

**Technical Guide**  
**on**  
**Understanding**  
**Income Tax Return Forms**  
**For AY 2018-19**



**The Institute of Chartered Accountants of India**  
*(Set up by an Act of Parliament)*  
**New Delhi**

# **Technical Guide on Understanding Income Tax Return Forms for AY 2018-19**



**Direct Taxes Committee**  
**The Institute of Chartered Accountants of India**  
*(Set up by an Act of Parliament)*  
**New Delhi**

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# Foreword

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Taxation is a core competence area for many of our members. With the financial understanding and knowledge of laws our members are exceedingly doing well in the taxation related work. It is also a highly dynamic subject as changes are quite frequent and regular. The dynamism brings newer challenges and enhances interest in the subject.

With the increasing complexity in taxation laws, their different interpretations, scope for litigations, the scope of Chartered Accountancy services has also increased manifold. With a view to cope with these challenges emerging in the area of taxation, Chartered Accountants must keep on enhancing their professional competencies to reach newer heights of success.

The CBDT has recently notified the new ITR Forms applicable for AY 2018-19 vide notification no. 16/2018, dated 03.04.2018. These ITR Forms contain significant changes which need due analysis. The fraternity inter alia enhances tax compliances in an effective manner.

I am glad that the Direct Taxes Committee has brought such a beneficial publication in such a short span of time to enable members to understand new ITR forms.

I would like to compliment the efforts and contribution of CA. Tarun Jamnadas Ghia, Chairman Direct Taxes Committee, CA. Sanjiv Kumar Chaudhary, Vice-Chairman, Direct Taxes Committee, CA. Sanjay Kumar Agarwal and all members of Direct Taxes Committee in initiating and finalizing this publication.

I am confident that the Direct Taxes Committee would keep up the good work of enhancing the knowledge & expertise of the members in the field of taxation.

Date: 11<sup>th</sup> June, 2018  
Place: New Delhi

**CA. Naveen N.D. Gupta**  
**President, ICAI**



# Preface

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Direct Taxes continues to be a pre dominant area of interest to the chartered accountants including those in practice as also to a great extent those in employments. Voluminous and frequent changes in the compliances have made direct tax compliance including filling in and filing of income tax returns a specialised task and need to be taken seriously as such. The chartered accountants, imbued with combination of knowledge of provisions of income tax law and its aspects and continuing updations duly supported by CPE programmes, have emerged as a predominant professional class inter alia in the income tax compliances, planning and litigations.

Recently, the CBDT has notified new Income Tax Return Forms applicable for the Assessment Year 2018-19 vide notification no. 16/2018, dated 03.04.2018.

As you all are aware the ICAI has always been proactive in disseminating the knowledge and sharpening the skills of its members. In furtherance of such purpose, the Direct Taxes Committee of ICAI has come out with this publication to guide the members on the key changes made in the ITR Forms applicable for AY 2018-19 and also to augment their knowledge on the rationale behind various changes that have been made.

Through this publication, an effort has been made to enable the members to grasp and understand the significant changes, their implications, procedural aspects concerned with filling in various columns of such returns. An effort has been made to keep the language simple and supported by due examples. The authorities in charge of systems have also gone through the technical contents to enhance usefulness of the publication.

We are confident that this publication will prove to be quite useful to the membership and stakeholders and will add to the goodwill of the ICAI. We are sure this publication will help the members in discharging their professional commitments in a more confident and timely manner.

**CA. Tarun Jamnadas Ghia**  
**Chairman**  
**Direct Taxes Committee, ICAI**

**CA. Sanjiv Kumar Chaudhary**  
**Vice Chairman**  
**Direct Taxes Committee, ICAI**

Date: 11<sup>th</sup> June, 2018  
Place: New Delhi



## Message of Pr. DGIT (Systems), CBDT

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Income Tax Department has been a key partner in nation building through their progressive tax policies, efficient tax administration and effective compliance management.

Income Tax Department is constantly reviewing its policies, operating approach and procedures for being responsive and adaptive to the changing business and legislative environment and to achieve the said objectives, the Department is working hand in hand with the stakeholders and partners.

The Department has introduced various initiatives such as the increased coverage of E-filing of Income Tax Returns & Forms, Compliance Portal, E-assessment program, the Centralised Communication Scheme etc., in order to inculcate greater transparency and accountability.

Recently, the Income Tax Department has notified the Income Tax Return Forms & their utilities applicable for AY 2018-19. We have tried to make the forms simple and user friendly. Also, the CBDT has expanded the scope of disclosure requirements in the ITR Forms to ensure greater transparency and lesser litigation.

I am very happy that the Institute of Chartered Accountants of India is bringing out this publication for taxpayers and Members which includes all the recent changes in the ITR forms and the rationale behind those changes to facilitate accurate Income Tax Return filing. Most of the key issues have been highlighted and solutions presented in a logical manner. I wish to acknowledge the sincere contribution of the Members of Direct Taxes Committee of ICAI and the officials of the Committee for their unstinted efforts in bringing up such a useful publication for the benefit of the members.

I hope taxpayers and Members make full use of this booklet to prepare and submit the Income Tax Return early. I am sure that together with the support of tax professionals, the Department can go a long way in providing world class taxpayer service. I wish ICAI all the best in this fruitful endeavour.

Date: 11<sup>th</sup> June, 2018  
Place: New Delhi

**Shri. Harish Kumar**  
**Pr. DGIT(Systems), CBDT**





# Technical Guide on Understanding Income Tax Return Forms for AY 2018-19

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## **1. INTRODUCTION**

Section 139(1) of the Income-tax Act, 1961 (hereinafter referred to as “Act”) mandates each person to file/submit the Return of Income on or before the due date prescribed under the Act, based on the irrespective category and status. The due dates and return of income to be filed is based on the nature of income, applicability of the audits and other provisions of the Act. The reporting of income to be declared is the criteria for selection of the prescribed ITR and submission of the form online as per the amended provisions of the Act. The Act prescribes that every individual or HUF or AOP or BOI or AJP having income exceeding the specified basic exemption limit as per the applicable Finance Act, before availing the deductions under Chapter VIA to file and submit the return of income. For firms and companies, the Act mandates for compulsory filing despite having incurred a loss. CBDT prescribes the reporting of income in the requisite prescribed formats notified under Rule 12 of the Income-tax Rules, 1962.

Vide Notification No. G.S.R. 332(E) dated 3rd April, 2018, the CBDT has, in exercise of the powers conferred by section 139 read with section 295 of the Income-tax Act, 1961, notified new Income Tax Returns, which are applicable for the Assessment Year 2018-19. These Income Tax Return Forms have been made available on the website of Income tax Department. It may be noted that there has been no change in the number of forms in comparison to the previous Assessment Year i.e. AY 2017-18. The ITR forms have been modified not only to bring the forms in line with the amendments applicable to A.Y. 2018-19, but also to get the additional information directly from the assessee which can be used for precise processing of returns u/s 143(1) and more informed selection of cases for scrutiny. The declarations made by the assessee in the ITR form can now be cross checked and verified with the information collected from the other tax authorities/departments, to ensure that the income earned does not escape tax.

## 2. NEW ITRs'-A BIRD'S EYE VIEW

| Particulars        | ITR-1  | ITR-2   | ITR-3                                 | ITR-4              | ITR-5   | ITR-6  | ITR-7   |
|--------------------|--|---|---------------------------------------|--------------------|---|--|---|
| Status of Assessee | Resident Individual  | Individual and HUF  | Individual and HUF                    | Individual and HUF | Other than Individual & HUF, Company & Person not liable to file ITR-7 i.e. Firms, AOP, BOI and LLP | Companies other than those claiming exemption under Section 11 | Trust, Political parties Persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) or 139(4E) or 139(4F) |
| Nature of Income   | Salary, One House Property, Other Income (i.e. Interest) and total income upto Rs 50 Lakhs | All Income except Business Income and those Individual & HUF who are not eligible to file ITR-1 | All Incomes including Business Income | Presumptive Income | All Income other than income claimed exempt under Section 11  | All Income   | All Income  |

| Particulars                           | ITR-1   | ITR-2    | ITR-3    | ITR-4   | ITR-5                    | ITR-6     | ITR-7                           |
|---------------------------------------|---|----------|----------|---|--------------------------|-----------|---------------------------------|
| E-Filing Mandatory                    | Yes<br>(Exemptions in certain cases)                      | Yes      | Yes      | Yes<br>(Exemptions in certain cases)                      | Yes                      | Yes       | Yes                             |
| Exemptions from E-Filing              | Super Senior Citizens, Income below 5 Lakhs and No Refund | -        | -        | Super Senior Citizens, Income below 5 Lakhs and No Refund | -                        | -         | -                               |
| Digital Signature Mandatory/ Optional | Optional  | Optional | Optional | Optional  | Mandatory in Audit Cases | Mandatory | Mandatory for Political Parties |

Note: The options available for e-verification of the ITRs' where digital signature is not mandatory are:-

- a) Through Net Banking or Demat Account, if the bank account is linked with mobile and the bank is scheduled or nationalized bank;
- b) Through Aadhar OTP;
- c) Those assessee who have income below Rs. 5 Lakhs, has the option to e-verify through email OTP and Mobile OTP;
- d) By sending the ITR-V signed physically through Post at CPC, Bengaluru.

### 3. APPLICABILITY OF ITRs' FOR A.Y. 18-19- NATURE OF INCOME WISE ANALYSIS

#### INDIVIDUAL AND HUF

| NATURE OF INCOME   | ITR 1<br>(only<br>Resident<br>IND) | ITR 2 | ITR-3 | ITR-4 |
|--|------------------------------------|-------|-------|-------|
| Income from salary/pension (for ordinarily resident person)  | YES                                | YES   | YES   | YES   |
| Income from salary/pension (for RNOR & NR person)  | -                                  | YES   | YES   | YES   |
| Income or loss from one house property (excluding brought forward & carried forward losses)            | YES                                | YES   | YES   | YES   |
| Income or loss from more than one house property   | -                                  | YES   | YES   | -     |
| Agricultural income exceeding Rs. 5,000  | -                                  | YES   | YES   | -     |
| Total income exceeding Rs. 50 lakhs  | -                                  | YES   | YES   | YES   |
| Income from other sources (other than winnings from lottery and race horses or losses under this head) | YES                                | YES   | YES   | YES   |
| Income from other sources (including winnings from lottery and race horses or losses under this head)  | -                                  | YES   | YES   | -     |
| Capital gains/loss on sale of Capital assets   | -                                  | YES   | YES   | -     |
| Interest, salary, share of profit, etc. received by a partner from a partnership firm.                 | -                                  | -     | YES   | -     |
| Income from business or profession (Non Speculative)   | -                                  | -     | YES   | -     |
| Income from presumptive business   | -                                  | -     | YES   | YES   |
| Income from Speculative Business and other special incomes   | -                                  | -     | YES   | -     |
| Income from an agency business or income in the nature of commission or brokerage                      | -                                  | -     | YES   | -     |

| NATURE OF INCOME   | ITR 1<br>(only<br>Resident<br>IND) | ITR 2 | ITR-3 | ITR-4 |
|--|------------------------------------|-------|-------|-------|
| Income from foreign sources/ assets/ any account outside India                                     | -                                  | YES   | YES   | -     |
| Claim of relief of tax under sections 90, 90A or 91  | -                                  | YES   | YES   | -     |
| Dividend income exceeding Rs. 10 lakhs taxable under Section 115BBDA                               | -                                  | YES   | YES   | -     |
| Voluntary offer of income under Sections 68, 69, 69A, etc. [taxable at 60% u/s 115BBE)             | -                                  | YES   | YES   | -     |
| Income to be apportioned under Section 5A (Relating to clubbing of Income for Portuguese Citizens) | -                                  | YES   | YES   | YES   |
| Adjustments of Brought Forward Losses of earlier years   | -                                  | YES   | YES   | -     |

#### OTHER ASSESSEES (OTHER THAN INDIVIDUAL & HUF)

| STATUS OF ASSESSEE  | ITR 4 | ITR 2             | ITR-3 | ITR-4 |
|---|-------|-------------------|-------|-------|
| Firm (excluding LLPs) opting for presumptive taxation scheme    | YES   | YES<br>(Optional) |       |       |
| Firm (including LLPs), AOP, BOI, AJP and Local Authority        |       | YES               |       |       |
| Companies other than companies claiming exemption under Sec. 11 |       |                   | YES   |       |
| Persons required to furnish return under:                       |       |                   |       | YES   |

Changes in ITRs' are generally offshoots of various amendments by relevant Finance Act, Taxation Laws Amendment Act, CBDT circulars /Notifications etc. Further, certain contrary judicial rulings also prompt the Government to amend the concerned provisions of the Act and resultant ITR schema. The key amendments in the law and the rationale behind all such amendments, judicial rulings overruled, etc. are discussed hereunder.



