

*Latest Changes in
ITR Forms
for AY 2022-23*

- CA Shashank A. Mehta

Notification of ITRs

Notification No. 21 and 23 of 2022

- **ITR-1 to ITR 6** → Notification no. 21/2022 dated 31.03.2022.
ITR 7 → Notification no. 23/2022 dated 01.04.2022.
- Eligibility conditions for filing ITRs of AY 2022-23 → identical to those for AY 2021-22. [Rule 12]
- ITR 1 (SUGAM) :

For Individuals **(R&OR)** having Income from Salaries, **one house property**, other sources (Interest etc.) having total income upto Rs.50 lakh and having agricultural income upto Rs. 5,000/-.

Not for:

- Director in a company; or
- has invested in unlisted equity shares; or
- in cases where TDS has been deducted u/s 194N; or
- **if income-tax is deferred on ESOP**

Notification No. 21 and 23 of 2022

- ITR 2: For Individuals and HUFs not carrying out business or profession under any proprietorship
- ITR 3: For individuals and HUFs having income from a proprietary business or profession
- ITR 4: For Individuals, HUFs and Firms (other than LLP) being a resident having total income upto Rs.50 lakh and having income from business and profession which is computed under sections 44AD, 44ADA or 44AE.

Not for:

- Director in a company; or
- has invested in unlisted equity shares; or
- **if income-tax is deferred on ESOP**

Notification No. 21 and 23 of 2022

- ITR 5: For persons other than,- (i) individual, (ii) HUF, (iii) company and (iv) person filing Form ITR-7
- ITR 6: For Companies other than companies claiming exemption under section 11
- ITR 7: 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)

Seventh proviso to section 139(1)

Finance (No. 2) Act, 2019 w.e.f. 01.04.2020:

Applies to all person except for Company and Firm.

ITR filing mandatory, if:

- **Assessee deposited** an amount or aggregate of the amounts **exceeding Rs. 1,00,00,000/-** in one or more **current accounts** maintained with a banking company or a co-operative bank; or
- Assessee incurred expenditure of an amount or aggregate of the amounts exceeding **Rs. 2,00,000/-** for himself or any other person for travel to a **foreign country**; or
- has incurred expenditure of an amount or aggregate of the amounts exceeding **Rs. 1,00,000/-** towards consumption of electricity; or
- ****fulfils such other conditions as may be prescribed****

****Notification No. 37 of 2022 dated 21.04.2022****

- (i) if his **total sales, turnover or gross receipts**, as the case may be, **in the business exceeds Rs. 60,00,000/-** during the previous year; or
- (ii) if his **total gross receipts in profession exceeds Rs. 10,00,000/-** during the previous year; or
- (iii) if the **aggregate of tax deducted at source and tax collected at source** during the previous year, in the case of the person, **is Rs. 25,000/- or more**; or
(in case of resident individual → 60years → 'Rs. 50,000/-')
- (iv) the **deposit** in one or more savings bank account of the person, in aggregate, **is Rs. 50,00,000/- or more during the previous year**

Section 194P – Senior citizen Pensioner

The Finance Act, 2021 inserted **section 194P** in Chapter XVII-B of the Act to provide that if the tax is deducted according to the provision of the said section, then **specified senior citizen shall not be required to file income tax return under section 139.**

*“Notwithstanding anything contained in the provisions of Chapter XVII-B, in case of a **specified senior citizen**, **the specified bank shall**, after giving effect to the deduction allowable under Chapter VI-A and rebate allowable under section 87A, compute the total income of such **specified senior citizen** for the relevant assessment year and deduct income-tax on such total income on the basis of the rates in force.”*

“Specified bank” means a banking company which is a **scheduled bank and has been appointed as agents of RBI** under section 45 of the Reserve Bank of India Act.

