



KEY CHANGES ITR FORMS AND NEW DISCLOSURES

*at Alappuzha Branch of SIRC of ICAI
on 16.07.2019*

Presented By

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DIRECT TAX COLLECTION

FOR THE PERIOD FY 2013-14 TO FY 2018-19

FINANCIAL YEAR	TOTAL COLLECTION (Rs. In crore)	GROWTH (%)
2013-14	6,38,596	14.24%
2014-15	6,95,792	8.96%
2015-16	7,41,945	6.63%
2016-17	8,41,713	13.45%
2017-18	10,02,741	19.13%
2018-19 (Provisional)	11,37,686	13.46%



NO. OF TAXPAYERS FOR THE PERIOD FY 2013-14 TO FY 2018-19

FINANCIAL YEAR	NO. OF TAXPAYERS	GROWTH (%)
2013-14	5,71,58,811	8.27%
2014-15	6,15,23,699	7.64%
2015-16	6,92,73,834	12.60%
2016-17	7,41,27,250	7.01%
2017-18	8,44,46,376	13.92%



SELECTION OF ITR FORMS – FOR FILING OF RETURN

SALARY INCOME

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
Income from salary/pension (for ordinarily resident person)	✓	✓	✓	✓
Income from salary / pension (for not ordinarily resident and non-resident person)		✓	✓	
Any Individual who is a Director in any company		✓	✓	

INCOME FROM HOUSE PROPERTY

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
Income or loss from one House Property (excluding brought forward losses and losses to be carried forward)	✓	✓	✓	✓
Individual has brought forward loss or losses to be carried forward under the head House Property		✓	✓	
Income or loss form more than one House Property		✓	✓	

INCOME FROM BUSINESS OR PROFESSION

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
Income from Business or Profession			✓	
Income from Presumptive Business or Profession covered under section 44AD, 44ADA and 44AE (for person resident in India)				✓
Income from Presumptive Business or Profession covered under section 44AD, 44ADA and 44AE (for not ordinarily resident and non-resident person)			✓	
Interest, salary, bonus, commission or share of profit received by a partner from a partnership firm			✓	

CAPITAL GAINS

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
Taxpayer has held unlisted equity shares at any time during the previous year		✓	✓	
Capital Gains/ Loss on sale of investments / property		✓	✓	

INCOME FROM OTHER SOURCES

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
Family Pension (for ordinarily resident person)	✓	✓	✓	✓
Family Pension (for not ordinarily resident and non-resident person)		✓	✓	
Income from other sources (other than income chargeable to tax at special rates including winnings from lottery and race horses or losses under this head)	✓	✓	✓	✓
Income from other sources (including income chargeable to tax at special rates including winnings from lottery and race horses or losses under this head)		✓	✓	
Dividend income exceeding ₹ 10 Lakhs taxable under Section 115BBDA		✓	✓	
Unexplained income (i.e., cash credit, unexplained investment etc.) taxable at 60% under Section 115BBE		✓	✓	
Person claiming deduction under Section 57 from income taxable under the head 'Other Sources' (other than deduction allowed from family pension)		✓	✓	

DEDUCTIONS

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
Person claiming deduction under Section 80QQB or 80RRB in respect of royalty from patent or books		✓	✓	
Person claiming deduction under section 10AA or Part-C of Chapter VI-A			✓	

TOTAL INCOME

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
Agricultural income exceeding ₹ 5,000		✓	✓	
Total income exceeding ₹ 50 lakhs		✓	✓	
Assessee has any brought forward losses or losses to be carried forward under any head of income		✓	✓	

COMPUTATION OF TAX LIABILITY

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
If an individual is taxable in respect of an income but TDS in respect of such income has been deducted in hands of any other person (i.e., clubbing of income, Portugues Civil Code, etc.)		✓	✓	
Claiming relief of tax under section 90, 90A or 91		✓	✓	

OTHERS

Nature of Income	ITR1 * (Sahaj)	ITR 2	ITR 3	ITR-4*
Assessee has:				
➤ Income from foreign sources				
➤ Foreign Assets including financial interest in any foreign entity		✓	✓	
➤ Signing authority in any account outside India				
Income to be apportioned in accordance with Section 5A		✓	✓	

* ITR-1 can be filed by an Individual only who is ordinarily resident in India. ITR-4 can be filed only by an Individual or HUF who is ordinarily resident in India and by a firm (other than LLP) resident of India.