#### **4. KEY AMENDMENTS BY F.A. 2017 / CBDT CIRCULARS / NOTIFICATIONS ETC. NECESSITATING CHANGES IN ITR SCHEMA FOR A.Y. 18-19**

- Basic exemption limit is Rs. 2,50,000/- for A.Y. 18-19 (same as A.Y. 2017-18). However, tax rate for slab of income from Rs.2,50,001/- to Rs.5,00,000/- is reduced to 5% - (It was 10% for A.Y. 17-18).
- Tax rebate u/s 87A is reduced to Rs.2,500/- from Rs.5,000/- per year for taxpayers (only for individual resident in India) with total income up to Rs.3,50,000 /- (Rs.5,00,000 for A.Y. 17-18).
- **Capital gain in respect of Land and Building:** Holding Period for an asset to become Long Term Capital Asset has been reduced from 3 years to 2 years. Base year has been shifted from 01/04/1981 to 01/04/2001 with new cost inflation indices from year 2001-2002. **[Section 2(42A)r.w. Not. No. S.O. 1790(E) dt. 05.06.2017]**
- Surcharge at 10 percent of tax levied on rich taxpayers (i.e Individual/ HUF/ AOP/ BOI/ AJP) with income exceeding Rs.50 Lakh but upto Rs.1 Crore. The rate for surcharge for the super-rich, with income above Rs.1 Crore remains at 15%.
- Corporate tax rate for the A.Y. 18-19 for companies with annual turnover up to Rs.50 crores (in F.Y. 2015-16) is reduced to 25%.
- In case IND-HUF carrying on business / profession, turnover limit under section 44AA (2) for non-maintenance of books of accounts, the limit is increased to Rs 25 Lacs and income limit increased to Rs. 2.5 Lacs.
- Time period for revision of ROI reduced to one year (from 2 years) from the end of relevant financial year or before completion of assessment, whichever is earlier. For eg. ROI for A.Y. 18-19 filed on or before 31.03.19 can be revised up to 31.03.19 presuming that the assessment is yet to be completed **[Section 139(5)]**.
- From A.Y. 2018-19, if return of income is not filed within the due date prescribed u/s 139, late fee of Rs.5,000 shall be payable for delay up to 31st December and Rs.10,000 in any other case. Such fee will be restricted to Rs.1, 000 for small taxpayers with income up to Rs.5 lakh **[Section. 234F]**.

- Section 12A registered trusts to loose exemption u/s 11, if ROI filed after due date u/s 139(4A) w.e.f. AY 18-19. [**Section 12A(1)(ba)**]
- Where section 12AA registered trust modifies its object clause, an application is to be made within 30 Days to Pr. CIT or CIT for approval in Form No. 10A. [**Section 12A(1)(ab)**]
- Cash donations made to charitable trusts/institutions exceeding Rs.2000 will not be eligible for deduction under section 80G.
- Any corpus donation made out of its income by section 12AA registered trust to another section 12AA registered trust shall not be treated as application of income for charitable or religious purposes. [**Explanation 2 below Section 11(2)**]
- Loss under the head House Property can be set off against income under other heads of income to the extent of Rs. 2 lakhs only. [**Section. 71(3A)**]
- All assets which were earlier eligible for depreciation at rate above 40%, rate now restricted to 40%. [Rule 5 of I.T. Rules]
- Deduction for first time investors in listed equity shares or listed units of equity oriented funds under the Rajiv Gandhi Equity Savings Scheme under section 80CCG of IT Act 1961 is withdrawn from FY 2017-18. If an individual has already claimed deduction under this scheme before April 1, 2017, they shall be allowed to avail a deduction for the next two years.
- Section 50CA (introduced by Finance Act, 2017) deals with the transfer of unquoted shares and provides that for the purpose of Section 48, consideration for transfer of such shares shall be deemed to be the fair market value calculated as per Rule 11UA and 11UAA as on the valuation date if the sale consideration is less than its Fair Market Value.
- Finance Act, 2017 has widened the scope of provisions dealing with the taxability of gifts. A new clause (x) was inserted in Sec 56(2) whereby any sum or property received without any consideration or inadequate consideration (in excess of INR 50,000) shall be taxable as 'Income from other sources'. This clause is applicable to all taxpayers. However, certain sums of money have been kept out of the scope of section 56(2)(x). Earlier this provision was applicable only to an Individual and HUF up to A.Y. 17-18.

- 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.
- Section 10(38) has been amended to provide that exemption under this section for income arising on transfer of equity share acquired or on after 01-10-2004 shall be available only if the transaction of acquisition of share is chargeable to STT [Class of acquisition transactions which are not chargeable to STT and to which the section applies has been notified by Not. No. 43/2017 dt. 05.06.17].
- Section 58 of the Income-tax Act has been amended so as to provide that the provisions of section 40(a)(ia) of the Income-tax Act shall, so far as they may be, apply in computing income chargeable under the head “Income from other sources” as they apply in computing income chargeable under the head “Profit and gains of Business or Profession”.
- A new section 115BBG has been introduced to provide that any income from transfer of carbon credits shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess). No expenditure or allowance shall be allowed from such income.
- A political party will lose its tax exemption if donation exceeding Rs. 2,000 is received other than by an account payee cheque or draft or ECS or electoral bonds. Further, political parties filing return u/s 139(4B) are required to file the same on or before due date specified u/s 139 of the Act. [**Section 13A**]
- ***Increase in time limit to carry forward MAT and AMT credit [Sections 115JAA and 115JD]:*** Currently, Section 115JAA allows carry forward of MAT credit up to ten assessment years. The time period is proposed to be increased to fifteen assessment years.

Similar amendment is proposed in section 115JD so as to allow carry forward of AMT Credit up to fifteen assessment years in case of non-corporate assessee.

- ***Increase in deduction for provision for bad and doubtful debts[Section 36(1)(viiia)]:*** Banks or Co-operative banks are allowed to claim deduction in

respect of provision for bad and doubtful debts, *inter-alia*, up to 7.5% of their total income before making any deduction under Chapter VIA. The above limit has been increased to 8.5% w.e.f. A.Y. 18-19.

- In order to disincentivise cash transactions, section 40A of the Income-tax Act has been amended to provide for the following:
  - (i) To reduce the threshold of cash payment to a person from twenty thousand rupees to ten thousand rupees in a single day;
  - (ii) To expand the specified mode of payment under respective subsection of section 40A of the Income-tax Act to by an account payee cheque drawn on a bank or account payee bank draft or use of electronic clearing system through a bank account. **[Section 40A(3)]**
  
- Section 43B of the Income-tax Act has been amended to provide that any sum payable by the assessee as interest on any loan or advances from a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank shall be allowed as deduction if it is actually paid on or before the due date of furnishing the return of income of the relevant previous year. **[Section 43B]**

## **5. RATIONALE BEHIND THE SELECT AMENDMENTS - CBDT CIRCULAR NO. 2 OF 2018 DT. 15.02.18 AND CERTAIN CONTRARY JUDICIAL RULINGS**

**Late Fee u/s 234F:** In view of the non-intrusive information-driven approach for improving tax compliance and effective utilization of information in tax administration, it is important that the returns are filed within the due dates specified in section 139(1) of the Income-tax Act. Further, the reduced time limits provided for making of assessment are also based on pre-requisite that returns are filed on time. In order to ensure that return is filed within due date, a new section 234F has been inserted in the Income-tax Act to provide for fee for delay in filing returns.

Consequentially, it is also provided that the provisions of section 271F of the Income-tax Act in respect of penalty for failure to furnish return of income shall not apply in respect of assessment year 2018-19 and onwards.

**Reduction in time to file revised return u/s 139(5):** In order to expedite scrutiny assessments, it is critical that the returns for an assessment year also freeze by the end of the assessment year. Therefore, the provisions of sub-section (5) of section 139 of the Income-tax Act have also been amended to provide that the time for furnishing of revised return shall be available up to the end of the relevant assessment year or before the completion of assessment, whichever is earlier.

**Profit on transfer of unquoted shares-Section 50CA:** In order to ensure that the full value of consideration is not understated, the Income-tax Act also contains provisions for deeming of full value of consideration in certain cases such as deeming of stamp duty value as full value of consideration for transfer of immovable property in certain cases.

In order to rationalise the provisions relating to deeming of full value of consideration for computation of income under the head “capital gains”, a new section 50CA has been inserted in the Income-tax Act so as to provide that where consideration for transfer of share of a company (other than quoted share) is less than the Fair Market Value (FMV) of such share determined in accordance with the prescribed manner, the FMV shall be deemed to be the full value of consideration for the purposes of computing income under the head “Capital gains”.

**Disallowances under the head other sources for TDS defaults-Section 58:** Section 58 of the Income-tax Act specifies the amounts which are not deductible in computing the income under the head “Income from other sources”.

For computing income under the head “Profits and gains of business or profession”, a disallowance is made for non-deduction of tax from payment to resident also. With a view to improve compliance of provisions relating to tax deduction at source (TDS), section 58 of the Income-tax Act has been amended so as to provide that the provisions of section 40(a)(ia) of the Income-tax Act shall, so far as they may be, apply in computing income chargeable under the head “Income from other sources” as they apply in computing income chargeable under the head “Profit and gains of business or Profession”.

***Restriction on set-off of loss from House Property-Section 71(3A):*** In line with the international best practices, a new sub-section (3A) has been inserted in the section 71 to provide that set-off of loss under the head Income from house property against any other head of income shall be restricted to two lakh rupees for any assessment year. However, the unabsorbed loss shall be allowed to be carried forward for set-off in subsequent years in accordance with the provisions of the Income-tax Act.

***Taxation of dividend income - Section 115BBDA:*** Before amendment, the provisions contained in section 115BBDA of the Income-tax Act specified that income by way of dividend in excess of Rs. 10 lakh shall be chargeable to tax at the rate of 10% on gross basis in case of a resident individual, Hindu undivided family or firm.

With a view to ensure horizontal equity among all categories of tax payers deriving income from dividend, section 115BBDA has been amended so as to specify that the provisions of said section shall be applicable to all resident assessee except domestic company and certain funds, trusts, institutions, etc.

***Deemed gifts-Section 56(2)(x):*** In order to prevent the practice of receiving the sum of money or the property without consideration or for inadequate consideration, a new clause (x) has been inserted in sub-section (2) of section 56 of the Income-tax Act so as to provide that receipt of the sum of money or the property by any person without consideration or for inadequate consideration in excess of Rs. 50,000 shall be chargeable to tax in the hands of the recipient under the head “Income from other sources”. Earlier, the scope of section was limited to such receipts only in the hands of Individual and HUF [S. 56(2)(vi) up to A.Y. 17-18]. The scope of exceptions has also been widened by including the receipt by certain trusts or institutions and receipt by way of certain transfers not regarded as transfer under section 47 of the Income-tax Act.

Consequential amendments have also been made under section 49 of the Income-tax Act for determination of cost of acquisition and section 2(24) of the Income-tax

Act to include sum of money or value of property referred to in section 56(2)(x) of the Income-tax Act in the definition of income.

**Rulings no longer relevant:** Any sum exceeding Rs. 50,000/- can fall within ambit of section 56(2)(vi) only if it is received by an individual or HUF; where assessee was an AOP, sum of Rs. 1.60 crore received by it without consideration could not be included in its total income within the framework of section 56(2)(vi) [Now 56(2)(x)] [Mridu Hari Dalmia Pariwar Trust vs. AO [2016] 179 TT] 577 (Delhi), etc.]

**Exemption of LTCG u/s 10(38):** Clause (38) of Section 10 of the Income-tax Act, before amendment by the Finance Act, 2017, provided that the income arising from a transfer of long term capital asset, being equity share of a company or a unit of an equity oriented fund, shall be exempt from tax if the transaction of sale is undertaken on or after 1st October, 2014 and is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004.