Rate of TDS: Slab rates as provided under Part-III of First Schedule of the Finance Act

Section 194P

Specified Senior Citizen is an individual who satisfies the following conditions –

- 1) He is a **resident** individual.
- 2) He is **75 years** or more **at any time during** the previous year.
- 3) He has **income from pension** which is credited in his pension account with “specified bank”.
- 4) **He has no other income except interest received/receivable** from any account maintained by such individual in the same “specified bank” in which he gets pension income.
- 5) He shall be required to furnish a declaration to the “specified bank” → **Form 12BBA**

Changes in ITRs
&
Relevant instructions

Residential status
[ITR 2 & 3]

Elaborative options for Individuals

Finance Act, 2020 w.e.f. 01.04.2021

Resident & Ordinarily Resident:

(f)	Residential Status in India (for individuals) <i>(Tick applicable option)</i>	A. Resident	<input type="checkbox"/> You were in India for 182 days or more during the previous year [section 6(1)(a)] <input type="checkbox"/> You were in India for 60 days or more during the previous year, and have been in India for 365 days or more within the 4 preceding years [section (6)(1)(c)] [where Explanation 1 is not applicable] <input type="checkbox"/> You are a citizen of India, who left India, for the purpose of employment, as a member of the crew of an Indian ship and were in India for 182 days or more during the previous year and 365 days or more within the preceding 4 years [Explanation 1(a) of section (6)(1)(c)] <input type="checkbox"/> You are a citizen of India or a person of Indian origin and have come on a visit to India during the previous year and were in India for a) 182 days or more during the previous year and 365 days or more within the preceding 4 years; or b) 120 days or more during the previous year and 365 days or more within the preceding 4 years if the total income, other than income from foreign sources, exceeds Rs. 15 lakh. [Explanation 1(b) of section (6)(1)(c)]
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Elaborative options for Individuals

Finance Act, 2020 w.e.f. 01.04.2021

Resident but Not Ordinarily Resident:

B. Resident but not Ordinarily Resident	<input type="checkbox"/> You have been a non-resident in India in 9 out of 10 preceding years [section 6(6)(a)]
	<input type="checkbox"/> You have been in India for 729 days or less during the 7 preceding years [section 6(6)(a)]
	<input type="checkbox"/> You are a citizen of India or person of Indian origin, who comes on a visit to India, having total income, other than the income from foreign sources, exceeding Rs. 15 lakh and have been in India for 120 days or more but less than 182 days during the previous year [section 6(6)(c)]
	<input type="checkbox"/> You are a citizen of India having total income, other than the income from foreign sources, exceeding Rs. 15 lakh during the previous year and not liable to tax in any other country or territory by reason of your domicile or residence or any other criteria of similar nature [section 6(6)(d) rws 6(1A)]

Special Economic Presence

[ITR 3, 5 & 6]

S.E.P.

- The global technology revolution has changed the business landscape whereby entities can carry out businesses in any location **without a physical presence**.
- Recognizing the need to update the tax rules for the changes in the technology landscape, the **taxation of the digital economy has become a key base erosion and profit shifting (BEPS) concern across the globe** and a multilateral coherent solution is being discussed as part of the OECD's and G20's BEPS project.
- Pursuant to BEPS discussions, India expanded the concept of "business connection" for taxability under the Income Tax Act to include a new nexus rule based on *Significant Economic Presence* vide the Finance Act, 2018.
- Section 5 (scope of TI) → includes income '**deem to accrue/arise in India**'
- Section 9(1)(i) → income accruing or arising, whether directly or indirectly, through or from any *business connection* in India shall be deemed as income accrue or arise in India.
- Explanation 2A to Section 9(1)(i) provides that the '**Significant Economic Presence**' of a non-resident in India **shall constitute 'business connection'**.

S.E.P.

Notification No. 41 /2021, dated 03-05-2021

'Significant Economic Presence' shall mean:

- Any transaction in respect of any goods, services or property carried out by a non-resident with any person in India, including the provision of download of data or software in India **if the aggregate of payments arising from such transaction or transactions during the previous year exceeds Rs. 2,00,00,000/-;**
- or
- Systematic and continuous soliciting of business activities or engaging in interaction with 3,00,000 users in India.