OTHER ASSESSEES

Status of Assessee	ITR 4	ITR 5	ITR 6	ITR 7
Firm (excluding LLPs) opting for presumptive taxation scheme of section 44AD, 44ADA or 44AE	✓			
Firm (including LLPs)		✓		
Association of Person (AOP)		✓		
Body of Individual (BOI)		✓		
Local Authority		✓		
Artificial Juridical Person		✓		
Companies other than companies claiming exemption under Sec. 11			✓	
Persons including companies required to furnish return under: <ul style="list-style-type: none"> ➤ Section 139(4A); ➤ Section 139(4B); ➤ Section 139 (4C); ➤ Section 139 (4D) 				✓
Business Trust		✓		
Investment Fund as referred to in Section 115UB		✓		

MODE OF FILING RETURN – AY 2019-20

Particulars	E-filing with DSC	E-filing without DSC	E-filing with EVC	Paper Filing *
Individual whose age is 80 years or above	✓	✓	✓	✓
Individual or HUF who is subject to tax audit under Section 44AB	✓			
Any other Individual or HUF	✓	✓	✓	
Company	✓			
Political Parties	✓			
Any person filing return in ITR-7 (other than a political party)	✓	✓	✓	
Any person filing return in ITR-5 (if tax audit is mandatory)	✓			
Any person filing return in ITR-5 (if tax audit is not mandatory)	✓	✓	✓	
* Return can be filed in paper format by a super senior citizen only if he furnishes the return either in ITR-1 or in ITR-4				



REPORTING OF REGISTRATION NUMBER AND OTHER INFORMATION BY START-UPS

[ITR-5,6]

- Sec 80-IAC Deduction 100% of Profit and Gains derived by a eligible start-up approved by Department for Promotion of Industry and Internal Trade (DPIIT)
- Disclosure
 - a) Registration no. allotted by DPIIT
 - b) Number of the certificate received from Inter-Ministerial Board
 - c) Date of filing of form 2 with DPIIT

REPORTING OF SHAREHOLDING BY START-UPS AND CLOSELY HELD COMPANIES

[ITR-6]

- Schedule SH 2
 - a) Name of shareholder
 - b) Category of shareholder
 - c) Type of share
 - d) PAN of shareholder
 - e) Date of allotment / Date of application of shares
 - f) Number of shares held/No. of shares applied for by the shareholder
 - g) Face value per share
 - h) Issue price per share
 - i) Paid-up value per share
 - j) Share application money in case allotment is pending
 - k) Share premium

INVESTMENT IN UNLISTED COMPANIES

[ITR-2,3,5]

- Issues shares at a price less than Fair Market Value (FMV) – exceeds ₹ 50,000
- Charged to tax in the hands of Share Holders (Income from Other Source)



DISCLOSURE – UNLISTED EQUITY SHARES

- Name of the Company
- PAN of the Company
- Number and cost of acquisition of shares held at the beginning of the year
- Number of shares, face value, issue price (or purchase price) and date of purchase of shares acquired during the year
- Number and sale consideration of shares transferred during the year
- Number and cost of acquisition of shares held at the end of the previous year.