It has been noticed that exemption provided under section 10(38) is being misused by certain persons for declaring their unaccounted income as exempt long-term capital gains by entering into sham transactions. With a view to prevent this abuse, section 10(38) has been amended to provide that exemption under this section for income arising on transfer of equity share acquired or on after 01-10-2004 shall be available only if the acquisition of share is chargeable to STT. However, the exemption shall continue in genuine cases where the STT could not have been paid like acquisition of share in IPO, FPO, bonus or right issue by a listed company, acquisition by non-resident in accordance with FDI policy, etc. [Refer Not. No. 43/2017 dt. 05.06.17]

**Rulings overruled by this amendment:** Where assessee having purchased shares in physical form, converted them in Dematerialisation form and thereupon sale of those shares was carried out through recognized stock exchange after paying securities transaction tax, said transactions were to be regarded as genuine in nature and, therefore, assessee's claim for exemption under section 10(38) was to be allowed. [ITO v. Ajay Shantilal Lalwani [2012] 52 SOT 101 (URO) (Pune), ITO v. Smt. Aarti Mittal [2014] 149 ITD 728 (Hyd.), Etc.]

**Income from transfer of carbon credits-Section 115BBG:** In order to bring clarity on the issue of taxation of income from transfer of carbon credits and to encourage measures to protect the environment, a new section 115BBG has been inserted in the Income-tax Act so as to provide that where the total income of the assessee includes any income from transfer of carbon credit, such income shall be taxable at the concessional rate of ten per cent (plus applicable surcharge and cess) on

the gross amount of such income. No expenditure or allowance in respect of such income shall be allowed under the Income-tax Act.

***Rulings no longer relevant:*** Since carbon credit was generated out of environmental concerns and it was not having character of trading activity, receipt from sale of carbon credit was capital receipt and not business income. [CIT v. Subhash Kabini Power Corporation Ltd. [2016] 69 taxmann.com 394 (Kar.), CIT v. My Home Power Ltd. [2014] 46 taxmann.com 314 (AP), DCIT v. Kalpataru Power Transmission Ltd. [2017] 162 ITD 18 (Ahd.) etc.]

***Change or modifications of object by charitable institutions-Section 12A(1)(ab):*** The provisions of section 12AA of the Income-tax Act provide for registration of the trust or institution which entitles them to the benefit of sections 11 and 12. Section 12AA also provides the circumstances under which registration can be cancelled, one such circumstance being satisfaction of the CIT that its activities are not genuine or are not being carried out in accordance with its objects subsequent to grant of registration. However, before amendment by the Act, there was no explicit provision in the Income-tax Act which mandates said trust or institution to approach for fresh registration in the event of adoption or undertaking modifications of the objects after the registration has been granted.

Therefore, section 12A of the Income-tax Act has been amended to provide that where a trust or an institution has been granted registration under section 12AA or has obtained registration at any time under section 12A [as it stood before its amendment by the Finance (No. 2) Act, 1996] and, subsequently, it has adopted or undertaken modifications of the objects which do not conform to the conditions of registration, it shall be required to obtain fresh registration by making an application within a period of thirty days from the date of such adoption or modifications of the objects in the prescribed form and manner.

Further, amendment to section 12A of the Income-tax Act has been made so as to provide for additional condition that the person in receipt of the income chargeable to income-tax shall furnish the return of income within the time allowed under section 139 of the Income-tax Act.

***Ruling affirmed by the said amendment:*** Mumbai Tribunal held that when there was change in objects of assessee-society which had been granted registration under section 12A, it couldn't claim automatic benefits under sections 11 and 13 for those altered objects unless said changes were vetted by revenue authorities. [Board of Control for Cricket in India v. ITO 136 ITD 301 (Mum.)]



**No exemption for corpus donation by exempt entities to other exempt entities- Explan. 2 to Section 11(2):** Earlier, donation given by these exempt entities to another exempt entity, with specific direction that it shall form part of corpus, was though considered application of income in the hands of donor trust but was not considered as income of the recipient trust. Trusts, thus, engaged in giving corpus donations without actual applications.

Therefore, a new Explanation has been inserted to section 11 of the Income-tax Act so as to provide that any amount credited or paid, out of income referred to in clause (a) or clause (b) of sub-section (1) of section 11, being contributions with specific direction that they shall form part of the corpus of the trust or institution, shall not be treated as application of income.

A proviso has also been inserted in clause (23C) of section 10 of the Income-tax Act so as to provide similar restriction as above on the entities exempt under sub-clauses (iv), (v), (vi) or (via) of said clause in respect of any amount credited or paid out of their income.

**Transparency in political fundings-Section 13A:** The provisions of section 13A of the Income-tax Act provide inter alia that political parties that are registered with the Election Commission of India are exempt from paying income-tax. To avail the exemption, the political parties are required to submit a report to the Election Commission of India as mandated under sub-section (3) of section 29C of the Representation of the People Act, 1951 (43 of 1951) furnishing the details of contributions received by a political party in excess of Rs. 20,000 from any person. However, before amendment by the Act, there was no restriction of receipt of any amount of donation in cash by a political party. Further, before amendment by the Act, filing of the return was not a condition precedent for availing exemption under the said section.

In order to discourage the cash transactions and to bring transparency in the source of funding to political parties, section 13A of the Income-tax Act has been amended so as to provide for additional conditions for availing the benefit of the said section which are as under:

- (i) No donations of Rs.2000/- or more is received otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account or through electoral bonds.
- (ii) Political party furnishes a return of income for the previous year in accordance with the provisions of sub-section (4B) of section 139 on or before the due date under section 139 of the Income-tax Act.

## 6. CHANGES IN THE REQUIREMENTS AND DISCLOSURE OF THE INFORMATION

|                |  |
|----------------|--|
| <b>ITR-1 :</b> | <i>For individuals being a resident other than not ordinarily resident having Income from Salaries, one house property, other sources (Interest etc.) and having total income up to Rs. 50 lakh:</i> |
|----------------|--|

For Assessment Year 2018-19, a one page simplified ITR 1 (Sahaj) has been notified. In ITR 1 of A.Y.2018-19, certain details relating to salary and income from house property have to be mandatorily filled in the form itself.

- In case of salary, the details relating to salary (excluding all allowances, perquisites and profits in lieu of salary), allowances not exempt, value of perquisites, profits in lieu of salary and deductions under section 16 have to be filled up to arrive at the income chargeable under the head “Salaries”.
- Likewise, in case of income from house property, the details relating to gross rent received/receivable and taxes paid to local authorities have to be filled up to arrive at the annual value. Thereafter, deductions @ 30% of annual value and interest payable on borrowed capital has to be filled up to arrive at the income chargeable under the head “Income from house property”.

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

|                |   |
|----------------|---|
| <b>ITR-2 :</b> | <i>For Individuals and HUFs not having income from profits and gains of business or profession:</i> |
|----------------|---|

Income from Business or Profession is no more reportable in this return and accordingly all the relevant schedules for reporting have been deleted and further the assessee's opting for presumptive tax regime also cannot use this return. Last year (i.e. A.Y.2017-18), individuals and HUFs in receipt of salary, bonus, commission or remuneration from a firm in which they are partners, or in receipt of interest on capital from the firm, could also file ITR 2. This year, such persons have to file ITR 3.

|                |   |
|----------------|---|
| <b>ITR-3 :</b> | <i>For individuals and HUFs having income from profits and gains of business or profession:</i> |
|----------------|---|

Income from Business or Profession (either from presumptive or normal) earned by an Individual or HUF can be reported in this return.

For presumptive income though there is a separate return prescribed but the Assessee has the option to use this form also.

Other changes are reported in the common clauses.

|                |   |
|----------------|---|
| <b>ITR-4 :</b> | <b><i>For presumptive income from Business and Profession by Individuals, HUF and Firms :</i></b> |
|----------------|---|

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 "Profits and gains of business or profession" have to file return in ITR 4. In addition, they may have salary income, income from one house property and income from other sources. (Except winning from lotteries etc).

In addition to the other changes reported, the information relating to the Goods & Service Tax is required to be given, if the assessee is registered with the Goods & Service Tax Authorities. The details sought are as under:

1. 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, if applicable and also with Form 26AS.
2. Further, as regards financial particulars of the business, ITR 4 for A.Y.2017-18 sought only information relating to amount of a) total sundry debtors, (b) total sundry creditors, (c) total stock-in-trade and (d) cash balance. The new ITR 4 for A.Y.2018-19, in addition to sundry creditors, seeks details of partners/members own capital, secured and unsecured loans, advances and other liabilities. The total capital and liabilities would be the sum of the figures of the above assets.

Likewise, in addition to the three items of assets which are required to be disclosed in ITR 4 for A.Y.2017-18, ITR 4 for A.Y.2018-19 seeks details of balance with banks, loans and advances and other assets. The total assets would be the sum of the figures of the above assets.

The required details have been depicted below:

| <b>FINANCIAL PARTICULARS OF THE BUSINESS</b>  |   |     |  |
|---|---|-----|--|
| NOTE-For E11 to E25 furnish the information as on 31st 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 |  |
| <b>NOTE</b> ▶ Please refer to instructions for filling out this schedule (E15, E19, E20, E22 are mandatory and others if available) |   |     |  |

However Explanation (f) to section 139(9) mandates reporting of only turnover/ gross receipts, gross profit, expenses, net profit, total debtors, creditors, stock in trade and cash balance as at the end of financial year, for the return to treated as valid return of income.

|                |  |
|----------------|--|
| <b>ITR-5 :</b> | <i>For persons other than - (i) individual, (ii) HUF, (iii) company and (iv) person filing Form ITR-7:</i> |
|----------------|--|

There are no other changes in the ITR -5 form other than the common clauses added in the form, as discussed in the latter part of this publication.

|                |  |
|----------------|--|
| <b>ITR-6 :</b> | <i>For Companies other than companies claiming exemption under section 11:</i> |
|----------------|--|

In addition to the other reporting changes, the following additional information needs to be reported:

1. 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.

2. A new Schedule FD has been added requiring for break-up of payments/ receipt in foreign currency (to be filled up by an assessee who is not liable to get accounts audited u/s 44AB), in the following format:

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

3. Corporate Social Responsibility (CSR) expenditure is to be incurred mandatorily under the Companies Act, 2013. This expenditure is not deductible under section 37(1) of the Income-tax Act, 1961. The companies covered under section 135 of Companies Act 2013 are required to disclose CSR expenditure during the year in its Board's report.

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

4. MAT Adjustments for Ind-AS Compliant companies, adjustments for permissible deductions/allowances, have now been provided. Changes have also been made in the Schedule MAT wherein information relevant to Ind AS Compliant companies as per sub-section (2A) to (2C) to section 115JB has to be furnished. This will enable correct computation of profits under section 115JB.
5. 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. These companies are required to provide the name, address, percentage of shares held and PAN of the beneficial owners.

|                |   |
|----------------|---|
| <b>ITR-7 :</b> | <b><i>For persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D) or 139(4E) or 139(4F):</i></b> |
|----------------|---|

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:

- a. Form 9A -requires trust to confirm if it has filed Form 9A (in case application of Income of trust falls short of 85% ) and the date of filing of such form.
- b. Additional Declaration required in case of political parties - to confirm if cash donations exceeding Rs 2000/- are received [Section 13A].
- c. Details of fresh registration upon change of objects [Section 12A(1) (ab)]
  - Date of change in objects.
  - Whether application for fresh registration has been made within stipulated time period?
  - Whether fresh registration has been granted?
  - Date of such fresh registration.
- d. Amount utilized during the year for the stated objects out of surplus sum accumulated during an earlier year.
- e. All dividends in excess of Rs. 10 lakhs which are taxable under Section 115BBDA shall be disclosed in the Schedule OS (Income from other sources) and Schedule SI (Income chargeable to tax at special rate).

## 7. COMMON CLAUSES ADDED/MODIFIED IN THE ITR FORMS

### I. Section 234F (All ITR's)

A separate row under 'computation of tax liability' tab has been inserted in all ITR forms requiring furnishing of information pertaining to fee for default in furnishing return of income u/s 234F, leviable in respect of returns filed for A.Y.2018-19 and thereafter.

Late Fee levied in case of non-compliance of Section 139(1) of the Income-tax Act, 1961:

| 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                       |

- Time limit to revise the ITR is reduced to 12 months from existing limit of 24 months from the end of relevant previous year.