	In the case of non-resident, is there a Significant Economic Presence (SEP) in India (Tick) <input type="radio"/> Yes <input type="radio"/> No please provide details of
(n)	(a) aggregate of payments arising from the transaction or transactions during the previous year as referred in Explanation 2A(a) to Section 9(1)(i) (b) number of users in India as referred in Explanation 2A(b) to Section 9(1)(i).
(o)	Whether assessee has a unit in an International Financial Services Centre and derives income solely in convertible foreign exchange? <input type="checkbox"/> Yes <input type="checkbox"/> No

Classification of Pensioners
[ITR 1,2,3 & 4]

Pensioners

Nature of Employment *

Select

- CG - Pensioners
- SG - Pensioners
- PSU - Pensioners
- others - Pensioners

Return filed on or before due date

Belated- Return filed after due date

Filed in response to notice u/s

Dividends

Reporting – 2(22)(e) [ITR 2,3,5 & 6]

Until last year, there was no separate disclosure of dividend income taxable under section 2(22)(e).

Total amount of dividend received by a taxpayer during the financial year is clubbed and reported in Schedule OS (Other Sources).

AY 2022-23

Home > Filing Returns for A.Y. 2022-23 > ITR-2 > Schedules > Schedule Other Sources > Add Income chargeable at Normal

Add gross income chargeable to tax at normal applicable rates

Nature of income	
a. Dividends, Gross	
i. Dividend income [other than (ii)]	₹ 8,080
ii. Dividend income u/s 2(22)(e)(ii)	₹ 1,23,456
Total	₹ 1,31,536

Ceiling on rate of surcharge on Dividend [ITR 2,3 & 5]

The Finance Act, 2020 abolished the DDT and the shareholders or unit-holders were made liable to pay tax on such dividend income.

As the dividend income is taxable in the hands of the investors, the Finance Act 2020 and Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 **removed the enhanced surcharge on the dividend income.**

Thus, in case of Individual, HUF, AOP, BOI, or AJP (including FPI and Specified Category-III AIFs), the surcharge on tax on dividend income shall be levied as follows:

10% → if TI exceeds Rs. 50 lakh but does not exceed Rs. 1 crore

15% → if TI exceeds Rs. 1 crore.

5. Surcharge	₹ 23,56,875
Hide Details ▾	
Surcharge computed before marginal relief	
i. @ 25% of 15(ii) of Schedule SI	₹ 0
ii. 10% or 15% as applicable of 2(ii), 3(ii), 8(ii), 11(ii), 21(ii), 23(ii) , Dividend income u/s 115AD(1)(a) of Schedule SI and Dividend income included in Part B TI	₹ 23,56,875
iii. On [(4) - (16(ii), 2(ii), 3(ii), 8(ii), 11(ii), 21(ii), 23(ii) of Schedule SI)]	₹ 0

Dividend
'IFOS' or 'PGBP' ?

Head of Income - Dividend

➤ Income from Other Sources:-

Section 56(2)(i)

➤ Dividend from shares/securities held as 'stock in trade':

- CIT v. Sphere Stock Holding (P.) Ltd. in [Tax Appeal No. 2583 of 2009, dated 23-8-2011] (Gujarat HC) → PGBP

- CIT vs. Excellent Commercial Enterprises & Investments Ltd. [2006] 282 ITR 423 (Delhi) → PGBP

- Sangam Investments Ltd. Vs. CIT [2014] 51 taxmann.com 279 (Allahabad)[03-09-2014] → IFOS

Head of Income - Dividend

Schedule BP		Computation of income from business or profession	
A From business or profession other than speculative business and specified business			
1	Profit before tax as per profit and loss account (item 53, 61(ii), 62(ii), 63(ii), 64(iii) and 64(iv) of P&L)		
2a	Net profit or loss from speculative business included in 1 (enter -ve sign in case of loss) [Sl.no 65iv of Schedule P&L] (in case of no account case)	2a	
2b	Net profit or Loss from Specified Business u/s 35AD included in 1 (enter -ve sign in case of loss)	2b	
3	Income/ receipts credited to profit and loss account considered under other heads of income or chargeable u/s 115BBF or chargeable u/s 115BBG	a	Salaries 3a
		b	House property 3b
		c	Capital gains 3c
		d	Other sources 3d
		d	Dividend income 3di
		dii	Dividend income other than 3dii
e	u/s 115BBF 3e		
f	u/s 115BBG 3f		

