1	Gross Turnover or Gross Receipts		
	a	Through a/c payee cheque or a/c payee bank draft or bank electronic clearing system received before specified date	E1a
	b	Any other mode	E1b
E2	Presumptive Income under section 44AD		
	a	6% of E1a	E2a
	b	8% of E1b	E2b
	c	Total (a + b)	E2c
	NOTE—If Income is less than the above percentage of Gross Receipts, it is mandatory to have a tax audit under 44AB & regular ITR 3 or 5 has to be filled not this form		
COMPUTATION OF PRESUMPTIVE INCOME UNDER 44ADA (PROFESSION)			
E3	Gross Receipts		E3
E4	Presumptive Income under section 44ADA (50% of E3)		E4
	NOTE—If Income is less than 50% of Gross Receipts, it is mandatory to have a tax audit under 44AB & regular ITR 3 or 5 has to be filled not this form		
COMPUTATION OF PRESUMPTIVE INCOME UNDER 44AE			
E5	Presumptive Income from Goods Carriage under section 44AE		E5
	NOTE—If the profits are lower than prescribed under S.44AE or the number of Vehicles owned at any time exceed 10 then the regular ITR 3/5 form has to be filled and not this form		
E6	Salary and interest paid to the partners		E6
	NOTE – This is to be filled up only by firms		
E7	Presumptive Income u/s 44AE (E5-E6)		E7
E8	Income chargeable under Business or Profession (E2c+E4+E7)		E8

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 4...*continued*

- ▶ In case assessee wants to declare income less than presumptive rate, then ITR 4 cannot be filed. ITR 3 or ITR 5 may be then opted.
- ▶ *In our opinion*, in a case where assessee wants to declare income *equal to or higher* than presumptive rate (6%/ 8% as the case may be), then either ITR 3 or ITR 4 can be filed.

ITR – 4 **CANNOT** be filed if assessee has following particulars in his ITR.

Particulars

Income or loss from more than one House Property

Agricultural income exceeding Rs. 5,000

Income from other sources (including winnings from lottery and race horses or losses under this head)

Capital gains/loss on sale of Capital assets

Interest, salary, share of profit, etc. received by a partner from a partnership firm.

Income from business or profession (Non Speculative)

Income from Speculative Business and other special incomes

Income from an agency business or income in the nature of commission or Brokerage

Income from foreign sources/assets/any account outside India

Claim of relief of tax under sections 90, 90A or 91

Dividend income exceeding Rs. 10 lakhs taxable under Section 115BBDA

Voluntary offer of income under Sections 68, 69, 69A, etc. [taxable at 60% u/s 115BBE)

Adjustments of Brought Forward Losses of earlier years

In case of above mentioned particulars, ITR 3 has to be filed.

Whether to file ITR 3 or ITR 4?

- ▶ ITR 3 is a return competent to accept all types of incomes including income under presumptive income scheme.
- ▶ ITR 4 does not allow income from business other than income from presumptive business.
- ▶ In view of the above, ITR 3 has a wider ambit as it also has a provision for Assesseees to furnish Profit and Loss Account and Balance Sheet of Business.
- ▶ Hence, in case where there is only presumptive income, **EITHER ITR 4 OR ITR 3** can be filed and if there is any other particulars not fitting in ITR 4 (as mentioned in previous slide), then ITR 3 has to be filed.

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 5

There are no other changes in the ITR –5 form other than the common clauses added in the form, which are discussed in the subsequent slides.

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 6

- ▶ ITR 6 is applicable for Companies other than Companies claiming exemption u/s 11.
- ▶ For Ind AS Compliant companies, Balance Sheet and Profit and Loss account information has to be furnished separately in newly inserted Part A-BS-Ind AS and Part A-P& L – Ind AS.
- ▶ A new Schedule FD has been added seeking break-up of payments/ receipt in foreign currency, in the following format:

Schedule FD		Break-up of payments/receipts in Foreign currency <i>(to be filled up by the assessee who is not liable to get accounts audited u/s 44AB)</i>	
Foreign Currency Transaction	SNo.		Amount (in Rs.)
	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 ▶		<i>Please refer to instructions for filling out this schedule.</i>	

(to be filled up by an assessee who is not liable to get accounts audited u/s 44AB)

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 6...continued

- ▶ A new column has been inserted in ITR 6 to provide details of apportionments made by the companies from the net profit for the Corporate Social Responsibility (CSR) activities. It needs to be ensured that the sums reported reconciles with the Financial Statements.