II. 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).

III. 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:

- 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.
- IV. Income from transfer of carbon credits under Section 115BBG (ITR-2, ITR-3, ITR-5, ITR-6 & ITR-7) chargeable at special rates.
- V. Income chargeable to tax at Special Rates: (ITR 2, ITR- 3, ITR-5 & ITR-6).

| <b>Income chargeable at special rates under DTAA</b> |  |                  |                     |                 |   |                            |                     |                      |                                       |
|--|--|------------------|---------------------|-----------------|---|----------------------------|---------------------|----------------------|---------------------------------------|
| 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   |  |                  |                     |                 |   |                            |                     |                      |                                       |
| <b>III</b>   | <b>Total amount of income chargeable at special rates under DTAA</b> |                  |                     |                 |   |                            |                     |                      |                                       |
|  |  |                  |                     |                 |   |                            |                     |                      |                                       |
|  |  |                  |                     |                 |   |                            |                     |                      |                                       |
|  |  |                  |                     |                 |   |                            |                     |                      |                                       |

- VI. 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).
- VII. 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'.
- VIII. Break up of Total Expenditure with registered or unregistered entities under GST (ITR-6).



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

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

Also following additional information needs to be given for the assesseees registered with GST (ITR-3, ITR-5 & ITR-6):

- Detailed analysis asked with respect to business transactions with registered and unregistered suppliers under GST.
- Details of GST paid and refunded.
- Schedule PL has been modified to include GST related details;
  - Income: GST Received or receivable in respect of Goods Sold or supplied - (Part A- P&L, Point 1C)
  - Expenses: GST paid or payable in respect of Goods and service purchased - (Part A-P&L, Point 7)
  - Expenses: GST paid or payable to Government (excluding taxes on income) - (Part A- P&L, Point 36)
  - Refund of GST not credited to Profit and loss account - (PART A-OI, 5)
  - Amount of credit outstanding in account in respect of GST - (Part A-OI, 12)

IX. Reporting of Capital Gains in case of Transfer of Unquoted shares (ITR-2, ITR-3, ITR-5, ITR-6 & ITR-7).

The following additional information is required to be furnished due to insertion of section 50CA in the Income-tax Act, 1961, (In case securities sold include shares of a company other than quoted shares) -

- a) Full value of consideration received/receivable in respect of unquoted shares.
- b) FMV determined in the prescribed manner.
- c) Full value of consideration adopted as per section 50CA for the purpose of Capital Gains [higher of (a) and (b)] .

**X. 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 -

- (i) Date of transfer of original asset is also required to be given.
- (ii) 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.

| Schedule CG  |  | Capital Gains   |   |                           |
|--|--|---|---|---------------------------|
| <b>A Short-term Capital Gains (STCG) (Items 4, 5 and 8 are not applicable for residents)</b>   |  |   |   |                           |
| 1  | <b>From sale of land or building or both</b>             |   |   |                           |
|  | a  | i   | Full value of consideration received/receivable   | ai                        |
|  |  | ii  | Value of property as per stamp valuation authority  | aii                       |
|  |  | iii   | Full value of consideration adopted as per section 50C for the purpose of Capital Gains (ai or aii) | aiii                      |
|  | b  | Deductions under section 48   |   | ai                        |
|  |  | i   | Cost of acquisition without indexation  | bi                        |
|  |  | ii  | Cost of Improvement without indexation  | bii                       |
|  |  | iii   | Expenditure wholly and exclusively in connection with transfer                                      | biii                      |
|  |  | iv  | Total (bi + bii + biii)   | biv                       |
|  | c  | Balance (aiii - biv)  |   | 1c                        |
|  | d  | Deduction under section 54B/54D/ 54G/54GA (Specify details in item D below) |   | 1d                        |
| e  | Short-term Capital Gains on Immovable property (1c - 1d) |   | A1e   |                           |
| <b>2 From slump sale</b>   |  |   |   |                           |
|  | a  | Full value of consideration   |   | 2a<br>(5 of Form 3CEA)    |
|  | b  | Net worth of the under taking or division                                   |   | 2b<br>(6(e) of Form 3CEA) |
|  | c  | Short term capital gains from slump sale (2a-2b)                            |   | A1e                       |
| <b>3 From sale of equity share or unit of equity oriented Mutual Fund (MF) or unit of a business trust on which STT is paid under section 111A or 115AD(1)(ii) proviso (for FII)</b> |  |   |   |                           |
|  | a  | Full value of consideration   |   | 3a                        |
|  | b  | Deductions under section 48   |   |                           |
|  |  | i   | Cost of acquisition without indexation  | bi                        |
|  |  | ii  | Cost of Improvement without indexation  | bii                       |

**Short-term Capital Gains**

|          |     |   |   |     |
|----------|-----|---|---|-----|
|          | iii | Expenditure wholly and exclusively in connection with transfer  | biii  |     |
|          | iv  | Total (i + ii + iii)  | biv   |     |
|          | c   | Balance (3a - biv)  | 3c  |     |
|          | d   | Loss to be disallowed u/s 94(7) or 94(8)- for example if asset bought/acquired within 3 months prior to record date and dividend/income/bonus units are received, then loss arising out of sale of such asset to be ignored (Enter positive value only) | 3a  |     |
|          | e   | Short-term capital gain on equity share or equity oriented MF (STT paid) (3c + 3d)  |   | A3e |
| <b>4</b> |     | <b>For NON-RESIDENT, not being an FII- from sale of shares or debentures of an Indian company (to be computed with foreign exchange adjustment under first proviso to section 48)</b>   |   |     |
|          | a   | STCG on transactions on which securities transaction tax (STT) is paid  |   | A4a |
|          | b   | STCG on transactions on which securities transaction tax (STT) is not paid  |   | A4b |
| <b>5</b> |     | <b>For NON-RESIDENTS- from sale of securities (other than those at A3 above) by an FII as per section 115AD</b>   |   |     |
|          | a   | i   | In case securities 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 securities other than unquoted shares   |   |     |
|          | iii | Total (ic + ii)   | aiii  |     |
|          | b   | Deductions under section 48   |   |     |
|          | i   | Cost of acquisition without indexation  | bi  |     |
|          | ii  | Cost of improvement without indexation  | bii   |     |

|          |   |   |      |  |
|----------|---|---|------|--|
|          | iii   | Expenditure wholly and exclusively in connection with transfer  | biii |  |
|          | iv  | Total (i + ii + iii)  | biv  |  |
|          | c   | Balance (5aiii - biv)   | 5c   |  |
|          | d   | Loss to be disallowed u/s 94(7) or 94(8)- for example if security bought/acquired within 3 months prior to record date and dividend/income/bonus units are received, then loss arising out of sale of such security to be ignored (Enter positive value only) | 5d   |  |
|          | e   | Short-term capital gain on sale of securities (other than those at A3 above) by an FII (5c +5d)   | A5e  |  |
| <b>6</b> | <b>From sale of assets other than at A1 or A2 or A3 or A4 or A5 above</b> |   |      |  |
|          | a   | In case assets sold include shares of a company other than quoted shares, enter the following details   |      |  |
|          | i   |   |      |  |
|          | a   | Full value of consideration received/receivable in respect of unquoted shares   |      |  |
|          | 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 |  |
|          | b   | Deductions under section 48   |      |  |
|          | i   | Cost of acquisition without indexation  | bi   |  |
|          | ii  | Cost of Improvement without indexation  | bii  |  |
|          | iii   | Expenditure wholly and exclusively in connection with transfer  | biii |  |
|          | iv  | Total (i + ii + iii)  | biv  |  |
|          | c   | Balance (6aiii - biv)   | 6c   |  |

|  |  | In case of asset (security/unit) loss to be disallowed u/s 94(7) or 94(8)- for example if asset bought/acquired within 3 months prior to record date and dividend/income/bonus units are received, then loss arising out of sale of such asset to be ignored (Enter positive value only) |  | 6d   |   |                            |                     |                      |                                       |
|--|--|--|--|--|---|----------------------------|---------------------|----------------------|---------------------------------------|
|  |  | Deemed short term capital gains on depreciable assets (6 of schedule- DCG)   |  | 6e   |   |                            |                     |                      |                                       |
|  |  | Deduction under section 54D/54G/54GA   |  | 6f   |   | A6g                        |                     |                      |                                       |
|  |  | STCG on assets other than at A1 or A2 or A3 or A4 or A5 above (6c + 6d + 6e -6f)   |  | 6c   |   |                            |                     |                      |                                       |
|  |  | Balance (6aiii - biv)  |  | 6c   |   |                            |                     |                      |                                       |
| <b>7 Amount deemed to be short term capital gains</b>  |  |  |  |  |   |                            |                     |                      |                                       |
| a Whether any amount of unutilized capital gain on asset transferred during the previous years shown below was deposited in the Capital Gains Accounts Scheme within due date for that year?<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable. If yes, then provide the details below |  |  |  |  |   |                            |                     |                      |                                       |
| Sl.  | Previous year in which asset transferred | Section under which deduction claimed in that year   | New asset acquired/constructed           |  | Amount not used for new asset or remained unutilized in Capital gains account (X) |                            |                     |                      |                                       |
|  |  |  | Year in which asset acquired/constructed | Amount utilised out of Capital Gains account |   |                            |                     |                      |                                       |
| i  | 2014-15                                  | 54D/54G/54GA   |  |  |   |                            |                     |                      |                                       |
| ii   | 2015-16                                  | 54B  |  |  |   |                            |                     |                      |                                       |
| b Amount deemed to be short term capital gains u/s 54B/54D/54G/54GA, other than at 'a'   |  |  |  |  |   |                            |                     |                      |                                       |
| Total amount deemed to be short term capital gains (Xi + Xii + b)  |  |  |  |  |   |                            |                     |                      |                                       |
| <b>8 Amount of STCG included in A1-A7 but not chargeable to tax or chargeable at special rates as per DTAA</b>   |  |  |  |  |   |                            |                     |                      |                                       |
| 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  |   |     |     |     |     |     |     |                     | A8a       |
| b        | Total amount of STCG not chargeable to tax or chargeable at special rates as per DTAA               |   |     |     |     |     |     |     |                     | A8b       |
| <b>9</b> | <b>Total Short-term Capital Gain (A1e+ A2c+ A3e+ A4a+ A4b+ A5e+ A6g+ A7 -A8a)</b>                   |   |     |     |     |     |     |     |                     | <b>A9</b> |
| <b>B</b> | <b>Long-term capital gain (LTCG) (Sub-items 5, 6 &amp; 7 are not applicable for residents)</b>      |   |     |     |     |     |     |     |                     |           |
| <b>1</b> | <b>From sale of land or building or both</b>  |   |     |     |     |     |     |     |                     |           |
| a        | i   | Full value of consideration received/ receivable  |     |     |     |     |     |     |                     | ai        |
|          | ii  | Value of property as per stamp valuation authority  |     |     |     |     |     |     |                     | aii       |
|          | iii   | Full value of consideration adopted as per section 50C for the purpose of Capital Gains (ai or aii) |     |     |     |     |     |     |                     | aiii      |
| b        | Deductions under section 48   |   |     |     |     |     |     |     |                     |           |
|          | i   | Cost of acquisition with indexation   |     |     |     |     |     |     |                     | bi        |
|          | ii  | Cost of Improvement with indexation   |     |     |     |     |     |     |                     | bii       |
|          | iii   | Expenditure wholly and exclusively in connection with transfer                                      |     |     |     |     |     |     |                     | biiii     |
|          | iv  | Total (bi + bii + biiii)  |     |     |     |     |     |     |                     | biv       |
| c        | Balance (aiii - biv)  |   |     |     |     |     |     |     |                     | 1c        |
| d        | Deduction under section 54/54B/54D/54EC/54EE/54F/54G/54GA/54GB<br>(Specify details in item D below) |   |     |     |     |     |     |     |                     | 1d        |
| e        | Long-term Capital Gains on Immovable property (1c - 1d)   |   |     |     |     |     |     |     |                     | B1e       |
| <b>2</b> | <b>From slump sale</b>  |   |     |     |     |     |     |     |                     |           |
| a        | Full value of consideration   |   |     |     |     |     |     | 2a  | (5 of Form 3CEA)    |           |
| b        | Net worth of the under taking or division   |   |     |     |     |     |     | 2b  | (6(e) of Form 3CEA) |           |
| c        | Balance (2a - 2b)   |   |     |     |     |     |     | 2c  |                     |           |