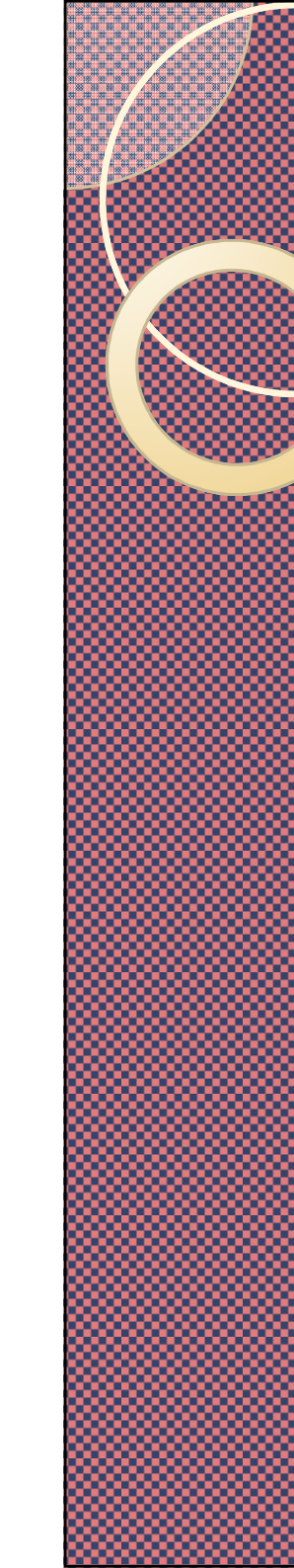


Sec 54EE DELETED

CAPITAL GAIN SCHEDULE

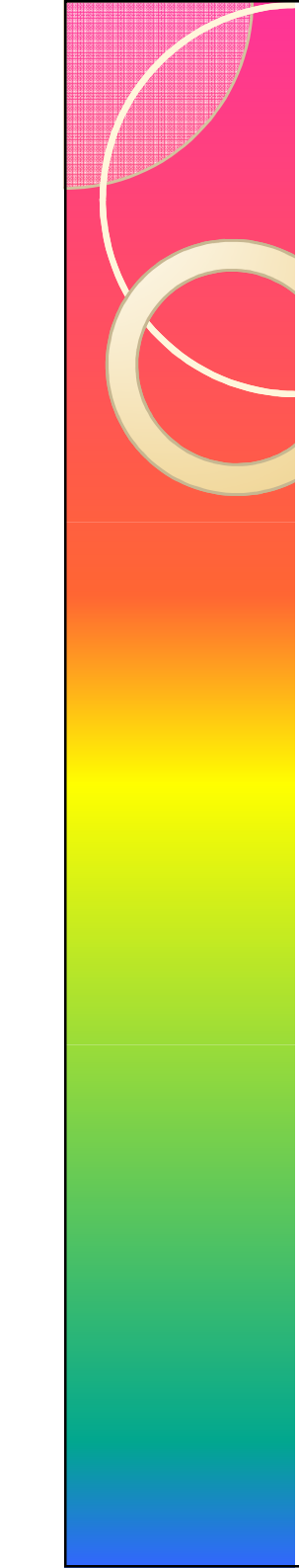
[ITR-2,3,5,6]

- To promote start-up ecosystem 'Start-Up India Action Plan' fund to finance the start-ups. (introduced Finance Act, 2016)
- Exemption from Long term Capital Gain
- No fund has been notified by the Government.
- 54EE deleted from Schedule CG (Capital Gains)



CONSEQUENTIAL CHANGES ON WITHDRAWAL OF Sec 10(38) EXEMPTION [ITR 2,3,5,6]

- Long Term Capital Gain-Transfer of securities
- Equity Shares
- Units of equity oriented Mutual Fund
- Units of Business Trust
- Subject to Security Transaction Tax (STT)
- Fully exempt
- Finance Act 2018 withdrawn exemption with effect from AY 2019-20 (Section 112A)

- 
- Relief-acquisition before 1st February 2018
 - Cost of acquisition higher of the following:
 - a) Actual cost of acquisition
 - b) Lower of FMV as on 31.01.2018 or full value consideration received



TAX ON SMALL DOMESTIC COMPANIES

[ITR 6]

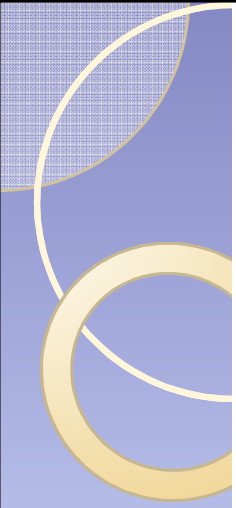
- Concession Tax rate 25%
- Turn over limit increased
- 50 crores to 250 crores
- ITR 6 revised to incorporate the effect



DDT ON DEEMED DIVIDEND-Sec. 2(22)(E)

[ITR 6]

- Loan or advance given by closely held company to its Share holder (Substantial interest)
- Deemed as Dividend (upto AY 2018-19)
- W.e.f. AY 2019-20 Dividend Distribution Tax (DDT) at the rate 30% on deemed dividend.
- Share holder not liable to pay tax on dividend (Finance Act 2018)



HEALTH AND EDUCATION CESS AT THE RATE OF 4% [ITR-1,2,3,4,5,6,7]

- Education Cess of 2%
- Higher Secondary Education cess of 1%
- Total 3%
- Now 4% of Health and Education cess (Finance Act 2018)



AMT AT THE RATE OF 9% ON UNITS LOCATED IN IFSC [ITR-3,5]

- International Financial Service Centre (IFSC) – derives income – solid in convertible Foreign Exchange
- Alternative Minimum Tax charged at the rate of 9% instead of 18.50%