PROVISIONS FOR TAX AND APPROPRIATIONS	46	Provision for current tax		46	
	47	Provision for Deferred Tax and deferred liability		47	
	48	Profit after tax (45 - 46 - 47)		48	
	49	Balance brought forward from previous year		49	
	50	Amount available for appropriation (48 + 49)		50	
	51	Appropriations			
	i	Transfer to reserves and surplus	51i		
	ii	Proposed dividend/ Interim dividend	51ii		
	iii	Tax on dividend/ Tax on dividend for earlier years	51iii		
	iv	Appropriation towards Corporate Social Responsibility (CSR) activities (in case of companies covered under section 135 of Companies Act, 2013)	51iv		

Page 17

v	Any other appropriation	51v		
vi	Total (51i + 51ii + 51iii + 51iv+51v)		51vi	

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 6...continued

- ▶ From the said extract, it can be concluded that legislature is treating contribution to CSR as an appropriation whereas in Profit and Loss Account as per Schedule III of Companies Act 2013, it is an expense.
- ▶ In P & L of ITR, it will be shown below PAT and hence PBT and PAT of ITR will not match with PBT and PAT of Profit and Loss Account prepared in accordance with Schedule III of Companies Act 2013.
- ▶ Consequently, since Computation of Income will start from PBT as per ITR, there is no need to disallow CSR expenditure.
- ▶ This was not the case in ITR of AY 2017–18 as there was no separate head for CSR expenditure.

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 6...continued

AY 2018-19: MAT Adjustments for Ind-AS Compliant companies

8	Whether the financial statements of the company are drawn up in compliance to the Indian Accounting Standards (Ind-AS) specified in Annexure to the companies (Indian Accounting Standards) Rules, 2015. If yes, furnish the details below:-		<input type="checkbox"/> Yes	<input type="checkbox"/> No
	A. Additions to book profit under sub-sections (2A) to (2C) of section 115JB			
a	Amounts credited to other comprehensive income in statement of profit & loss under the head "items that will not be reclassified to profit & loss"	8a		
b	Amounts debited to the statement of profit & loss on distribution of non-cash assets to shareholders in a demerger	8b		
c	One fifth of the transition amount as referred to in section 115JB (2C) (if applicable)	8c		
d	Others (including residual adjustment)	8d		
e	Total additions (8a + 8b + 8c + 8d)	8e		
	B. Deductions from book profit under sub-sections (2A) to (2C) of section 115JB			
f	Amounts debited to other comprehensive income in statement of profit & loss under the head "items that will not be reclassified to profit & loss"	8f		
g	Amounts credited to the statement of profit & loss on distribution of non-cash assets to shareholders in a demerger	8g		
h	One fifth of the transition amount as referred to in section 115JB (2C) (if applicable)	8h		
i	Others (including residual adjustment)	8i		
j	Total deductions (8f + 8g + 8h + 8i)	8j		
9	Deemed total income under section 115JB (7 + 8e – 8j)	9		
10	Tax payable under section 115JB	10		

AY 2017-18: Section 115JB was amended by Finance Act 2017 but was made applicable retrospectively from AY 2017-18. However, the above table was not present in ITR of AY 2017-18.

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 6...continued

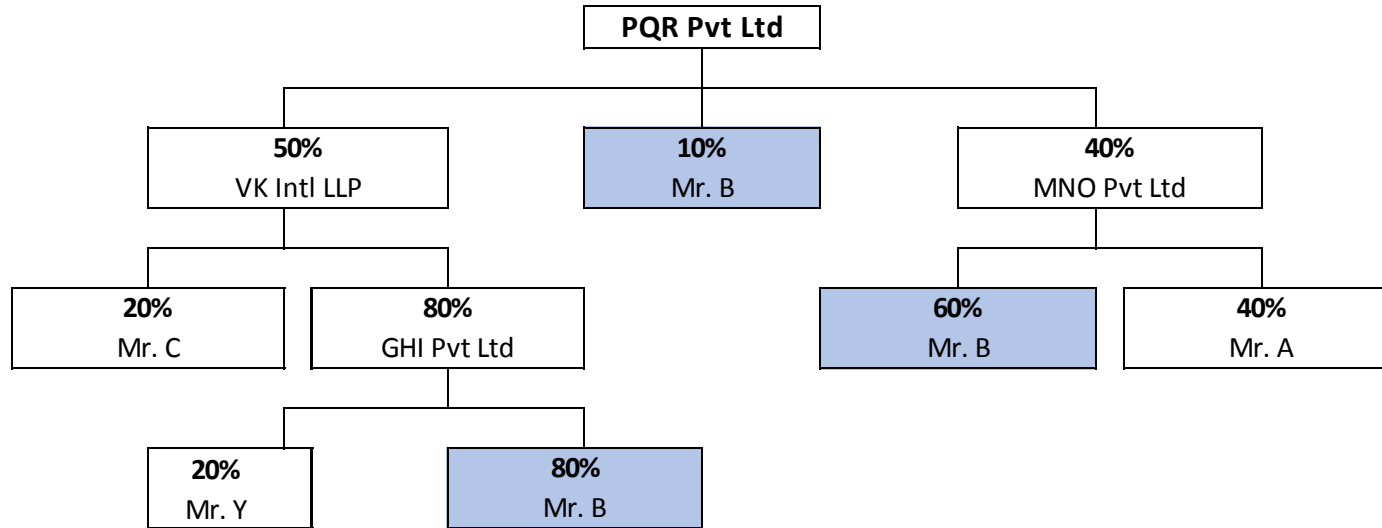
- ▶ AY 2018-19
 - The new ITR 6 requires every unlisted company to provide details of all beneficial owners who are holding 10% or more voting power (directly or indirectly) at any time during the year 2017-18. This field is optional.