|          |   |  |      |     |
|----------|---|--|------|-----|
|          | d | Deduction u/s 54EC/54EE / 54F (Specify details in item D below)  | 2d   |     |
|          | e | Long term capital gains from slump sale (2c-2d)  |      | B2e |
| <b>3</b> |   | <b>From sale of bonds or debenture (other than capital indexed bonds issued by Government)</b>   |      |     |
|          | a | Full value of consideration  | 3a   |     |
|          | b | Deductions under section 48  |      |     |
|          |   | i Cost of acquisition without indexation   | bi   |     |
|          |   | ii Cost of improvement without indexation  | bii  |     |
|          |   | iii Expenditure wholly and exclusively in connection with transfer   | biii |     |
|          |   | iv Total (bi + bii +biii)  | biv  |     |
|          | c | Balance (3a - biv)   | 3c   |     |
|          | d | Deduction under sections 54EC/ 54EE / 54F (Specify details in item D below)  | 3d   |     |
|          | e | LTCG on bonds or debenture (3c - 3d)   |      | B3e |
| <b>4</b> |   | <b>From sale of, (i) listed securities (other than a unit) or zero coupon bonds where proviso under section 112(1) is applicable (ii) GDR of an Indian company referred in sec. 115ACA</b> |      |     |
|          | a | Full value of consideration  | 4a   |     |
|          | b | Deductions under section 48  |      |     |
|          |   | i Cost of acquisition without indexation   | bi   |     |
|          |   | ii Cost of improvement without indexation  | bii  |     |
|          |   | iii Expenditure wholly and exclusively in connection with transfer   | biii |     |
|          |   | iv Total (bi + bii +biii)  | biv  |     |
|          | c | Balance (4a - biv)   | 4c   |     |
|          | d | Deduction under sections 54EC/ 54EE / 54F (Specify details in item D below)  | 4d   |     |
|          | e | Long-term Capital Gains on assets at B4 above (4c - 4d)  |      | B4e |
| <b>5</b> |   | <b>For NON-RESIDENTS- from sale of shares or debenture of Indian company (to be computed with foreign exchange adjustment under first proviso to section 48)</b>                           |      |     |



|          |   |  |   |            |
|----------|---|--|---|------------|
|          | a | LTCG computed without indexation benefit   | 5a  |            |
|          | b | Deduction under sections 54EC/54EE/54F (Specify details in item D below)   | 5b  |            |
|          | c | LTCG on share or debenture (5a-5b)   |   | <b>B5c</b> |
| <b>6</b> |   | <b>For NON-RESIDENTS- from sale of, (i) unlisted securities as per sec. 112(1)(c), (ii) bonds or GDR as referred in sec. 115AC, (iii) securities by FII as referred to in sec. 115AD</b> |   |            |
|          | a | i  | In case securities 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 securities other than unquoted shares   |            |
|          |   | iii  | Total (ic + ii)   | aiii       |
|          | b |  | Deductions under section 48   |            |
|          |   | i  | Cost of acquisition without indexation  | bi         |
|          |   | ii   | Cost of improvement without indexation  | bii        |
|          |   | iii  | Expenditure wholly and exclusively in connection with transfer  | biii       |
|          |   | iv   | Total (bi + bii + biii)   | biv        |
|          | c |  | Balance (6aiii - biv)   | 6c         |
|          | d |  | Deduction under sections 54EC/54EE/54F (Specify details in item D below)  | 6d         |
|          | e |  | Long-term Capital Gains on assets at 6 above in case of NON-RESIDENT (6c - 6d)  | <b>B6e</b> |
| <b>7</b> |   |  | <b>From sale of foreign exchange asset by NON-RESIDENT INDIAN (If opted under chapter XII-A)</b>  |            |
|          | a |  | LTCG on sale of specified asset (computed without indexation)   | 7a         |

|    |   |   |   |      |  |
|----|---|---|---|------|--|
| 8  | b   | Less deduction under section 115F (Specify details in item D below)                                   | 7b  |      |  |
|    | c   | Balance LTCG on sale of specified asset (7a - 7b)   |   | B7c  |  |
|    | d   | LTCG on sale of asset, other than specified asset (computed without indexation)                       | 7d  |      |  |
|    | e   | Less deduction under section 115F (Specify details in item D below)                                   | 7e  |      |  |
|    | f   | Balance LTCG on sale of asset, other than specified asset (7d - 7e)                                   |   | B7f  |  |
|    | <b>From sale of assets where B1 to B7 above are not applicable</b>                    |   |   |      |  |
| 8  | a   | In case assets sold include shares of a company other than quoted shares, enter the following details |   |      |  |
|    | i   | a   | Full value of consideration received/receivable in respect of unquoted shares   |      |  |
|    |   | 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  |      |  |
|    | b   | Deductions under section 48   |   |      |  |
|    | i   | i   | Cost of acquisition with indexation   | bi   |  |
|    |   | ii  | Cost of improvement with indexation   | bii  |  |
|    |   | iii   | Expenditure wholly and exclusively in connection with transfer  | biii |  |
| iv |   | Total (bi + bii + biii)   | biv   |      |  |
| c  |   | Balance (8aiii - biv)   | 8c  |      |  |
| d  | Deduction under section 54D/54EC/54EE /54F/54G/54GA (Specify details in item D below) | 8d  |   |      |  |
| e  | Long-term Capital Gains on assets at B8 above (8c-8d)                                 |   | B8e   |      |  |

|         |   |   |  |  |   |                            |                     |                      |                                       |  |            |
|---------|---|---|--|--|---|----------------------------|---------------------|----------------------|---------------------------------------|--|------------|
| 9       | <b>Amount deemed to be long-term capital gains</b>  |   |  |  |   |                            |                     |                      |                                       |  | B9         |
|         | Whether any amount of unutilized capital gain on asset transferred during the previous year shown below was deposited in the Capital Gains Accounts Scheme within due date for that year?<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not applicable. If yes, then provide the details below |   |  |  |   |                            |                     |                      |                                       |  |            |
| a       |   |   | New asset acquired/constructed                     |  | Amount not used for new asset or remained unutilized in Capital gains account (X) |                            |                     |                      |                                       |  |            |
|         | Sl.   | Previous year in which asset transferred  | Section under which deduction claimed in that year | Year in which asset acquired/constructed | Amount utilised out of Capital Gains account                                      |                            |                     |                      |                                       |  |            |
|         | i   | 2014-15                                   | 54/54D/54F/54G/54GA                                |  |   |                            |                     |                      |                                       |  |            |
|         | ii  | 2015-16                                   | 54B  |  |   |                            |                     |                      |                                       |  |            |
| b       | Amount deemed to be long-term capital gains, other than at 'a'  |   |  |  |   |                            |                     |                      |                                       |  |            |
|         | Total amount deemed to be long-term capital gains (Xi + Xii + b)  |   |  |  |   |                            |                     |                      |                                       |  | B9         |
| 10      | <b>-Amount of LTCG included in items B1 to B9 but not chargeable to tax or chargeable at special rates in India as per DTAA</b>   |   |  |  |   |                            |                     |                      |                                       |  |            |
| Sl. No. | Amount of income  | Item No. B1 to B9 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 LTCG not chargeable to tax as per DTAA  |   |  |  |   |                            |                     |                      |                                       |  | B10a       |
| b       | Total amount of LTCG not chargeable to tax or chargeable at special rates as per DTAA   |   |  |  |   |                            |                     |                      |                                       |  | B10b       |
| 11      | <b>Total long term capital gain chargeable under I.T. Act [B1e +B2e+ B3e +B4e + B5c + B6e + B7c + B7f + B8e+ B9-B10a] (In case of loss take the figure to 9xi of schedule CFL)</b>  |   |  |  |   |                            |                     |                      |                                       |  |            |
|         |   |   |  |  |   |                            |                     |                      |                                       |  | <b>B11</b> |

| C | Income chargeable under the head "CAPITAL GAINS" (A9 + B11) (take B11as nil, if loss)  |  | C                         |
|---|--|--|---------------------------|
| D | Information about deduction claimed against Capital Gains                              |  |                           |
| 1 | In case of deduction u/s 54/54B/54D/54EC/54EE/54F/54G/54GA/115F give following details |  |                           |
|   | a  | Deduction claimed u/s 54   |                           |
|   | i  | Date of transfer of original asset   | ai<br><i>dd/mm/yyyy</i>   |
|   | ii   | Cost of new residential house  | aii                       |
|   | iii  | Date of purchase / construction of new residential house                           | aiii<br><i>dd/mm/yyyy</i> |
|   | iv   | Amount deposited in Capital Gains Accounts Scheme before due date                  | aiv                       |
|   | v  | Amount of deduction claimed  | av                        |
|   | b  | Deduction claimed u/s 54B  |                           |
|   | i  | Date of transfer of original asset   | bi<br><i>dd/mm/yyyy</i>   |
|   | ii   | Cost of new agricultural land  | bii                       |
|   | iii  | Date of purchase of new agricultural land  | biii<br><i>dd/mm/yyyy</i> |
|   | iv   | Amount deposited in Capital Gains Accounts Scheme before due date                  | biv                       |
|   | v  | Amount of deduction claimed  | bv                        |
|   | c  | Deduction claimed u/s 54D  |                           |
|   | i  | Date of acquisition of original asset  | ci<br><i>dd/mm/yyyy</i>   |
|   | ii   | Cost of purchase/ construction of new land or building for industrial under-taking | cii                       |
|   | iii  | Date of purchase of new land or building   | ciii<br><i>dd/mm/yyyy</i> |
|   | iv   | Amount deposited in Capital Gains Accounts Scheme before due date                  | civ                       |
|   | v  | Amount of deduction claimed  | cv                        |
|   | d  | Deduction claimed u/s 54EC   |                           |
|   | i  | Date of transfer of original asset   | di<br><i>dd/mm/yyyy</i>   |
|   | ii   | Amount invested in specified/ notified bonds (not exceeding fifty lakh rupees)     | dii                       |

|   |     |   |  |  |  |  |  |                   |                   |
|---|-----|---|--|--|--|--|--|-------------------|-------------------|
|   |     |   |  |  |  |  |  |                   | <i>dd/mm/yyyy</i> |
|   | iii | Date of investment  |  |  |  |  |  |                   | diii              |
|   | iv  | Amount of deduction claimed   |  |  |  |  |  |                   | div               |
| e |     | Deduction claimed u/s 54D   |  |  |  |  |  |                   |                   |
|   | i   | Date of transfer of original asset  |  |  |  |  |  | <i>dd/mm/yyyy</i> | ei                |
|   | ii  | Amount invested in specified assets   |  |  |  |  |  |                   | eii               |
|   | iii | Date of investment  |  |  |  |  |  | <i>dd/mm/yyyy</i> | eiii              |
|   | iv  | Amount of deduction claimed   |  |  |  |  |  |                   | eiv               |
| f |     | Deduction claimed u/s 54F   |  |  |  |  |  |                   |                   |
|   | i   | Date of transfer of original asset  |  |  |  |  |  | <i>dd/mm/yyyy</i> | fi                |
|   | ii  | Cost of new residential house   |  |  |  |  |  |                   | fii               |
|   | iii | Date of purchase/construction of new residential house                      |  |  |  |  |  | <i>dd/mm/yyyy</i> | fiii              |
|   | iv  | Amount deposited in Capital Gains Accounts Scheme before due date           |  |  |  |  |  |                   | fiv               |
|   | v   | Amount of deduction claimed   |  |  |  |  |  |                   | fv                |
| g |     | Deduction claimed u/s 54G   |  |  |  |  |  |                   |                   |
|   | i   | Date of transfer of original asset from urban area                          |  |  |  |  |  | <i>dd/mm/yyyy</i> | gi                |
|   | ii  | Cost and expenses incurred for purchase or construction of new asset        |  |  |  |  |  |                   | gii               |
|   | iii | Date of purchase/construction of new asset in an area other than urban area |  |  |  |  |  | <i>dd/mm/yyyy</i> | giii              |
|   | iv  | Amount deposited in Capital Gains Accounts Scheme before due date           |  |  |  |  |  |                   | giv               |
|   | v   | Amount of deduction claimed   |  |  |  |  |  |                   | gv                |
| h |     | Deduction claimed u/s 54GA  |  |  |  |  |  |                   |                   |
|   | i   | Date of transfer of original asset from urban area                          |  |  |  |  |  | <i>dd/mm/yyyy</i> | hi                |
|   | ii  | Cost and expenses incurred for purchase or construction of new asset        |  |  |  |  |  |                   | hii               |
|   | iii | Date of purchase/construction of new asset in SEZ                           |  |  |  |  |  | <i>dd/mm/yyyy</i> | hiii              |
|   | iv  | Amount deposited in Capital Gains Accounts Scheme before due date           |  |  |  |  |  |                   | hiv               |
|   | v   | Amount of deduction claimed   |  |  |  |  |  |                   | hv                |