GAIN/LOSS ON ACCOUNT OF FOREIGN EXCHANGE FLUCTUATIONS

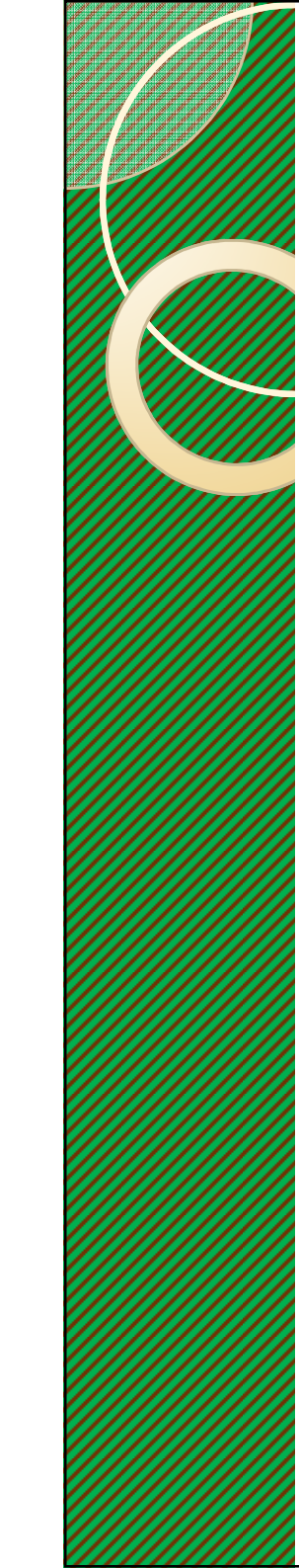
[ITR 3,5,6]

- Foreign exchange fluctuation Gain or Loss allowed as income or loss u/s 43AA
- Computed ICDS-VI (The effects of changes in Foreign Exchange rates)
- Earlier dealt u/s 28 and Sec 37
- Part-A-P&L – Profit on account of currency fluctuations replaced with '*Gain or Loss on account of Foreign Exchange Fluctuations u/s 43AA*'

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

[ITR 2,3,5,6]

- Long term Capital gain-transfer of any Capital Asset
- Investment in the specified bonds-NHAI and RECL
- Finance Act 2018 - Long term Capital gain-transfer of a Immovable Property (Land or Building or Both)




STANDARD DEDUCTION FROM SALARY INCOME

[ITR 1,2,3,4]

- Standard Deduction – ₹40,000 – Finance Act 2018 (AY 2019-20)

REPORTING OF AMOUNT DISALLOWABLE UNDER Sec 40 OR Sec 40A [ITR-7]

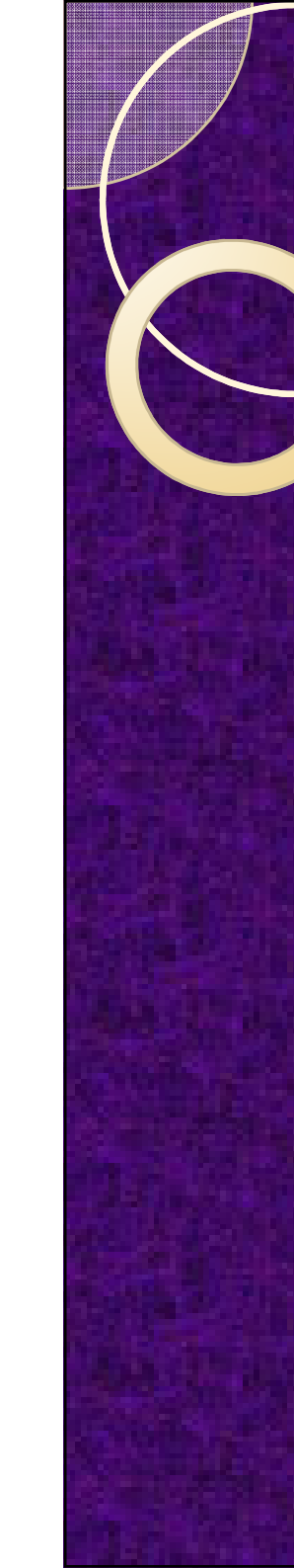
- Up to AY 2018-19, no restrictions on mode of payments by charitable or religious trusts or institutions.
- Sec 11 amended Finance Act 2018
- Trusts or Institutions follow provisions of TDS
- Expenses in excess of ₹10,000-Banking channels
- Sec 40(a)(ia), 40A (3) and 40A (3A)-ITR 7



Sec 80TTB DEDUCTIONS TO SENIOR CITIZENS

[ITR 1,2,3,4]