OWNERSHIP INFORMATION	In case of unlisted company, particulars of natural persons who were the ultimate beneficial owners, directly or indirectly, of shares holding not less than 10% of the voting power at any time of the previous year (if available)			
	S.No.	Name and Address	Percentage of shares held	PAN (if allotted)

- ▶ AY 2017-18
 - This detail was not asked for in ITR of Ay 2017-18

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 6...continued

Difference between Beneficial Shareholder and Ultimate Beneficial Shareholder



Mr. B is a beneficial Shareholder in PQR Pvt. Ltd for only 10%

But, he is Ultimate Beneficial Shareholder in PQR Pvt Ltd of 66%

Direct Holding	10%
80% of 80% of 50% via GHI Pvt Ltd and VK Intl LLP	32%
60% of 40% via MNO Pvt td	24%
Ultimate Beneficial Shareholding in PQR Ltd	66%

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 6...continued

- ▶ AY 2018–19: Break up of Total Expenditure with registered or unregistered entities under GST (ITR–6) to be furnished by assessee NOT liable for Audit u/s 44AD.

Schedule GST Break-up of total expenditure with entities registered or not registered under the GST (Details in respect of expenditure on or after 01 st July, 2017 to be filled up by the assessee who is not liable to get accounts audited u/s 44AB)							
DETAILS OF GST	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				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	Total payment to registered entities	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)

NOTE ▶ Please refer to instructions for filling out this schedule.

- ▶ A question which will arise here is that in Profit and Loss Account, expense for entire year will be reflected where as GST was effective only from 1st July 2017 i.e. 9 months of previous year 2017–18 and there will be mismatch.

We hope for some clarification from department regarding this.

- ▶ AY 2017–18: This schedule finds no place in ITR of AY 2017–18

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 7

- ▶ ITR 7 is applicable to persons including companies required to furnish return by Charitable Trusts [139(4A)] or Political Parties [139(4B)] or Research Associations, Mutual Funds etc. [139(4C)] or University, colleges etc. [139(4D)] or Business Trusts [139(4E)] or Investment Funds [139(4F)]:
- ▶ The corpus donations given to the other charitable trust with similar objects, now will not be entitled for deductions. Further, due to certain mandatory requirements of filing of various forms for claiming exemptions u/s 11 and to ensure that there is no mis-use or evasion of tax by the persons covered in the return, the additional information relating to the compliance of other sections have now been incorporated in the return form. The same are summarized as under:
 - Form 9A is a form which has to be filed by a trust/ institution/ organization within due date of furnishing Return u/s 139(1) so as to exercise option of deemed application of income for charitable/ religious purpose referred in clause (2) of the Explanation to section 11(1) of the Act
 - The information about filing of Form 9A has been incorporated in ITR 7.

Relevant extract is as follows.

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 7

Part B – II		STATEMENT OF INCOME FOR THE PERIOD ENDED ON 31ST MARCH, 2018	
If registered under section 12A/12AA or approved under section 10(23C)(iv)/10(23C)(v)/10(23C)(vi)/10(23C)(via), fill out items 1 to 7 (as applicable)			
1	Voluntary contribution forming part of corpus as per section 11(1)(d) [(Ai + Bi) of schedule VC]	1	
2	Voluntary Contributions other than corpus(C – (Ai+Bi) of schedule VC)	2	
3	Aggregate of income referred to in sections 11, 12 and sections 10(23C)(iv),10(23C)(v),10(23C)(vi) and 10(23C)(via) derived during the previous year excluding Voluntary contribution included in 1 and 2 above (9 of Schedule AD)	3	
4	Application of income for charitable or religious purposes or for the stated objects of the trust/institution:-		
i	Amount applied during the previous year - Revenue Account [24(A) of Schedule ER]	4i	
ii	Amount applied during the previous year–Capital Account [Excluding application from Borrowed Funds] [8(A) of Schedule EC]	4ii	
iii	Amount applied during the previous year - Capital Account (Repayment of Loan)	4iii	
iv	Amount applied during the previous year - Utilisation of surplus accumulated during an earlier year [item No. 24(B) of Schedule ER + item No.8(B) of Schedule EC]	4iv	
v	Amount deemed to have been applied during the previous year as per clause (2) of Explanation to section 11(1)	4v	
a	If (v) above applicable, whether option Form No. 9A has been furnished to the Assessing Officer	4va	
b	If yes, date of furnishing Form No. 9A (DD/MM/YYYY)	4vb	
vi	Amount accumulated or set apart for application to charitable or religious purposes or for the stated objects of the trust/institution to the extent it does not exceed 15 per cent of income derived from property held in trust/ institution under section 11(1)(a)/11(1)(b) or in terms of third proviso to section 10(23C) [restricted to the maximum of 15% of (2 + 3) above]	4vi	

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 7

- Additional Declaration required in case of political parties – to confirm if cash donations exceeding Rs. 2,000/- are received [Section 13A].