| i   |  | Deduction claimed u/s 115F (for Non-Resident Indians)  |  |                                 |  |                                |  |   |  |
|-----|--|--|--|---------------------------------|--|--------------------------------|--|---|--|
| i   |  | Date of acquisition of original asset  |  | ii                              |  | dd/mm/yyyy                     |  |   |  |
| ii  |  | Cost of purchase/ construction of new land or building for industrial undertaking  |  | iii                             |  |                                |  |   |  |
| iii |  | Date of purchase of new land or building   |  | iiii                            |  | dd/mm/yyyy                     |  |   |  |
| iv  |  | Amount deposited in Capital Gains Accounts Scheme before due date  |  | iiv                             |  |                                |  |   |  |
| j   |  | Deduction claimed u/s 54D  |  |                                 |  |                                |  |   |  |
|     |  | Total deduction claimed (1a + 1b + 1c + 1d + 1e + 1f + 1g + 1h+1i)   |  | 1j                              |  |                                |  |   |  |
| ii  |  | Amount invested in new specified asset or savings certificate  |  | iii                             |  |                                |  |   |  |
| iii |  | Date of investment   |  | iiii                            |  | dd/mm/yyyy                     |  |   |  |
| iv  |  | Amount of deduction claimed  |  | iiv                             |  |                                |  |   |  |
| 2   |  | In case of deduction u/s 54GB, furnish PAN of the company  |  |                                 |  |                                |  |   |  |
| E   |  | Set-off of current year capital losses with current year capital gains (excluding amounts included in A8 & B10 which is chargeable under DTAA) |  |                                 |  |                                |  |   |  |
| Sl. |  | Gain of current year (Fill this column only if computed figure is positive)  |  | Short term capital loss set off |  | Long term capital loss set off |  | Current year's capital gains remaining after set off (7= 1-2-3-4-5-6) |  |
|     |  | 1  |  | 2 3                             |  | 4                              |  | 5 6 7   |  |
| i   |  | Loss to be set off (Fill this row if figure computed is negative)  |  | (A3e+A4a)                       |  | (A1e+A2c+ A4b+A6g +A7+A8b)     |  | (B1e+B2e+ B3e+ B5c+ B7f+B8e +B9)                                      |  |
|     |  | Type of Capital Gain   |  | A5e                             |  | applicable rate                |  | 20%   |  |
|     |  |  |  | 15%                             |  | 30%                            |  | 10%   |  |

|             | ii  | 15%  | (A3e+A4a)                         |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
|-------------|---|--|-----------------------------------|---------------|-------------------|---------------------|--------------------|------------------|--|--|--|--|--|--|--|--|--|--|--|--|
|             | iii   | 30%  | A5e                               |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
|             | iv  | applicable rate  | (A1e+A2c +A4b+ A6g +A7 +A8b)      |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
|             | v   | 10%  | (B4e+ + B6e+B7c)                  |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
|             | vi  | 20%  | (B1e+B2e +B3e+ B5c + B7f+B8e +B9) |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
|             | vii   | Total loss set off (ii + iii + iv + v + vi)  |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
|             | viii  | Loss remaining after set off (i - vii)   |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>F</b>    | <b>Information about accrual/receipt of capital gain</b>  |  |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
|             |   | Type of Capital gain / Date  |                                   | Upto 15/6 (i) | 16/6 to 15/9 (ii) | 16/9 to 15/12 (iii) | 16/12 to 15/3 (iv) | 16/3 to 31/3 (v) |  |  |  |  |  |  |  |  |  |  |  |  |
| 1           |   | Short-term capital gains taxable at the rate of 15%<br><i>Enter value from item 5vi of schedule BFLA, if any.</i>    |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2           |   | Short-term capital gains taxable at the rate of 30%<br><i>Enter value from item 5vii of schedule BFLA, if any.</i>   |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3           |   | Short-term capital gains taxable at applicable rates<br><i>Enter value from item 5viii of schedule BFLA, if any.</i> |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
| 4           |   | Long-term capital gains taxable at the rate of 10%<br><i>Enter value from item 5ix of schedule BFLA, if any.</i>     |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
| 5           |   | Long-term capital gains taxable at the rate of 20%<br><i>Enter value from item 5x of schedule BFLA, if any.</i>      |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |
| <b>NOTE</b> | Please include the income of the specified persons referred to in Schedule SPI while computing the income under this head |  |                                   |               |                   |                     |                    |                  |  |  |  |  |  |  |  |  |  |  |  |  |

XI. 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.

XII. 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 Assesseees can get the refund directly to their account.

XIII. Individual taxpayers who are filing income-tax return in Form ITR 2 or ITR 3 or ITR 4 aren't required to mention the gender, i.e., male or female or transgender, as the column of gender has been removed.

XIV. Income from Transfer of Carbon Credits Applicable for ITR 2, 3, 5, 6, 7.

XV. 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].

XVI. 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.

XVII. By the Finance Act, 2017, w.e.f 01.04.2018, where the assessee incurs any expenditure in respect of which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or account payee bank draft, *[or use of electronic clearing*



*system through a bank account, exceeds ten thousand rupees], no deduction shall be allowed in respect of such expenditure. Earlier, the limit of Rs. 20,000 is allowed. The change is made in ITR 3, 5 & 6 now the assessee has one more option of payment i.e. electronic clearing system and the limit of 20,000 is decreased to Rs. 10,000.*

XVIII. The scope of deduction u/s 43B is extended by the Finance Act, 2017, w.e.f. 01.04.2018 which includes:

*“as any sum payable by the assessee as interest on any loan or advances from a scheduled bank [or a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank] in accordance with the terms and conditions of the agreement governing such loan or advances, or”*

Now, the deduction is allowed to the assessee for interest payment to the co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank also. Therefore, this particular payment is added to both the clauses “if debited but disallowable” and “disallowed but allowable” in Part A- OI (Other Information) *and the assessee have to fill the column whichever is applicable.* (Applicable for ITR 3, 5 and 6).

## 8. PROCESSING OF RETURNS BY CPC: RELEVANT AMENDMENTS AND CBDT INSTRUCTIONS

- Sub-section (1) of the section 143 provides for mandatory processing of return of income made under section 139, or in response to a notice under sub-section (1) of section 142. Clause (a) of the said sub-section provides that at the time of processing of return, the total income or loss shall be computed after making the adjustments specified in sub-clauses (i) to (vi) thereof. Further, it is necessary to process a return of income and send resultant intimation before expiry of one year from the end of the financial year in which the return was made.

Sub-clause (vi) of clause (a) of sub-section (1) of section 143 of the Act as introduced *vide* Finance Act, 2016, w.e.f. 1-4-2017, while processing the return of income, prescribes that the total income or loss shall be computed after making adjustment for addition of income appearing in Form 26 AS or Form 16A or Form 16 (the three Forms) which has not been included in computing the total income in the return.

However, with a view to restrict the scope of adjustments, Finance Act 2018 inserted new proviso to the said clause to provide that no adjustment under sub-clause (vi) of the said clause shall be made in respect of any return furnished on or after the assessment year commencing on the first day of April, 2018.

- Further, from A.Y. 2017-18, discretion of Assessing Officer in processing returns under scrutiny has been completely removed and therefore, all returns have to be processed as per provisions of section 143(1) of the Act. This is irrespective of the fact whether in cases under scrutiny, the Assessing Officer is contemplating taking recourse under section 241A of the Act to withhold the refund so arising on ground of concern for recovery of revenue.
- The CBDT has launched software for processing of returns on Income-tax Business Application (ITBA) which has been functioning since 31st October, 2017. The returns pushed to the Assessing Officer for processing by the CPC are required to be processed electronically on the ITBA. However, in exceptional circumstances, whenever returns cannot be processed because of technical difficulties in functioning of ITBA, in order to provide an uninterrupted taxpayer service, the Assessing Officer can also manually process the return that is pushed to them by the CPC with prior administrative approval of Pr. CIT. However, before taking up the return for processing manually, the

difficulty being faced in processing the return electronically on ITBA on a case to case basis would be referred to the Pr. DGIT (System,) who shall satisfy himself that due to technical difficulties the return cannot be processed electronically on ITBA within a reasonable period & thereafter, permit manual processing in that case. However, in all such cases, the Assessing Officers have to mandatorily upload the same in the system.[*CBDT letter No.F.NO.225/53/2018/ITA.III, DATED 28-3-2018*]

It has further been clarified that, to avoid any arbitrariness, the returns of Assessment Year 2017-18 and onwards which are pushed by the CPC to the Assessing Officer for processing, shall be handled in a chronological manner.

- ***Bogus claims in ITRs'***: In this connection, the attempt of salaried taxpayers to under-report income or inflate deductions aided and abetted by unscrupulous intermediaries has been noted with concern by CBDT in its recent advisory.

Recently on 18.04.18, CPC has issued an advisory stating that the Income Tax Department has an extensive risk analysis system aimed at identifying persons who are non-compliant and aim to subvert the trust based system envisioned while processing of ITRs at CPC Bangalore. In all such cases of high risk, the Department may examine and verify the details submitted by taxpayers in their ITR, subsequent to processing of returns in CPC.

It is warned in clear terms that if the Department notices any fraudulent claims in the returns, such tax payers may be punishable under various provisions of the Income Tax Act. This may also delay issuance of refunds in such cases.

CBDT has gone one step ahead and warned that Department may also prosecute the intermediaries and abettors under relevant sections of the Income Tax Act and may refer such cases to other law enforcement agencies for appropriate action. Hence, the Department also advises all intermediaries to strictly confine their advice to taxpayers within the four corners of the Income Tax Act.

## 9. PROCESSING OF RETURNS BY CPC : SOME CONCERNS

Processing of returns at CPC is fully system driven. The systems and processing softwares are designed to apply precisely applicable provisions of Act and Rules, while processing the returns. However, there are certain issues faced by taxpayers which need immediate attention and corrective action by CPC.

To note a few:

- Self Assessment Taxes paid in one month but return filed belatedly:- In such case the interest u/s 234A should not be levied after the date of payment of Self Assessment Tax. [*CIT v. Pranoy Roy 309 ITR 231 (SC)*]. However, since in case of Pranoy Roy S.A. tax was paid before due date, CPC levies interest u/s 234A up to the date of filing of return, if the Self Assessment Tax is paid after due date u/s 139(1). Broad view, if taken by CPC in spirit of ratio laid down by Supreme Court, will be in the best interest of justice.
- Post-rule 37BA(3) credit for tax deducted at source and paid to the Central Government shall be given only for the assessment year for which such income is assessable and, accordingly, deductee would have to defer his claim of TDS credit till the revenue recognition in subsequent year/years. To handle the situations and to make sub-rules (3) and (4) of rule 37BA workable, corresponding procedural changes have been made by CBDT in ITRs' w.e.f. A.Y. 2014-15 to allow carry forward of TDS to next Assessment Year and credit of unclaimed TDS brought forward. CPC give credit for the brought forward TDS, provided the processing of the year in which TDS was deducted was done by CPC. This facility is required to be extended by rectification for other cases. Column relating to 'Credit of TDS brought forward', if added in form 26AS, would serve the purpose.
- In case of inter head set off of losses, when loss from one head is allowed to be set off against the income available under more than one heads, there is no priority defined under the Act for set off. In such situation, as per settled legal principles, priority beneficial to assessee should be followed. However, CPC while **processing** returns follows the loss set off priority beneficial to revenue resulting in to disputed demands.

There are various such issues relating to processing of returns by CPC which needs to be addressed by CPC to reduce the litigation and to reduce the infructuous demands.

## **10. PRECAUTIONS TO BE TAKEN AT THE TIME OF FILING OF ITR TO ENSURE CORRECT AND TIMELY PROCESSING OF RETURNS**

- I. Keep monitoring Form 26AS online over TRACES on periodic intervals for early trapping of the inconsistencies therein, if any due to fault of deductor.
- II. Follow the procedural guidelines prescribed by Rule 37BA, wherever necessary.
- III. Reconciliation of disclosed Income with Form 26AS.
- IV. Claims for TDS of earlier years on account of difference in method of accounting i.e. deductor following mercantile and deductee follows cash system. In such cases it should be ensured that the SCHEDULE-TDS is properly filled up specifying that the financial year in which TDS has been deducted by the Deductor.
- V. There should not be under reporting / mis-reporting of Income in Return or claims to avoid penalty u/s 270A.
- VI. Deductions claimed from Capital Gains in earlier years on account of investments (i.e. Capital gains investments in capital gains scheme account for subsequent investment) and no subsequent investments made thereafter in the time specified.
- VII. Claims and deductions under Chapter VIA should not be made out of exempt income/non-taxable income.
- VIII. Voluntary disallowance u/s 14A, if applicable may be computed and shown in the return.
- IX. Voluntary offer of income u/s 68, 69, 69A, 69B, 69C, 69D in ITR to get immunity from penalty u/s 271AAC, etc.