Schedule FA

Details of:

- Table A1 - Foreign depository accounts
- Table A2 - Foreign custodian accounts
- Table A3 - Foreign equity and debt interest
- Table A4 - Foreign cash value insurance contract or annuity contract
- Table B - Financial interest in any entity outside India
- Table C - Any immovable property outside India
- Table D - Any other capital assets outside India.
- Table E - Any other account located outside India in which you are a signing authority (which is not reported in tables A1 to D)
- Table F - Trust created outside India in which you are a trustee, a beneficiary or settlor.
- Table G - Any other income derived

Who is required to report?

- If you are a resident in India, you are required to furnish details of any foreign asset etc.
- Resident being → beneficial owner or beneficiary or the legal owner.
- In case you are both a legal owner and a beneficial owner, please mention legal owner in the column of ownership
- This Schedule need not be filled up if you are 'not ordinarily resident' or a 'non-resident'.
- Details are required to be reported even if the specified asset is held even for single day.
- If you have held foreign assets during the previous year which have been duly reported in the Schedule FA. Even then you are required to report such foreign asset again in the Schedule AL (if applicable)
- Rate of conversion → TTBR of foreign currency → exchange rate adopted by SBI

Reporting based on 'Calendar Year'

- Period of reporting **was a confusion** → definition of “relevant accounting period” was given under the instructions to ITRs
- “relevant Accounting Period” → changed to
“calendar year ending as on 31st December, 2021”

Schedule FA		Details of Foreign Assets and Income from any source outside India										
DETAILS OF FOREIGN ASSETS	A1	Details of Foreign Depository Accounts held (including any beneficial interest) at any time during the calendar year ending as on 31st December 2021										
	Sl No	Country name	Country code	Name of financial institution	Address of financial institution	ZIP code	Account number	Status	Account opening date	Peak balance during the period	Closing balance	Gross interest paid/credited to the account during the period
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	(i)											
	(ii)											
	A2	Details of Foreign Custodial Accounts held (including any beneficial interest) at any time during the calendar year ending as on 31 st December 2021										
	Sl No	Country name	Country code	Name of financial institution	Address of financial institution	ZIP code	Account number	Status	Account opening date	Peak balance during the period	Closing balance	Gross amount paid/credited to the account during the period <i>(drop down to be provided specifying nature of amount viz. interest/dividend/proceeds from sale or redemption of financial assets/ other income)</i>

AY 2022-23: (01.01.2021 – 31.12.2021) --- x--- 31.03.2022

Schedule CG

ITR – 2, 3, 5 & 6

Details of Immovable Property

- Details of : (STCA/LTCA)
- date of Purchase/ Acquisition
 - date of Sale/ Transfer

Schedule CG		Capital Gains							
Short-term Capital Gains	A	Short-term Capital Gains (STCG) (Sub-items 4 and 5 are not applicable for residents)							
	1	From sale of land or building or both (fill up details separately for each property)							
		Date of purchase/ acquisition	DD/MM/YYYY	Date of sale/transfer	DD/MM/YYYY				
	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 () [in case (aii) does not exceed 1.10 times (ai), take this figure as (ai), or else take (aii)]				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 (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)							
	f	In case of transfer of immovable property, please furnish the following details (see note)							
		S.No.	Name of buyer(s)	PAN/Aadhaar No. of buyer(s)	Percentage share	Amount	Address of property, Country code, Zip code	Pin code	State
		NOTE ► Furnishing of PAN/Aadhaar No. is mandatory, if the tax is deducted under section 194-IA or is quoted by buyer in the documents. In case of more than one buyer, please indicate the respective percentage share and amount.							