Schedule LA Political Party

POLITICAL PARTY	1	Whether books of account were maintained? <i>(tick as applicable ☑)</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	2	a	Whether any voluntary contribution from any person in excess of twenty thousand rupees was received during the year ? <i>(tick as applicable ☑)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
		b	If yes, whether record of each voluntary contribution (other than contributions by way of electoral bonds) in excess of twenty thousand rupees (including name and address of the person who has made such contribution) were maintained? <i>(tick as applicable ☑)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
	3	Whether the accounts have been audited? <i>(tick as applicable ☑)</i>		<input type="checkbox"/> Yes <input type="checkbox"/> No
		If yes, furnish the following information:-		
		a	Date of furnishing of the audit report (DD/MM/YYYY)	___/___/___
		b	Name of the auditor signing the audit report	
		c	Membership No. of the auditor	
		d	Name of the auditor (proprietorship/ firm)	
		e	Proprietorship/firm registration No.	
	f	Permanent Account Number (PAN) of the auditor (proprietorship/ firm)		
	g	Date of audit report		
	4	Whether any donation exceeding two thousand rupees was received otherwise than by an account payee cheque or account payee bank draft or use of electronic clearing system through a bank account or through electoral bond? <i>(tick as applicable ☑)</i>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 7 ...continued

- Details of fresh registration upon change of objects [Section 12A(1) (ab)]

C	i	Is there any change in the objects/activities during the Year on the basis of which approval/registration was granted?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	ii	If yes, please furnish following information:-		
	a	date of such change (DD/MM/YYYY)	____/____/____	
	b	whether an application for fresh registration has been made in the prescribed form and manner within the stipulated period of thirty days as per Clause (ab) of sub-section (1) of section 12A	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	c	whether fresh registration has been granted under section 12AA	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	d	date of such fresh registration (DD/MM/YYYY)	____/____/____	

CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION – ITR 7...continued

- ▶ Amount utilized during the year for the stated objects out of surplus sum accumulated during an earlier year.
 - AY 2018-19

Schedule ER		Amount applied to charitable or religious purposes in India or for the stated objects of the trust/institution during the previous year - Revenue Account [to be mandatorily filled in by all persons filing ITR-7 (except Political Party or Electoral Trust)]		
			Out of income derived during the previous year (A)	Utilisation of surplus accumulated during earlier years (B)
1	Rents	1		
2	Repairs	2		
3	Compensation to employees	3		
4	Insurance	4		
5	Workmen and staff welfare expenses	5		
6	Entertainment and Hospitality	6		

- AY 2017-18

Schedule ER		Amount applied to charitable or religious purposes in India during the previous year - Revenue Account		
1	Rents	1		
2	Repairs	2		
3	Compensation to employees	3		
4	Insurance	4		
5	Workmen and staff welfare expenses	5		
6	Entertainment and Hospitality	6		

CHANGES APPLICABLE TO ALL FORMS

- ▶ There is a field specifically to furnish details of fee payable under Section 234F in the returns.

8	Interest and fee payable		
a	Interest for default in furnishing the return (section 234A)	8a	
b	Interest for default in payment of advance tax (section 234B)	8b	
c	Interest for deferment of advance tax (section 234C)	8c	
d	Fee for default in furnishing return of income (section 234F)	8d	
e	Total Interest and Fee Payable (8a+8b+8c+8d)		

Particulars		Amount
In case of income below 5 lakhs		• Late fee is limited to Rs 1,000
In any other case	• If return filed on or Before December 31	• Rs 5,000
	• If return filed on or after January 1	• Rs 10,000

- ▶ Requirement of furnishing details of cash deposit for a specified period as provided in ITR Form for AY 2017-18 has been done away with from AY 2018-19.

CHANGES APPLICABLE TO ALL FORMS

- ▶ Section 115BBDA provides for levy of additional tax on dividend income received from domestic companies, if it exceeds Rs. 10 lakhs in aggregate.

Earlier this section was applicable only to resident Individual, HUF and Firms. The scope of this section was extended by the Finance Act, 2017 by levying the additional tax on all resident taxpayers except a domestic company, funds or institutions as referred to in Section 10(23C) (iv)/(v)/ (vi)/(via) and a trust registered under Section 12A or 12AA.

Accordingly, this requirement of reporting is introduced for the first time in ITR 7 for AY 2018–19.