- Finance Act 2018 new Sec 80TTB
- Senior Citizen deduction upto ₹ 50,000
- Interest – Bank/ Post Office/Co-operative Bank
- Interest on Savings Deposits and Fixed Deposits – eligible for deduction



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

[ITR 2,3,5,6]

- Sec 50C amended w.e.f AY 2019-20
- Transfer of Land/Building Stamp Duty value not exceed 105% of Sales Consideration



REPORTING OF SALARY INCOME ON GROSS BASIS

[ITR 1,2,3,4]

- Sync with columns of Form 16.
- Gross Salary
- Exempt Allowances
- Perquisites
- Profit in lieu of salary
- Separate reporting
 - Standard deduction
 - Entertainment allowance
 - Professional tax



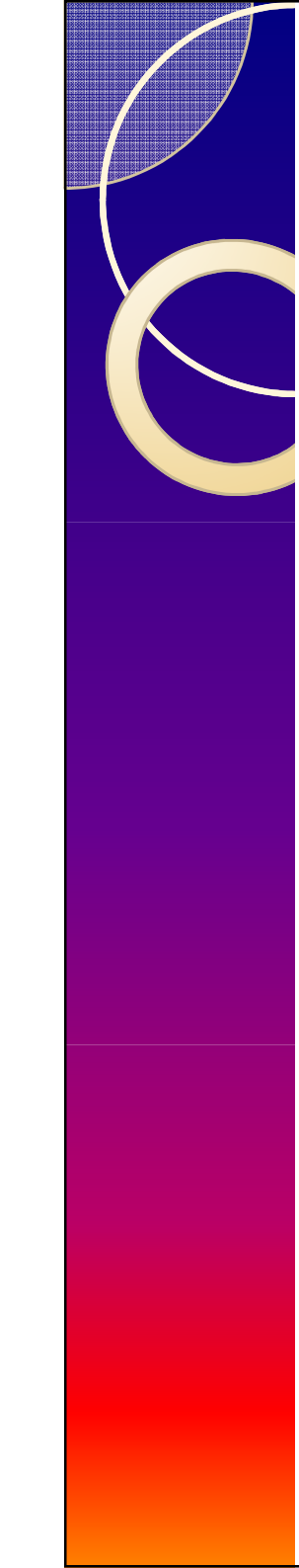
TAN OF EMPLOYER HAS TO BE FURNISHED IN 'SALARY SCHEDULE' IF TAX IS DEDUCTED [ITR 2,3]

- Details of Income from salary – 'Schedule S'
- Previous form PAN of the Employer
- Now TAN of the Employer instead of PAN
- TAN mandatory – Tax is deducted at source by Employer

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

[ITR - 1,4]

- ITR 1 and 4 can be filed by an Assessee having income from 'One House property'
- Assessee can mark – Type of property
 - Self occupied
 - Let out
 - Deemed Let out
 - (House property not claimed as self occupied)



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

[ITR - 1,2,3,4,5,6,7]

- Arrears of Rent received – prior period
- 30% allowed as deduction
 - upto last year reported aggregate of all properties
- New form property wise details

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

[ITR - 2,3,5,6]

- Name of buyer
 - PAN of buyer
 - Percentage share
 - Amount
 - Address of property
 - Pin code
-
- PAN is mandatory TDS u/s 194IA
 - PAN mandatory immovable property Stamp duty value or sales consideration exceeds ₹10Lakhs

NO SEPARATE REPORTING OF INTEREST PAID TO PARTNERS BY FIRMS

[ITR - 5]


- Upto last year Schedule P&L
 - Interest paid to partners
 - Interest paid to others

Aggregate amount of interest paid

SCHEDULE P&L HAS BEEN ENLARGED TO SEEK MORE INFORMATION

[ITR - 3,5,6]

- Part A P&L –
 - Manufacturing Account
 - Trading Account
 - Profit & Loss Account



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

[ITR - 3,5,6]

- Partial Agricultural and Partial Business activities
- Separate reporting
- Schedule BP (Business Profits) - Income from Business Activities
- Schedule EI (Exempt income) – Income from Agricultural Activities



REPORTING OF NAME AND ADDRESS OF THE DEBTOR IN CASE OF BAD DEBTS

[ITR - 3,5,6]

- Bad debts claim more than ₹1 Lakh
- Report PAN of debtor
- No PAN – Name and address of the debtor is required

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

[ITR - 3,5,6]