## **11. NEW BUSINESS CODES FOR A.Y. 18-19**

CBDT has changed nature of business codes for income tax return forms from A.Y. 18-19. Before filing of Income tax return, correct business sector along with correct business code has to be selected. List of Business codes for ITR forms for A.Y. 2018-19 is mentioned in annexure attached at the end.

## 12. RECOMMENDATIONS

It is always advisable to select the correct ITR form and file the return. The assessee can also use the higher version of the forms but in that case the requirements mandated in that version has to be given otherwise the return may not be validated on the ITD and may become defective.

It needs to be ensured that if there is a revision of return, the Total Income reported in the Original Return should not be lesser in the Revised Return which may lead to other intricacies. Intimations u/s 143(1), defect notices u/s 139(9), show cause notices u/s 245 for refund adjustments etc. received from CPC should be properly attended on timely basis to avoid further complexities.

The uploading of Return of Income is tracked through IP Address of the filer. Therefore, proper representation and authority from the filer be obtained as per the Standard operating practice prescribed by the ICAI. Further, the provisions of the Information Technology Act, 2000 needs to be considered carefully in the era of E-assessment. It is advisable to update your latest Aadhar linked mobile No. and e-mail id in the profile on e-filing portal as well as in return of income.

Lastly, methodologies in return forms don't prevail over Income Tax Act. Rule 12(1)(a) of Income-tax Rules and Form for filing return of income couldn't go beyond the provisions of the Act. Whenever there is conflict between provisions of the Act and relevant procedural schema in ITR forms, Act shall prevail (*3F Industries Ltd. Vs. Jt.CIT [2014] 44 taxmann.com 200 (Visakhapatnam)*).

## 13. ANNEXURE

### BUSINESS CODES FOR ITR FORMS FOR A.Y 2018-19

| Sector   | Sub-Sector  | Code   |
|--|---|--|
| <b>AGRICULTURE,<br/>ANIMAL<br/>HUSBANDRY<br/>&amp; FORESTRY</b>                      | Growing and manufacturing of tea  | 01001  |
|  | Growing and manufacturing of coffee   | 01002  |
|  | Growing and manufacturing of rubber   | 01003  |
|  | Market gardening and horticulture specialties                                       | 01004  |
|  | Raising of silk worms and production of silk  | 01005  |
|  | Raising of bees and production of honey   | 01006  |
|  | Raising of poultry and production of eggs   | 01007  |
|  | Rearing of sheep and production of wool   | 01008  |
|  | Rearing of animals and production of animal products                                | 01009  |
|  | Agricultural and animal husbandry services  | 01010  |
|  | Soil conservation, soil testing and soil desalination services                      | 01011  |
|  | Hunting, trapping and game propagation services                                     | 01012  |
|  | Growing of timber, plantation, operation of tree nurseries and conserving of forest | 01013  |
|  | Gathering of tendu leaves   | 01014  |
|  | Gathering of other wild growing materials   | 01015  |
|  | Forestry service activities, timber cruising, afforestation and reforestation       | 01016  |
|  | Logging service activities, transport of logs within the forest                     | 01017  |
|  | Other agriculture, animal husbandry or forestry activity n.e.c                      | 01018  |
|  | <b>FISH FARMING</b>   | Fishing on commercial basis in inland waters |
| Fishing on commercial basis in ocean and coastal areas                               |   | 02002  |
| Fish farming   |   | 02003  |
| Gathering of marine materials such as natural pearls, sponges, coral etc.            |   | 02004  |
| Services related to marine and fresh water fisheries, fish hatcheries and fish farms |   | 02005  |
| Other Fish farming activity n.e.c  |   | 02006  |



| Sector                      | Sub-Sector  | Code  |
|-----------------------------|---|-------|
| <b>MINING AND QUARRYING</b> | Mining and agglomeration of hard coal                                       | 03001 |
|                             | Mining and agglomeration of lignite   | 03002 |
|                             | Extraction and agglomeration of peat  | 03003 |
|                             | Extraction of crude petroleum and natural gas                               | 03004 |
|                             | Service activities incidental to oil and gas extraction excluding surveying | 03005 |
|                             | Mining of uranium and thorium ores  | 03006 |
|                             | Mining of iron ores   | 03007 |
|                             | Mining of non-ferrous metal ores, except uranium and thorium ores           | 03008 |
|                             | Mining of gemstones   | 03009 |
|                             | Mining of chemical and fertilizer minerals                                  | 03010 |
|                             | Mining of quarrying of abrasive materials                                   | 03011 |
|                             | Mining of mica, graphite and asbestos                                       | 03012 |
|                             | Quarrying of stones (marble/granite/dolomite), sand and clay                | 03013 |
|                             | Other mining and quarrying  | 03014 |
|                             | Mining and production of salt   | 03015 |
|                             | Other mining and quarrying n.e.c  | 03016 |
| <b>MANUFACTURING</b>        | Production, processing and preservation of meat and meat products           | 04001 |
|                             | Production, processing and preservation of fish and fish products           | 04002 |
|                             | Manufacture of vegetable oil, animal oil and fats                           | 04003 |
|                             | Processing of fruits, vegetables and edible nuts                            | 04004 |
|                             | Manufacture of dairy products   | 04005 |
|                             | Manufacture of sugar  | 04006 |
|                             | Manufacture of cocoa, chocolates and sugar confectionery                    | 04007 |
|                             | Flour milling   | 04008 |
|                             | Rice milling  | 04009 |
|                             | Dal milling   | 04010 |
|                             | Manufacture of other grain mill products                                    | 04011 |
|                             | Manufacture of bakery products  | 04012 |
|                             | Manufacture of starch products  | 04013 |

| Sector | Sub-Sector   | Code  |
|--------|--|-------|
|        | Manufacture of animal feeds  | 04014 |
|        | Manufacture of other food products                                       | 04015 |
|        | Manufacturing of wines   | 04016 |
|        | Manufacture of beer  | 04017 |
|        | Manufacture of malt liquors  | 04018 |
|        | Distilling and blending of spirits, production of ethyl alcohol          | 04019 |
|        | Manufacture of mineral water   | 04020 |
|        | Manufacture of soft drinks   | 04021 |
|        | Manufacture of other non-alcoholic beverages                             | 04022 |
|        | Manufacture of tobacco products  | 04023 |
|        | Manufacture of textiles (other than by handloom)                         | 04024 |
|        | Manufacture of textiles using handlooms (khadi)                          | 04025 |
|        | Manufacture of carpet, rugs, blankets, shawls etc. (other than by hand)  | 04026 |
|        | Manufacture of carpet, rugs, blankets, shawls etc. by hand               | 04027 |
|        | Manufacture of wearing apparel   | 04028 |
|        | Tanning and dressing of leather  | 04029 |
|        | Manufacture of luggage, handbags and the like saddler and harness        | 04030 |
|        | Manufacture of footwear  | 04031 |
|        | Manufacture of wood and wood products, cork, straw and plaiting material | 04032 |
|        | Manufacture of paper and paper products                                  | 04033 |
|        | Publishing, printing and reproduction of recorded media                  | 04034 |
|        | Manufacture of coke oven products  | 04035 |
|        | Manufacture of refined petroleum products                                | 04036 |
|        | Processing of nuclear fuel   | 04037 |
|        | Manufacture of fertilizers and nitrogen compounds                        | 04038 |
|        | Manufacture of plastics in primary forms and of synthetic rubber         | 04039 |

| Sector | Sub-Sector   | Code  |
|--------|--|-------|
|        | Manufacture of paints, varnishes and similar coatings                      | 04040 |
|        | Manufacture of pharmaceuticals, medicinal chemicals and botanical products | 04041 |
|        | Manufacture of soap and detergents   | 04042 |
|        | Manufacture of other chemical products                                     | 04043 |
|        | Manufacture of man-made fibers   | 04044 |
|        | Manufacture of rubber products   | 04045 |
|        | Manufacture of plastic products  | 04046 |
|        | Manufacture of glass and glass products                                    | 04047 |
|        | Manufacture of cement, lime and plaster                                    | 04048 |
|        | Manufacture of articles of concrete, cement and plaster                    | 04049 |
|        | Manufacture of Bricks  | 04050 |
|        | Manufacture of other clay and ceramic products                             | 04051 |
|        | Manufacture of other non-metallic mineral products                         | 04052 |
|        | Manufacture of pig iron, sponge iron, Direct Reduced Iron etc.             | 04053 |
|        | Manufacture of Ferro alloys  | 04054 |
|        | Manufacture of Ingots, billets, blooms and slabs etc.                      | 04055 |
|        | Manufacture of steel products  | 04056 |
|        | Manufacture of basic precious and non-ferrous metals                       | 04057 |
|        | Manufacture of non-metallic mineral products                               | 04058 |
|        | Casting of metals  | 04059 |
|        | Manufacture of fabricated metal products                                   | 04060 |
|        | Manufacture of engines and turbines  | 04061 |
|        | Manufacture of pumps and compressors                                       | 04062 |
|        | Manufacture of bearings and gears  | 04063 |
|        | Manufacture of ovens and furnaces  | 04064 |
|        | Manufacture of lifting and handling equipment                              | 04065 |
|        | Manufacture of other general purpose machinery                             | 04066 |

| Sector | Sub-Sector  | Code  |
|--------|---|-------|
|        | Manufacture of agricultural and forestry machinery                        | 04067 |
|        | Manufacture of Machine Tools  | 04068 |
|        | Manufacture of machinery for metallurgy                                   | 04069 |
|        | Manufacture of machinery for mining, quarrying and constructions          | 04070 |
|        | Manufacture of machinery for processing of food and beverages             | 04071 |
|        | Manufacture of machinery for leather and textile                          | 04072 |
|        | Manufacture of weapons and ammunition                                     | 04073 |
|        | Manufacture of other special purpose machinery                            | 04074 |
|        | Manufacture of domestic appliances  | 04075 |
|        | Manufacture of office, accounting and computing machinery                 | 04076 |
|        | Manufacture of electrical machinery and apparatus                         | 04077 |
|        | Manufacture of Radio, Television, communication equipment and apparatus   | 04078 |
|        | Manufacture of medical and surgical equipment                             | 04079 |
|        | Manufacture of industrial process control equipment                       | 04080 |
|        | Manufacture of instruments and appliances for measurements and navigation | 04081 |
|        | Manufacture of optical instruments  | 04082 |
|        | Manufacture of watches and clocks   | 04083 |
|        | Manufacture of motor vehicles   | 04084 |
|        | Manufacture of body of motor vehicles                                     | 04085 |
|        | Manufacture of parts & accessories of motor vehicles & engines            | 04086 |
|        | Building & repair of ships and boats                                      | 04087 |
|        | Manufacture of railway locomotive and rolling stocks                      | 04088 |
|        | Manufacture of aircraft and spacecraft                                    | 04089 |
|        | Manufacture of bicycles   | 04090 |
|        | Manufacture of other transport equipment                                  | 04091 |

| Sector                                  | Sub-Sector   | Code  |
|---|--|-------|
|   | Manufacture of furniture   | 04092 |
|   | Manufacture of jewellery   | 04093 |
|   | Manufacture of sports goods  | 04094 |
|   | Manufacture of musical instruments   | 04095 |
|   | Manufacture of games and toys  | 04096 |
|   | Other manufacturing n.e.c.   | 04097 |
|   | Recycling of metal waste and scrap   | 04098 |
|   | Recycling of non- metal waste and scrap  | 04099 |
| <b>ELECTRICITY, GAS AND WATER</b>       | Production, collection and distribution of electricity                                       | 05001 |
|   | Manufacture and distribution of gas  | 05002 |
|   | Collection, purification and distribution of water   | 05003 |
|   | Other essential commodity service n.e.c  | 05004 |
| <b>CONSTRUCTION</b>                     | Site preparation works   | 06001 |
|   | Building of complete constructions or parts-civil contractors                                | 06002 |
|   | Building installation  | 06003 |
|   | Building completion  | 06004 |
|   | Construction and maintenance of roads, rails, bridges, tunnels, ports, harbour, runways etc. | 06005 |
|   | Construction and maintenance of power plants   | 06006 |
|   | Construction and maintenance of industrial plants  | 06007 |
|   | Construction and maintenance of power transmission and telecommunication lines               | 06008 |
|   | Construction of water ways and water reservoirs  | 06009 |
|   | Other construction activity n.e.c.   | 06010 |
| <b>REAL ESTATE AND RENTING SERVICES</b> | Purchase, sale and letting of leased buildings (residential and non-residential)             | 07001 |
|   | Operating of real estate of self-owned buildings (residential and non-residential)           | 07002 |
|   | Developing and sub-dividing real estate into lots  | 07003 |
|   | Real estate activities on a fee or contract basis  | 07004 |
|   | Other real estate/renting services n.e.c   | 07005 |