CHANGES APPLICABLE TO ALL FORMS

- ▶ AY 2018-19
 - The information on TDS of current financial year has to be bifurcated into “deducted in own hands” and “deducted in the hands of spouse or any other person as per Rule 37BA(2) claiming of TDS credit as per rule 37BA” (details of Income, TDS, PAN of the person has to be furnished in this case). Likewise, detailed information on similar lines is required in respect of TDS credit claimed. (ITR-2, ITR-3, ITR-4, ITR-5 & ITR-6).

C Details of Tax Deducted at Source (TDS) on Income [As per Form 16 A issued or Form 26QB/26QC furnished by Deductor(s)]														
5 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

CHANGES APPLICABLE TO ALL FORMS

- ▶ AY 2017-18

Relevant extract of TDS details in Form of AY 2017-18 is as under:

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

CHANGES APPLICABLE TO ALL FORMS...continued

▶ **AY 2018-19**

Under the Schedule on TDS, there is also an additional field for furnishing details of TDS as per Form 26QC for TDS made on rent. Also, provision for quoting of **PAN of Tenant** for such rent cases has also been made.

Details of Tax Deducted at Source (TDS) on Income [As per Form 16 A issued or Form 26QB/26QC furnished by Deductor(s)]														
Sl 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 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)				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			(9)	(10)		(11)	
							Income	TDS	PAN of other person		Income	TDS	PAN of other person	

▶ **AY 2017-18:TDS as per Form 26QC was not present in ITRs of AY 2017-18 as it is applicable only from 1st June 2017.**

Details of Tax Deducted at Source (TDS) on Income [As per Form 16 A or Form 26QB issued by Deductor(s)]								
Sl No	TAN of the Deductor/ PAN of the Buyer	Name of the Deductor	Unique TDS Certificate Number	Unclaimed TDS brought forward (b/f)		TDS of the current fin. year	Amount out of (6) or (7) being claimed this Year (only if corresponding income is being offered for tax this year)	Amount out of (6) or (7) being carried forward
				Fin. Year in which deducted	Amount b/f			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
i								
ii								

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ AY 2018-19 – Information relating to deemed gifts and deemed capital gains to be separately mentioned [in view of section 56(2)(x)] (ITR 3, ITR 5 & ITR 6)
 - The Information required to be given is SCH-OS is as under:

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 property		
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 property		
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)		1 diii

- There was no such specific head in ITR of AY 2017-18

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ AY 2018-19: Income from transfer of carbon credits under Section 115BBG (ITR-2, ITR- 3, ITR-5, ITR-6 & ITR-7) chargeable at special rates.

Part B – TI Computation of total income

1	Salaries (6of Schedule S)		
2	Income from house property (3b of Schedule-HP) (enter nil if loss)		
3	Profits and gains from business or profession		
	i Profit and gains from business other than speculative business and specified business (A38 of Schedule BP) (enter nil if loss)	3i	
	ii Profit and gains from speculative business (B42 of Schedule BP) (enter nil if loss and take the figure to schedule CFL)	3ii	
	iii Profit and gains from specified business (C48 of Schedule BP) (enter nil if loss and take the figure to schedule CFL)	3iii	
	iv Income from patent u/s 115BBF (3e of Schedule BP)	3iv	
	v Income from transfer of carbon credits u/s 115BBG (3f of Schedule BP)	3v	

- ▶ AY 2017-18: There was no such specific head for such type of income in ITR of AY 2017-18.

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ AY 2018-19: Income chargeable to tax at Special Rates under Schedule OS: (ITR 2, ITR- 3, ITR-5 & ITR-6).

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 (enter NIL, if not chargeable)	Whether TRC obtained (Y/N)	Section of I.T. Act	Rate as per I.T. Act	Applicable rate [lower of (6) or (9)]	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
I										
II										
III	Total amount of income chargeable at special rates under DTAA									1fvi

- ▶ AY 2017-18:

vi FOR NON-RESIDENTS- Income chargeable to be taxed under DTAA						
Sl.	Country name, code	Article of DTAA	Rate of tax under DTAA	Whether TRC obtained?	Corresponding section of the Act which prescribes rate	Amount of income
I						
II						
III	Total amount of income chargeable to tax under DTAA					

CHANGES APPLICABLE TO ALL FORMS...continued

- Above details are also required to be furnished online in form 67 as per rule 128 of the Income Tax Rules and data asked in Return is in line with that asked in Form 67. Screenshot of Form 67 is as under:

5. Details of income from a country or specified territory outside India and Foreign Tax Credit Claimed												
Sl.No.	Name of the Country/ specified territory	Source of income	Income from outside India	Tax paid outside India		Tax payable on such income under normal provisions in India	Tax payable on such income under Section 115JB/JC	Credit claimed under section 90/90A			Credit claimed under section 91 Amount	Total foreign tax credit claimed
				Amount	Rate			Article No. of Double Taxation Avoidance Agreements	Rate of tax as per Double Taxation Avoidance Agreements	Amount		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)

- The above Form 67 has to be furnished on or before the due date specified for furnishing the return of income u/s 139 (1).