This additional disclosure would help the department to verify the eligibility of the assessee and the allowability of exemption under section 54, 54EC and 54F in case of LTCG

Details of Immovable Property

Add details of Land or Building or Both

 Fill up details separately for each asset

Please select date of purchase/acquisition and sale/transfer to calculate Short Term or Long Term Capital Gain

 If asset is acquired / improvement made on or before 31/03/2001 , please enter date of acquisition as 01/04/2001 along with FMV as on 01/04/2001

Date of Purchase/Acquisition

06/07/2010



Date of Sale/Transfer

24/03/2022



Reset

Calculate

140 Months and 19 Days

Since period of holding is more than 24 months, this is taxable under Long Term Capital Gains

Cancel

Add

Cost of Inflation Index for FY 2021-22: 317

Details of Cost of Improvement

- Upto last AY the Assessee was directly required to report the 'Indexed Cost of Acquisition' in case of LTCA.
Now - Assessee required to report actual 'cost of acquisition' indexation is done by utility.
- The assessee is required to give year-wise details of the cost of improvement (if any) incurred on the land/building transferred during the relevant year.

b. Deductions under section 48

Cost of acquisition	₹	20,00,000
i. Cost of acquisition with indexation	₹	21,93,772
ii. Total Cost of improvement with indexation	₹	10,75,021

S. No.	Cost of improvement	Year of Improvement	
1	₹ 5,00,000 Delete	2019-20	₹ 5,48,443
2	₹ 5,00,000 Delete	2020-21	₹ 5,26,578

Do you want to add more cost of improvements?

[+ Add Another](#)

If asset is acquired / improvement made on or before 31/03/2001, please enter date of acquisition as 01/04/2001 along with FMV as on 01/04/2001.

FVOC in case of Slump Sale:

- As per Section 50B, the *fair market value* of the capital assets transferred shall be considered as the full value of consideration.
[Amendment made vide Finance Act, 2021]
- Rule 11UAE(1) provides that the **higher of the following** on the date of slump sale shall be deemed to be its *fair market value* :
 - (a) FMV of the capital assets transferred by way of slump sale; or
[book value of non-capital assets + FMV of capital assets (securities, artistic work, jewelry, etc.) + SDV of IP – book value of liabilities]
 - (b) FMV of the consideration received or accruing due to transfer by way of slump sale.
[Monetary consideration + FMV of non-monetary consideration of assets determined as per applicable valuation Rules/valuer's report + SDV of IP (if received as non-monetary consideration)]

FVOC in case of Slump Sale:

		amount.			
2	From slump sale				
	a	i	Fair market value as per Rule 11UAE(2)	2ai	
		ii	Fair market value as per Rule 11UAE(3)	2aii	
		iii	Full value of consideration (higher of ai or aii)	2aii	
	b	Net worth of the under taking or division	2b	(6(e) of Form 3CEA)	
	c	Balance (2aii – 2b)	2c		
	d	Deduction u/s 54EC /54F (Specify details in item D below)	2d		
	e	Long term capital gains from slump sale (2c-2d)			B2 e

Taxability of Interest on Provident Funds

ITR – 2 & 3

Background of the Amendment

- Section 10(11) and Section 10(12) provides that interest credited every year in the specified Provident Fund account **is exempt from tax.**
- However pursuant to amendment made vide Finance Act, 2021 if provident fund pays interest **above the specified limit, such excess interest is charged to tax.**

If there is contribution from Employer in a specified PF (e.g. EPF)	If there is no contribution from employer in a specified PF (e.g. PPF)
Taxable Interest: (under IFOS)	
The interest income accruing in respect of the assessee's contribution over Rs. 2,50,000/- during the AY	The interest income accruing in respect of the assessee's contribution over Rs. 5,00,000/- during the AY

- **Manner of deriving taxable component of interest → as per Rule 9D**

Rule 9D

It provides that **separate accounts within the provident fund account** shall be maintained during the previous year 2021-22 and onwards for the taxable and non-taxable contribution made by the person.