| Sector                            | Sub-Sector   | Code  |
|-----------------------------------|--|-------|
| <b>RENTING OF MACHINERY</b>       | Renting of land transport equipment                          | 08001 |
|                                   | Renting of water transport equipment                         | 08002 |
|                                   | Renting of air transport equipment                           | 08003 |
|                                   | Renting of agricultural machinery and equipment              | 08004 |
|                                   | Renting of construction and civil engineering machinery      | 08005 |
|                                   | Renting of office machinery and equipment                    | 08006 |
|                                   | Renting of other machinery and equipment n.e.c.              | 08007 |
|                                   | Renting of personal and household goods n.e.c.               | 08008 |
|                                   | Renting of other machinery n.e.c.                            | 08009 |
| <b>WHOLESALE AND RETAIL TRADE</b> | Wholesale and retail sale of motor vehicles                  | 09001 |
|                                   | Repair and maintenance of motor vehicles                     | 09002 |
|                                   | Sale of motor parts and accessories- wholesale and retail    | 09003 |
|                                   | Retail sale of automotive fuel                               | 09004 |
|                                   | General commission agents, commodity brokers and auctioneers | 09005 |
|                                   | Wholesale of agricultural raw material                       | 09006 |
|                                   | Wholesale of food & beverages and tobacco                    | 09007 |
|                                   | Wholesale of household goods                                 | 09008 |
|                                   | Wholesale of metals and metal ores                           | 09009 |
|                                   | Wholesale of household goods                                 | 09010 |
|                                   | Wholesale of construction material                           | 09011 |
|                                   | Wholesale of hardware and sanitary fittings                  | 09012 |
|                                   | Wholesale of cotton and jute                                 | 09013 |
|                                   | Wholesale of raw wool and raw silk                           | 09014 |
|                                   | Wholesale of other textile fibres                            | 09015 |
|                                   | Wholesale of industrial chemicals                            | 09016 |
|                                   | Wholesale of fertilizers and pesticides                      | 09017 |
|                                   | Wholesale of electronic parts & equipment                    | 09018 |
|                                   | Wholesale of other machinery, equipment and supplies         | 09019 |
|                                   | Wholesale of waste, scrap & materials for recycling          | 09020 |

| <b>Sector</b>                                       | <b>Sub-Sector</b>  | <b>Code</b> |
|---|--|-------------|
|   | Retail sale of food, beverages and tobacco in specialized stores | 09021       |
|   | Retail sale of other goods in specialized stores                 | 09022       |
|   | Retail sale in non-specialized stores                            | 09023       |
|   | Retail sale of textiles, apparel, footwear, leather goods        | 09024       |
|   | Retail sale of other household appliances                        | 09025       |
|   | Retail sale of hardware, paint and glass                         | 09026       |
|   | Wholesale of other products n.e.c                                | 09027       |
|   | Retail sale of other products n.e.c                              | 09028       |
| <b>HOTELS, RESTAURANTS AND HOSPITALITY SERVICES</b> | Hotels - Star rated  | 10001       |
|   | Hotels - Non-star rated  | 10002       |
|   | Motels, Inns and Dharmshalas                                     | 10003       |
|   | Guest houses and circuit houses                                  | 10004       |
|   | Dormitories and hostels at educational institutions              | 10005       |
|   | Short stay accommodations n.e.c.                                 | 10006       |
|   | Restaurants - with bars  | 10007       |
|   | Restaurants - without bars                                       | 10008       |
|   | Canteens   | 10009       |
|   | Independent caterers   | 10010       |
|   | Casinos and other games of chance                                | 10011       |
|   | Other hospitality services n.e.c.                                | 10012       |
| <b>TRANSPORT &amp; LOGISTICS SERVICES</b>           | Travel agencies and tour operators                               | 11001       |
|   | Packers and movers   | 11002       |
|   | Passenger land transport   | 11003       |
|   | Air transport  | 11004       |
|   | Transport by urban/sub-urban railways                            | 11005       |
|   | Inland water transport   | 11006       |
|   | Sea and coastal water transport                                  | 11007       |
|   | Freight transport by road  | 11008       |
|   | Freight transport by railways                                    | 11009       |
|   | Forwarding of freight  | 11010       |
|   | Receiving and acceptance of freight                              | 11011       |
|   | Cargo handling   | 11012       |
|   | Storage and warehousing  | 11013       |

| Sector  | Sub-Sector  | Code   |
|---|---|--|
|   | Transport via pipelines (transport of gases, liquids, slurry and other commodities) | 11014  |
|   | Other Transport & Logistics services n.e.c  | 11015  |
| <b>POST AND TELE - COMMUNICATION SERVICES</b>     | Post and courier activities   | 12001  |
|   | Basic telecom services  | 12002  |
|   | Value added telecom services  | 12003  |
|   | Maintenance of telecom network  | 12004  |
|   | Activities of the cable operators   | 12005  |
|   | Other Post & Telecommunication services n.e.c                                       | 12006  |
|   | <b>FINANCIAL INTERMEDIATION SERVICES</b>  | Commercial banks, saving banks and discount houses |
| Specialised institutions granting credit          |   | 13002  |
| Financial leasing                                 |   | 13003  |
| Hire-purchase financing                           |   | 13004  |
| Housing finance activities                        |   | 13005  |
| Commercial loan activities                        |   | 13006  |
| Credit cards                                      |   | 13007  |
| Mutual funds                                      |   | 13008  |
| Chit fund   |   | 13009  |
| Investment activities                             |   | 13010  |
| Life insurance                                    |   | 13011  |
| Pension funding                                   |   | 13012  |
| Non-life insurance                                |   | 13013  |
| Administration of financial markets               |   | 13014  |
| Stock brokers, sub-brokers and related activities |   | 13015  |
| Financial advisers, mortgage advisers and brokers |   | 13016  |
| Foreign exchange services                         |   | 13017  |
| Other financial intermediation services n.e.c.    |   | 13018  |
| <b>COMPUTER AND RELATED SERVICES</b>              | Software development  | 14001  |
|   | Other software consultancy  | 14002  |
|   | Data processing   | 14003  |
|   | Database activities and distribution of electronic content                          | 14004  |



| Sector                          | Sub-Sector   | Code  |
|---------------------------------|--|-------|
|                                 | Other IT enabled services  | 14005 |
|                                 | BPO services   | 14006 |
|                                 | Cyber café   | 14007 |
|                                 | Maintenance and repair of office, accounting and computing machinery | 14008 |
|                                 | Computer training and educational institutes                         | 14009 |
|                                 | Other computation related services n.e.c.                            | 14010 |
| <b>RESEARCH AND DEVELOPMENT</b> | Natural sciences and engineering                                     | 15001 |
|                                 | Social sciences and humanities                                       | 15002 |
|                                 | Other Research & Development activities n.e.c.                       | 15003 |
| <b>PROFESSIONS</b>              | Legal profession   | 16001 |
|                                 | Accounting, book-keeping and auditing profession                     | 16002 |
|                                 | Tax consultancy  | 16003 |
|                                 | Architectural profession   | 16004 |
|                                 | Engineering and technical consultancy                                | 16005 |
|                                 | Advertising  | 16006 |
|                                 | Fashion designing  | 16007 |
|                                 | Interior decoration  | 16008 |
|                                 | Photography  | 16009 |
|                                 | Auctioneers  | 16010 |
|                                 | Business brokerage   | 16011 |
|                                 | Market research and public opinion polling                           | 16012 |
|                                 | Business and management consultancy activities                       | 16013 |
|                                 | Labour recruitment and provision of personnel                        | 16014 |
|                                 | Investigation and security services                                  | 16015 |
|                                 | Building-cleaning and industrial cleaning activities                 | 16016 |
|                                 | Packaging activities   | 16017 |
|                                 | Secretarial activities   | 16018 |
|                                 | Other professional services n.e.c.                                   | 16019 |

| Sector                            | Sub-Sector   | Code  |
|-----------------------------------|--|-------|
| <b>EDUCATION SERVICES</b>         | Primary education  | 17001 |
|                                   | Secondary/ senior secondary education                                    | 17002 |
|                                   | Technical and vocational secondary/ senior secondary education           | 17003 |
|                                   | Higher education   | 17004 |
|                                   | Education by correspondence  | 17005 |
|                                   | Coaching centres and tuitions  | 17006 |
|                                   | Other education services n.e.c.  | 17007 |
| <b>HEALTH CARE SERVICES</b>       | General hospitals  | 18001 |
|                                   | Speciality and super speciality hospitals                                | 18002 |
|                                   | Nursing homes  | 18003 |
|                                   | Diagnostic centres   | 18004 |
|                                   | Pathological laboratories  | 18005 |
|                                   | Independent blood banks  | 18006 |
|                                   | Medical transcription  | 18007 |
|                                   | Independent ambulance services   | 18008 |
|                                   | Medical suppliers, agencies and stores                                   | 18009 |
|                                   | Medical clinics  | 18010 |
|                                   | Dental practice  | 18011 |
|                                   | Ayurveda practice  | 18012 |
|                                   | Unani practice   | 18013 |
|                                   | Homeopathy practice  | 18014 |
|                                   | Nurses, physiotherapists or other para-medical practitioners             | 18015 |
| Veterinary hospitals and practice | 18016  |       |
| Other healthcare services         | 18017  |       |
| <b>SOCIAL AND COMMUNITY WORK</b>  | Social work activities with accommodation (orphanages and old age homes) | 19001 |
|                                   | Social work activities without accommodation (Creches)                   | 19002 |
|                                   | Industry associations, chambers of commerce                              | 19003 |
|                                   | Professional organisations   | 19004 |
|                                   | Trade unions   | 19005 |
|                                   | Religious organizations  | 19006 |
|                                   | Political organisations  | 19007 |

| Sector                   | Sub-Sector   | Code  |
|--------------------------|--|-------|
|                          | Other membership organisations n.e.c. (rotary clubs, book clubs and philatelic clubs)                | 19008 |
|                          | Other Social or community service n.e.c  | 19009 |
| <b>CULTURE AND SPORT</b> | Motion picture production  | 20001 |
|                          | Film distribution  | 20002 |
|                          | Film laboratories  | 20003 |
|                          | Television channel productions   | 20004 |
|                          | Television channels broadcast  | 20005 |
|                          | Video production and distribution  | 20006 |
|                          | Sound recording studios  | 20007 |
|                          | Radio - recording and distribution   | 20008 |
|                          | Stage production and related activities  | 20009 |
|                          | Individual artists excluding authors   | 20010 |
|                          | Literary activities  | 20011 |
|                          | Other cultural activities n.e.c.   | 20012 |
|                          | Circuses and race tracks   | 20013 |
|                          | Video Parlours   | 20014 |
|                          | News agency activities   | 20015 |
|                          | Library and archives activities  | 20016 |
|                          | Museum activities  | 20017 |
|                          | Preservation of historical sites and buildings   | 20018 |
|                          | Botanical and zoological gardens   | 20019 |
|                          | Operation and maintenance of sports facilities   | 20020 |
|                          | Activities of sports and game schools  | 20021 |
|                          | Organisation and operation of indoor/ outdoor sports and promotion and production of sporting events | 20022 |
|                          | Other sporting activities n.e.c.   | 20023 |
|                          | Other recreational activities n.e.c.   | 20024 |
| <b>OTHER SERVICES</b>    | Hair dressing and other beauty treatment   | 21001 |
|                          | Funeral and related activities   | 21002 |
|                          | Marriage bureaus   | 21003 |
|                          | Pet care services  | 21004 |
|                          | Sauna and steam baths, massage salons etc.   | 21005 |
|                          | Astrological and spiritualists' activities   | 21006 |

| <b>Sector</b>   | <b>Sub-Sector</b>  | <b>Code</b> |
|---|--|-------------|
|   | Private households as employers of domestic staff                                      | 21007       |
|   | Other services n.e.c.  | 21008       |
| <b>EXTRA<br/>TERRITORIAL<br/>ORGANISATIONS<br/>AND BODIES</b> | Extra territorial organisations and bodies (IMF, World Bank, European Commission etc.) | 22001       |

\*n.e.c. - not elsewhere classified