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ AY 2018-19: - Addition of field for Capital Gains chargeable at special rates as per DTAA

8 Amount of STCG included in A1-A7 but not chargeable to tax or chargeable at special rates as per DTAA									
Sl. No.	Amount of income	Item No. A1 to A7 above in which included	Country name & Code	Article of DTAA	Rate as per Treaty (enter NIL, if not chargeable)	Whether TRC obtained (Y/N)	Section of I.T. Act	Rate as per I.T. Act	Applicable rate [lower of (6) or (9)]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I									
II									
a	Total amount of STCG not chargeable to tax as per DTAA								
b	Total amount of STCG chargeable at special rates as per DTAA								

- ▶ Similar change is also present in the table of Long Term Capital Gains

- ▶ AY 2017-18

8 FOR NON-RESIDENTS- STCG included in A1-A7 but not chargeable to tax as per DTAA					
Sl.	Country name, code	Article of DTAA	Whether Tax Residency Certificate obtained?	Item No. A1 to A7 above in which included	Amount of STCG
I				A1e/A2c/A3e/A4a/A4b/A5e/A6g/A7	
II				A1e/A2c/A3e/A4a/A4b/A5e/A6g/A7	
III	Total amount of STCG not chargeable to tax as per DTAA				

I				A1e/A2c/A3e/A4a/A4b/A5e/A6g/A7	
II				A1e/A2c/A3e/A4a/A4b/A5e/A6g/A7	
III	Total amount of STCG not chargeable to tax as per DTAA				

CHANGES APPLICABLE TO ALL FORMS...*continued*

- ▶ Income not deductible under Section 58 (ITR-2, ITR-3, ITR-5, ITR-6 & ITR-7) on the lines of disallowance under Section 40(a)(ia) – Non deduction of Tax at source on expenditure claimed u/s 57 of the Act.
- ▶ Profit chargeable under Section 59 (ITR-2, ITR-3, ITR-5, ITR-6 & ITR-7) relating to cessation of liability under Section 41(1) of the Income Tax Act, 1961:

As per section 41(1), if a business entity recovers any amount in respect of an allowance or deduction by way of remission or cessation thereof, the amount so received shall be deemed to be the business income and chargeable to tax. There is a similar provision in respect of an expense which had been claimed as deduction against an income chargeable to tax under the head ‘Income from other sources’.

Extracts of relevant portions of forms of AY 2018-19 and AY 2017-18 will follow in next slide.



CHANGES APPLICABLE TO ALL FORMS...continued

▶ AY 2018-19:

h	Deductions under section 57 (other than those relating to income under 1fi, 1fii, 1fiii, 1fiv, 1fv & 1fvi)		
	i	Expenses / Deductions	hi
	ii	Depreciation	hii
	iii	Total	hiii
i	Amounts not deductible u/s 58		
j	Profits chargeable to tax u/s 59		
k	Income from other sources (other than from owning race horses and amount chargeable to tax at special rate) (1g – hiii + 1i + 1j) (If negative take the figure to 4i of schedule CYLA)		
Income from other sources (other than from owning and maintaining race horses) (1fvii + 1k) (enter 1k as nil, if negative)			
Income from the activity of owning race horses			
a	Receipts	3a	
b	Deductions under section 57 in relation to (4)	3b	
c	Amounts not deductible u/s 58	3c	
d	Profits chargeable to tax u/s 59	3d	
e	Balance (3a – 3b + 3c + 3d) (if negative take the figure to 10xi of Schedule CFL)		
Income under the head “Income from other sources” (2 + 3e) (take 3e as nil if negative)			

▶ AY 2017-18

h	Deductions under section 57 (other than those relating to income under 1fi, 1fii, 1fiii, 1fiv, 1fv, & 1fvi)		
	i	Expenses / Deductions	hi
	ii	Depreciation	hii
	iii	Total	hiii
i	Income from other sources (other than from owning race horses and amount chargeable to tax at special rate) (1g – hiii) (If negative take the figure to 4i of schedule CYLA)		
2	Income from other sources (other than from owning race horses) (1fiv + 1i) (enter 1i as nil, if negative)		
3	Income from the activity of owning and maintaining race horses		
	a	Receipts	3a
	b	Deductions under section 57 in relation to (4)	3b
	c	Balance (3a – 3b) (if negative take the figure to 10xi of Schedule CFL)	
4	Income under the head “Income from other sources” (2 + 3c) (take 3c as nil if negative)		

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ AY 2018-19: Part A- PL has been modified to include GST related details in respect of goods and services supplied

C	Duties, taxes and cess received or receivable in respect of goods and services sold or supplied			
	i	Union Excise duties	i	
	ii	Service tax	ii	
	iii	VAT/ Sales tax	iii	
	iv	Central Goods & Service Tax (CGST)	iv	
	v	State Goods & Services Tax (SGST)	v	
	vi	Integrated Goods & Services Tax (IGST)	vi	
	vii	Union Territory Goods & Services Tax (UTGST)	vii	
	viii	Any other duty, tax and cess	viii	
	ix	Total (i + ii + iii + iv +v+ vi+vii+viii)	Cix	