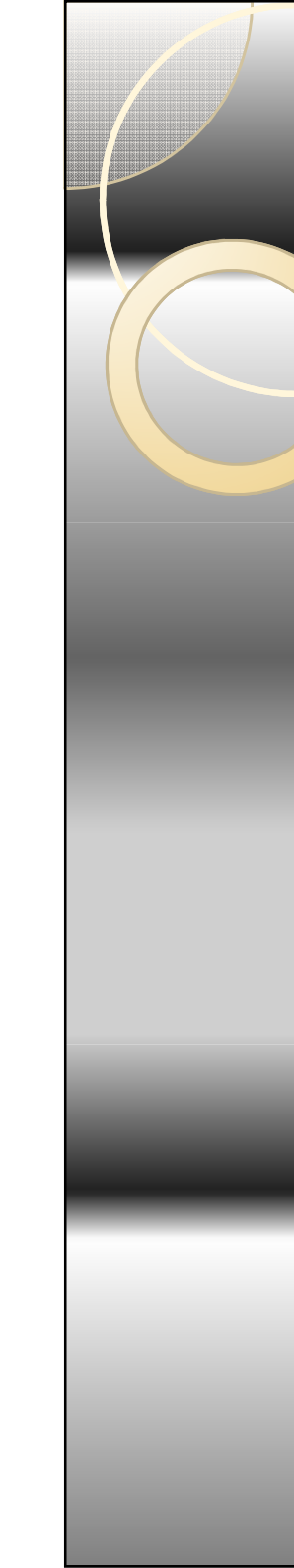
- Separate schedule - Schedule P&L
- Speculative activities
 - Turnover from speculative activities
 - Gross profit
 - Expenditure
 - Net income from speculative activities
- Under ITR-6 turnover and income from intra-day transactions are required to be reported under Trading Account



REPORTING OF GSTIN & GST TURNOVER

[ITR - 3,4,5,6]

- Separate Schedule – Schedule GST
 - GSTIN Number
 - Annual value of outward supply as per GST Return
- This information was required only in case of Tax payer – Presumptive Taxation Scheme and filing ITR – 4.
- Now it is incorporated ITR – 3,5 & 6

- 
- Reporting of business transactions with registered and unregistered suppliers under GST removed – ITR-6
 - Reporting of disallowance under section 14A.
 - Schedule-OI (Other Information)



REPORT AUDIT REQUIREMENT UNDER OTHER ACTS SEPARATELY

[ITR-3]

- Liability for Audit under any Act other than Income Tax Act
- Relevant Act
- Section under which Audit is required
- Date of furnishing Audit Report

TAXABLE PORTION OF PF WITHDRAWAL NEEDS TO BE REPORTED SEPARATELY

[ITR-2,3,5,6,7]

- Taxable amount of recognized PF (Taxable on withdrawal) Consolidated figure
- New ITR Form Assessment Year wise break up
- Additional information
 - Income benefit
 - Tax benefit

ITR 1 AND ITR 4 REQUIRE NATURE OF RESIDUARY INCOME

- Upto AY 2018-19 aggregate amount of Income – Other sources
- From AY 2019-20 mandatory
- Specify the Nature of income
- Amount
- Description
- Deduction – Family Pension [Sec 57(iia)]



SOURCE-WISE BIFURCATION OF INTEREST INCOME

[ITR-1,2,3,4,5,6,7]

- Savings Bank deposits
- Deposits
- Income-tax Refund
- In the nature of pass through income
- Others



DETAILS OF AGRICULTURAL LAND TO BE FURNISHED IF AGRICULTURAL INCOME EXCEEDS ₹5 LAKHS [ITR-2,3,5,6]

- Schedule EI (Exempt Income)
- Sec 10(1)-Agricultural Income
 - Name of district (with PIN code) where agricultural land is located
 - Measurement of agricultural land in Acres
 - Whether land is owned or held on lease
 - Whether land is irrigated or rain-fed

NEW SCHEDULE FOR CLAIMING DEDUCTION UNDER Sec 80GGA [ITR-1,2,5,6]

- Deduction donation made towards scientific research / rural development (Sec 80GGA)
 - Relevant clause under which deduction is claimed
 - Name and address of donee
 - PAN of donee
 - Amount of donation made in Cash and in other mode

REPORTING OF DONATION MADE IN CASH TO CURTAIL DEDUCTION UNDER Sec 80G

[ITR 1,2,3,4,5,6]