Computation of Non-taxable & Taxable contribution:

Non Taxable contribution A/c.	Taxable contribution A/c.
Balance as on 31.03.2021	---
+ Contribution upto threshold limit every year from FY 2021-22 (Rs. 2.5 Lakhs or Rs. 5 Lakhs)	Contribution in excess of threshold limit every year from FY 2021-22
+ Interest accrued upon above	+ Interest accrued upon above
- Withdrawal from the above	- Withdrawal from the above
= Rs. XXX	= Rs. XXX
Interest on above balance	Interest on above balance
Exempt u/s. 10(11) or 10(12)	Taxable under IFOS

Reporting in 'IFOS'

v. Interest accrued on contributions to provident fund to the extent taxable as per first proviso to section 10(11)

₹	
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vi. Interest accrued on contributions to provident fund to the extent taxable as per second proviso to section 10(11)

₹	
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vii. Interest accrued on contributions to provident fund to the extent taxable as per first proviso to section 10(12)

₹	
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viii. Interest accrued on contributions to provident fund to the extent taxable as per second proviso to section 10(12)

₹	
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Deduction u/s. 80GGA
– for Partners
[ITR-3]

Section 80GGA

- Section 80GGA → deduction in respect of donations for scientific research, rural development, etc.

*“(3) Notwithstanding anything contained in sub-section (1), **no deduction under this section shall be allowed in the case of an assessee whose gross total income includes income which is chargeable under the head "Profits and gains of business or profession".**”*

- New schedule → “Schedule 80GGA” → **applicable in the case of a partner of firm deriving only profit from the firm**

Schedule 80GGA

Schedule 80GGA (applicable in the case of a partner of firm deriving only profit from the firm)		Details of donations for scientific research or rural development					
S. No.	Relevant clause under which deduction is claimed (<i>drop down to be provided</i>)	Name and address of Donee	PAN of Donee	Amount of donation			Eligible Amount of donation
				Donation in cash	Donation in other mode	Total Donation	
i							
ii							
	Total donation						

Section 43B
[ITR 3, 5 & 6]

Interest payment to NBFC

- Finance Act, 2019 w.e.f. 01.04.2020 (AY 2021-22)

- Section 43B:-

(da) *any sum payable by the assessee **as interest** on any loan or borrowing from*

a deposit taking NBFCs or

systemically important non-deposit taking NBFCs,

in accordance with the terms and conditions of the agreement governing such loan or borrowing,

Allowed on payment basis (year of payment)

Interest payment to NBFC

F		Total amount disallowable under section 40A (total of 7a to 7e)	71
10	Any amount disallowed under section 43B in any preceding previous year but <u>allowable during the previous year</u>		
A	Any sum in the nature of tax, duty, cess or fee under any law	10a	
B	Any sum payable by way of contribution to any provident fund or superannuation fund or gratuity fund or any other fund for the welfare of employees	10b	
C	Any sum payable to an employee as bonus or commission for services rendered	10c	
D	Any sum payable as interest on any loan or borrowing from any public financial institution or a State financial corporation or a State Industrial investment corporation	10d	
da	Any sum payable as interest on any loan or borrowing from a deposit taking non-banking financial company or systemically important non-deposit taking non-banking financial company, in accordance with the terms and conditions of the agreement governing such loan or borrowing	10da	
E	Any sum payable as interest on any loan or borrowing from any scheduled bank or a co-operative bank other than a primary agricultural credit or a primary co-operative agricultural and	10e	

Amounts disallowed in preceding AYs (AY 2021-22)
which are allowable in AY 2022-23.