- ▶ AY 2017-18

C	Duties, taxes and cess received or receivable in respect of goods and services sold or supplied			
	i	Union Excise duties	i	
	ii	Service tax	ii	
	iii	VAT/ Sales tax	iii	
	iv	Any other duty, tax and cess	iv	
	v	Total (i + ii + iii + iv)	Cv	

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ AY 2018-19: Part A- PL has been modified to include GST related details in respect of goods and services purchased

6	Purchases (net of refunds and duty or tax, if any)			6	
7	Duties and taxes, paid or payable, in respect of goods and services purchased				
	i	Custom duty	7i		
	ii	Counter veiling duty	7ii		
	iii	Special additional duty	7iii		
	iv	Union excise duty	7iv		
	v	Service tax	7v		
	vi	VAT/ Sales tax	7vi		
	vii	Central Goods & Service Tax (CGST)	7vii		
	viii	State Goods & Services Tax (SGST)	7viii		
	ix	Integrated Goods & Services Tax (IGST)	7ix		
	x	Union Territory Goods & Services Tax (UTGST)	7x		
	xi	Any other tax, paid or payable	7xi		
	xii	Total (7i + 7ii + 7iii + 7iv + 7v + 7vi + 7vii + 7viii + 7ix + 7x + 7xi)		7xii	

CHANGES APPLICABLE TO ALL FORMS...continued

▶ AY 2017-18

6	Purchases (net of refunds and duty or tax, if any)		6	
7	Duties and taxes, paid or payable, in respect of goods and services purchased			
	i Custom duty	7i		
	ii Counter veiling duty	7ii		

Page 4

	iii Special additional duty	7iii		
	iv Union excise duty	7iv		
	v Service tax	7v		
	vi VAT/ Sales tax	7vi		
	vii Any other tax, paid or payable	7vii		
	viii Total (7i + 7ii + 7iii + 7iv + 7v + 7vi + 7vii)		7viii	

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ As per previous slides, it appears that legislature wants inclusive method to be followed by Assesseees but Financial statements of Corporates are prepared in accordance with Schedule III of Companies Act 2013 which requires exclusive method of accounting and hence in order to match Profit/Loss as per audited Financial statements, Profit and Loss Account of ITR will have to be filled as per exclusive method only.
- ▶ AY 2018-19: Adjustments on account of different methods of accounts required by Companies Act and as per Income Tax Act, will have to be reported as under in Part A- OI (optional in case Tax Audit not applicable):

4	Method of valuation of closing stock employed in the previous year		
	a	Raw Material (if at cost or market rates whichever is less write 1, if at cost write 2, if at market rate write 3)	<input type="checkbox"/>
	b	Finished goods (if at cost or market rates whichever is less write 1, if at cost write 2, if at market rate write 3)	<input type="checkbox"/>
	c	Is there any change in stock valuation method (Tick) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	d	Increase in the profit or decrease in loss because of deviation, if any, from the method of valuation specified under section 145A	4d
	e	Decrease in the profit or increase in loss because of deviation, if any, from the method of valuation specified under section 145A	4e

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ AY 2017-18: NET Effect on the profit or loss because of deviation, from the method of valuation prescribed u/s 145A was required to be reported.

4	Method of valuation of closing stock employed in the previous year	
a	Raw Material (if at cost or market rates whichever is less write 1, if at cost write 2, if at market rate write 3)	<input type="checkbox"/>
b	Finished goods (if at cost or market rates whichever is less write 1, if at cost write 2, if at market rate write 3)	<input type="checkbox"/>
c	Is there any change in stock valuation method (Tick) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
d	Effect on the profit or loss because of deviation, if any, from the method of valuation prescribed under section 145A	4d

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ The new ITR Forms require separate reporting of both profit and loss (and not on net basis) in Part A-OI, Schedule BP (Computation of income from business or profession) and Schedule ICDS. [ITR 3,5 and 6].

Part A- OI		<i>Other Information (optional in a case not liable for audit under section 44AB)</i>		
1	Method of accounting employed in the previous year (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> mercantile <input type="checkbox"/> cash			
2	Is there any change in method of accounting (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No			
3a	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		
3b	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		

- ▶ AY 2017-18:

Part A- OI		<i>Other Information (optional in a case not liable for audit under section 44AB)</i>		
1	Method of accounting employed in the previous year (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> mercantile <input type="checkbox"/> cash			
2	Is there any change in method of accounting (Tick) <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No			
3	Effect on the profit because of deviation, if any, as per Income Computation Disclosure Standards notified under section 145(2) [column 11(iii) of Schedule ICDS]	3		

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ AY 2018–19: Reporting of Capital Gains in case of Transfer of Unquoted shares (ITR–2, ITR–3, ITR–5, ITR–6 & ITR–7).