- Limit cash donation reduced from ₹10,000 to ₹2000
- CMDRF PAN – AAAGD0584M
- *Note : In case of Donee funds set by Government, as described in Sec 80G(2), please use PAN as **GGGGG0000G***



NON-RESIDENTS CANNOT USE ITR-4 TO FILE RETURN

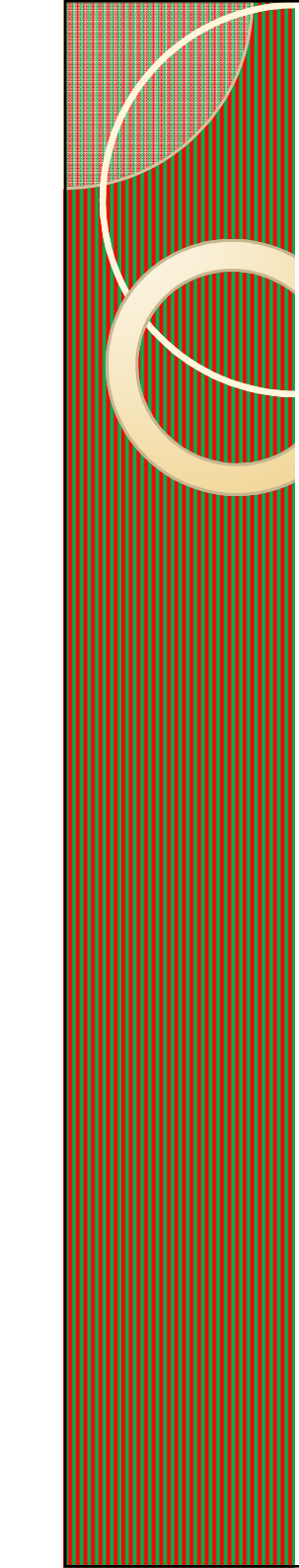
[ITR – 4]

- Form ITR-4 – by Individual, HUF or Firm (Other than LLP)
- Sec 44AD, 44ADA and 44AE

ITR-4-CANNOT BE USED IF TOTAL INCOME IS MORE THAN ₹50LAKHS

[ITR-4]

- Taxpayer – Total Income more than ₹50Lakhs



PERSON CLAIMING DEDUCTION UNDER Sec 80RRB OR 80QQB CANNOT USE ITR-4

- Income by way of royalty from books (Sec 80QQB)
- Income by way of royalty from patents (Sec 80RRB)
- Cannot file ITR-4
- To choose ITR form 2 or 3

WHO CANNOT USE ITR-4

- a) HUF, being a not ordinarily resident
- b) Not Ordinarily or Non-resident Individual
- c) Non-resident Partnership firm

WHO CANNOT USE ITR-4

d) Ordinarily Resident Individual, HUF or Resident Firm:

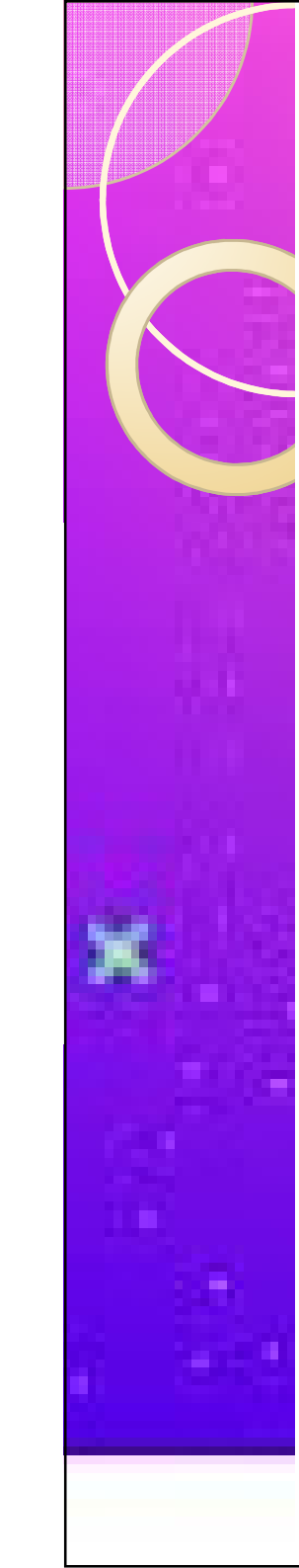
- Whose income is more than ₹ 50lakhs
- Who held unlisted shares during the year