Section 44AB
[ITR 3 & 5]

Section 44AB

[Finance Act, 2020]

First proviso to 44AB(a) → Cash

[Finance Act, 2021]

Second proviso to 44AB(a) → Non-A/c. payee cheque or Demand Draft

T I N F O R M A T I O N	(a1)	Are you liable to maintain accounts as per section 44AA? (Tick) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(a2)	Whether assessee is declaring income only under section 44AE/44B/44BB/44AD/44ADA/44BBA <input type="checkbox"/> Yes <input type="checkbox"/> No
	a2i	If No, whether during the year Total sales/turnover/gross receipts of business is between Rs. 1 crore and Rs. 10crores? <input type="checkbox"/> Yes <input type="checkbox"/> No, turnover does not exceed 1 crore <input type="checkbox"/> No, turnover exceeds 10 crores
	a2ii	If Yes is selected at a2i, whether aggregate of all amounts received including amount received for sales, turnover or gross receipts or on capital account like capital contributions, loans etc. during the previous year, in cash & non-a/c payee cheque/DD, does not exceed five per cent of said amount? <input type="checkbox"/> Yes <input type="checkbox"/> No
	a2iii	If Yes is selected at a2i, whether aggregate of all payments made including amount incurred for expenditure or on capital account such as asset acquisition, repayment of loans etc., in cash & non-a/c payee cheque/DD during the previous year does not exceed five per cent of the said payment? <input type="checkbox"/> Yes <input type="checkbox"/> No
	(b)	Are you liable for audit under section 44AB? (Tick) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	(c)	If (b) is Yes, whether the accounts have been audited by an accountant? (Tick) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Schedule EI
[ITR 5 & 6]

Additional Disclosures

Schedule EI		Details of Exempt Income (Income not to be included in Total Income or not chargeable to tax)							
EXEMPT INCOME	1	Interest income					1		
	2	i	Gross Agricultural receipts (other than income to be excluded under rule 7A, 7B or 8 of I.T. Rules)			i			
		ii	Expenditure incurred on agriculture			ii			
		iii	Unabsorbed agricultural loss of previous eight assessment years			iii			
		iv	Agricultural income portion relating to Rule 7, 7A, 7B(1), 7B(1A) and 8 (from Sl. No. 40 of Sch. BP)			iv			
		v	Net Agricultural income for the year (i – ii – iii + iv) (enter nil if loss)				2		
		vi	In case the net agricultural income for the year exceeds Rs.5 lakh, please furnish the following details (Fill up details separately for each agricultural land)						
			a	Name of district along with pin code in which agricultural land is located					
			b	Measurement of agricultural land in Acre					
			c	Whether the agricultural land is owned or held on lease (drop down to be provided)					
			d	Whether the agricultural land is irrigated or rain-fed (drop down to be provided)					
		3	Other exempt income (please specify) (3a+3b)					3	
		a	Income u/s 10(23FB), 10(23FBA), 10(23FC), 10(23FCA), 10(23FE), 10(23FF), 10(4D) Add row option and dropdown to be provided in utility			3a			
		b	Any other Income (Specify nature) – Add row option to be provided in utility			3b			
		4	Income not chargeable to tax as per DTAA						
		Sl. No.	Amount of income	Nature of income	Country name & Code	Article of DTAA	Head of Income	Whether TRC obtained (Y/N)	
	5	Pass through income not chargeable to tax (Schedule PTI)					5		
	6	Total (1+2+3+4+5)					6		

Section 115BAC
[ITR 3 & 4]

Opt In/Out

- Section 115BAC → alternate taxation scheme applicable for individuals/HUFs
- Person carrying on Business/profession:

Option once exercised is allowed to be withdrawn only once that too for a previous year other than the year in which it was exercised.

Once such option has been withdrawn, assessee shall never be eligible to exercise option under this section, except where such person ceases to have any income from business or profession.

Opt In/Out

Have you opted for new tax regime u/s 115BAC and filed Form 10IE in AY 2021-22 ?