8 From sale of assets where B1 to B7 above are not applicable			
a	i	In case assets sold include shares of a company other than quoted shares, enter the following details	
	a	Full value of consideration received/receivable in respect of unquoted shares	
	b	Fair market value of unquoted shares determined in the prescribed manner	
	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)	ic
	ii	Full value of consideration in respect of assets other than unquoted shares	
	iii	Total (ic + ii)	aiii

- ▶ AY 2017–18:

There was no such reporting required in ITR of AY 2017–18

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ Expansion of Scope for Reporting of Capital Gains as under for Various Sections (Changes in ITRs 2, 3, 5 and 6):

In ITR 2, in Schedule CG, detailed information/particulars are required to be furnished while claiming deduction u/s 54/54B/54EC/54EE/54F/54GB/115F.

The additional requirements in A.Y.2018-19 vis-à-vis A.Y.2017-18 are –

- Date of transfer of original asset is also required to be given.
- In case of section 54GB, the amount utilised for subscription of equity shares of eligible company, the date of subscription, cost of new plant and machinery purchased by the eligible company, the date of purchase of new plant and machinery also need to be given.

Likewise, in ITR 3, detailed information/particulars are required to be furnished while claiming deduction u/s 54/54B/54D/54EC/54EE/54F/54G/54GA/115F.

Similarly, in ITR 5 & 6, detailed information/particulars are required to be furnished while claiming deduction u/s 54B/54D/54EC/54EE/ 54G/54GA.

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ Depreciation Schedule in ITR-3, ITR-5 & ITR-6 modified:

CBDT had vide Income-Tax (Twenty Ninth Amendment) Rules, 2016, dated 07-11-2016, restricted the highest rate of depreciation for any block of asset to 40%. i.e. all block of assets which were eligible for depreciation at the rate of 50%, 60%, 80% or 100% would be eligible for depreciation at the rate of 40%.

The following additional information is required to be disclosed in Schedule DPM:

- Depreciation disallowed under section 38(2) of the Income-tax Act, 1961.
 - Net aggregate depreciation.
 - Proportionate aggregate depreciation allowable in the event of succession, amalgamation, demerger etc.
- ▶ WDV is computed ignoring the disallowance u/s 38(2) which is not in accordance with definition of WDV u/s 43(6) of the Act.

CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ In case of non-residents, the requirement of furnishing details of any one foreign Bank Account has been included for the purpose of credit of refund. This will ensure that the Non Resident Assessee can get the refund directly to their account.

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				

- ▶ Individual taxpayers who are filing income-tax return in Form ITR 2 or ITR 3 or ITR 4 are not required to mention the gender, i.e., male or female or transgender, as the column of gender has been removed.
- ▶ As per section 115B, “where the total income of an assessee includes any profits and gains from life insurance business, the profits of life insurance business is taxable at a special rate of 12.5%. The profit u/s 115B is taxable in the Schedule SI of ITR-5 & ITR-6.



CHANGES APPLICABLE TO ALL FORMS...continued

- ▶ The scope of deduction u/s 43B is extended by the Finance Act, 2017, w.e.f. 01.04.2018 which now includes even this highlighted portion:

10	Any amount disallowed under section 43B in any preceding previous year but allowable during the previous year			
	a	Any sum in the nature of tax, duty, cess or fee under any law	10a	
	b	Any sum payable by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees	10b	
	c	Any sum payable to an employee as bonus or commission for services rendered	10c	
	d	Any sum payable as interest on any loan or borrowing from any public financial institution or a State financial corporation or a State Industrial investment corporation	10d	
	e	Any sum payable as interest on any loan or borrowing from any scheduled bank or a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank	10e	
	f	Any sum payable towards leave encashment	10f	
	g	Any sum payable to the Indian Railways for the use of railway assets	10g	
	h	Total amount allowable under section 43B (total of 10a to 10g)		
11	Any amount debited to profit and loss account of the previous year but disallowable under section 43B			
	a	Any sum in the nature of tax, duty, cess or fee under any law	11a	
	b	Any sum payable by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees	11b	
	c	Any sum payable to an employee as bonus or commission for services rendered	11c	
	d	Any sum payable as interest on any loan or borrowing from any public financial institution or a State financial corporation or a State Industrial investment corporation	11d	
	e	Any sum payable as interest on any loan or borrowing from any scheduled bank or a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank	11e	
	f	Any sum payable towards leave encashment	11f	
	g	Any sum payable to the Indian Railways for the use of railway assets	11g	
	h	Total amount disallowable under Section 43B (total of 11a to 11g)		

THANK YOU

Sanjay C. Shah & Associates
Chartered Accountants

Flat No.10, 2nd Floor,
Madhav Nagar CHS, Above Merwans Cake Shop,
S.V. Road, Andheri (W),
Mumbai – 400058

Tel: 26281150 / 2628 1101. Fax: 2628 1101.

E- Mail – sanjay@scsassociates.in.

This PPT is available for download on www.scsassociates.in