WHO CANNOT USE ITR-4

- e) A Ordinarily Resident individual who:
- Wishes to claim deduction under Sec 80QQB or 80RRB
 - Is governed by the Portuguese Civil Code
 - Is a Director in a company
 - Is taxable for an income in respect of which tax is deducted in the name of other person

‘SCHEDULE IF’ INSERTED IN FORM ITR-5

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

- 
- Separate schedules to report income taxable on presumptive basis [ITR-3,5,6]
 - Assessee opting for presumptive scheme needs to disclose business name, code & description [ITR – 3,4,5,6]
 - Taxability under section 44AE on basis of tonnage capacity of goods carriage [ITR-3,4,5,6]

IDENTIFICATION OF GHOST DIRECTORS AND SHELL COMPANIES

[ITR – 2 & 3]

- Director of a Company - ITR 2 or ITR 3

Disclosure

- Name of the Company
- PAN
- Whether shares of the company are listed or unlisted
- DIN

REPRESENTATIVE ASSESSEE

[ITR-2,3,4,5,6,7]

- Disclosure
 - a) Name of representative assessee
 - b) Address of representative assessee
 - c) PAN of representative assessee
 - d) Status

FOREIGN COMPANIES TO REPORT ABOUT THEIR ULTIMATE AND IMMEDIATE PARENT COMPANY [ITR-6]

- Foreign companies – immediate and ultimate parent company
 - a) Name of the parent company
 - b) Address
 - c) Country of residence
 - d) PAN (if allotted)
 - e) Tax Identification No. or Unique Identity No. of the parent company as per its country of residence



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

[ITR-3,5,6]

- Tax on notional gain – conversion of stock into Capital Asset



GROSS RECEIPTS THROUGH A/C PAYEE CHEQUE/ DRAFT OR ANY OTHER MODE TO BE SHOWN SEPARATELY

[ITR-3,5,6]

- Person not liable to maintaining Books of Accounts (Sec 44AA)
 1. Gross receipts
 - A/c payee cheque / draft or ECS
 - Any other mode
 2. Gross Profit
 3. Expense
 4. Net Profit

RESIDENTIAL STATUS

[ITR-2,3]

- Non-Resident – Additional information
- No. of days stayed in India
- Jurisdiction of his residence
- Tax Identification Number (Non-Resident)

SCOPE OF FOREIGN ASSETS EXPANDED

[ITR-2,3,5,6,7]


- Besides foreign bank accounts, details of foreign depository account are also required
- Foreign custodial accounts
- Foreign equity and debt interest held in any entity
- Foreign cash value insurance contract or annuity contract



PASS THROUGH INCOME ALSO NEEDS TO BE REPORTED

[ITR-2,3,5,6,7]

- Schedule OS (Income from other sources)
 - Nature of interest or special income
- Schedule HP (income from house property)
- Schedule CG (Capital Gains)
 - Short-term Capital Gains taxable at the rate of 15%
 - STCG taxable at the rate of 30%
 - STCG taxable at applicable rates
 - Long-term Capital gains taxable at the rate of 10%
 - LTCG taxable at the rate of 20%

- 
- ITR-2 can be used in case of AMT
 - Persons governed by Portuguese Civil Code cannot use ITR-4

[illegible]



II. Details of Directorship

Name of the Company	PAN of the Company	Director Identificaiton No (DIN)	Listed / Unlisted

ITR FORM & APPLICABILITY

Sl. No	Form	Description
1	ITR 1	For Individuals being a Resident (other than Not Ordinarily Resident) having Total Income upto Rs.50 lakhs, having Income from Salaries, One House Property, Other Sources (Interest etc.), and Agricultural Income upto Rs.5 thousand(Not for an Individual who is either Director in a company or has invested in Unlisted Equity Shares)
2	ITR 2	For Individuals and HUFs not having income from profits and gains of business or profession
3	ITR 3	For individuals and HUFs having income from profits and gains of business or profession
4	ITR 4	For Individuals, HUFs and Firms (other than LLP) being a Resident having Total Income upto Rs.50 lakhs and having income from Business and Profession which is computed under sections 44AD, 44ADA or 44AE (Not for an Individual who is either Director in a company or has invested in Unlisted Equity Shares)
5	ITR 5	For persons other than:- (i) Individual, (ii) HUF, (iii) Company and (iv) Person filing Form ITR-7
6	ITR 6	For Companies other than companies claiming exemption under section 11
7	ITR 7	For persons including companies required to furnish return under sections 139(4A) or 139(4B) or 139(4C) or 139(4D)



THANK YOU

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