Yes No

Option for current assessment year

Opting in now Not opting Continue to opt Opt out

For other than not opting, please furnish date of filing of form 10-IE along with Acknowledgment number

Date of filing of form 10-IE

31-Aug-2021



Acknowledgment Number

9999999999999999

Section
115BAA/115BAB
[ITR 6]

Opt In/Out

- Section 115BAA → Any domestic company → Tax rate 22% → Form 10-IC
- Section 115BAB → Domestic manufacturing company → Tax rate 15% → Form 10-ID
- **Option once exercised cannot be withdrawn.**

(e)	<p>Have you opted for taxation under section 115BA/115BAA/115BAB? (Please choose from the drop down menu) (applicable on Domestic Company) If yes, please furnish the AY in which said option is exercised for the first time along with date of filing of relevant form (10-IB/ 10-IC/ 10-ID) & acknowledgment number.</p> <p>If no, whether you are choosing to opt for taxation under section 115BA/115BAA/115BAB this year? (Please choose from the drop down menu) Please provide the date of filing of relevant form (10-IB/10-IC/10-ID) & acknowledgment number.</p>
-----	---

- Similar disclosure u/s. 115BAD

Opt In/Out

Have you opted for taxation under section 115BA/115BAA/115BAB? (Yes/No)

If yes, please furnish the AY in which said option is exercised for the first time along with **date of filing of relevant form** (10-IB/ 10-IC/ 10-ID) & **acknowledgment number**.

If no, whether you are choosing to opt for taxation under section 115BA/115BAA/115BAB **this year?**

Please provide the **date of filing of relevant form** (10-IB/10-IC/10-ID) & **acknowledgment number**.

*Investment in
un-incorporated entity
[ITR-6]*

Schedule IF

Schedule IF Information regarding investment in unincorporated entities

Number of entities in which investment is held									
ENTITIES IN WHICH INVESTMENT IS HELD	Sl. No.	Name of the entity	Type of the entity	PAN of the entity	Whether the entity is liable for audit? (Yes/No)	Whether section 92E is applicable to entity? (Yes/No)	Percentage Share in the profit of the entity	Amount of share in the profit	Capital balance on 31 st March in the entity
								I	ii
	1								
	2								
	3								
	4	Total							

Taxability of ESOPs

Taxability of ESOPs

- ESOPs → Perquisites → Section 17(2)(vi)
- Perquisite to be offered as income → in **AY** when allotment of ESOP was made.
- Tax liability → in the **AY** when allotment of ESOP was made.
- Value of Perquisites =
FMV of ESOP as on the **date of exercising the options** (-)
amount paid/recovered by the employee.
- When ESOPs are sold → capital gains

Taxability of ESOPs (eligible start-up)

- ESOPs → Perquisites → Section 17(2)(vi)
- Value of Perquisites =
FMV of ESOP as on the **date of exercising the options** (-)
amount paid/recovered by the employee.
- Perquisite to be offered as income → in **AY when allotment of ESOP was made.**[no amendment in section 17(2)(vi)]
- Tax liability → to be deferred to future years. [amendment in 140A, 156, 191 and 192]
- Capital gains → year in which ESOPs are sold

Period of deferment

Point of taxation = within 14 days

of the earliest of the following:

- (a) Expiry of 48 months from the end of AY in which ESOP are allotted;
- (b) Cessation of employment; or
- (c) the date of sale of ESOP.

Reporting in ITR

Schedule - Tax deferred on ESOP

Schedule: Tax deferred on ESOP		Information related to Tax deferred - relatable to income on perquisites referred in section 17(2)(vi) received from employer, being an eligible start-up referred to in section 80-IAC						
DETAILS	Sl. No.	Assessment Year	Amount of Tax deferred brought forward from earlier AY	Has any of the following events occurred during the previous year relevant to current assessment year			Amount of tax payable in the current Assessment Year (to be populated from col. 3 or 4 as the case maybe)	Balance amount of tax deferred to be carried forward to the next Assessment years Col (3- 7)
				Such specified security or sweat equity shares were sold (i)Fully (ii)Partly (iii)Not sold Specify the date and amount of tax attributed to such sale out of Col 3 (Details to be provided as per utility)	Ceased to be the employee of the employer who allotted or transferred such specified security or sweat equity share? o Yes o No If yes, specify date	Forty-eight months have expired from the end of the relevant assessment year in which specified security or sweat equity shares referred to in the said *clause were allotted. If yes, specify date		
	1	2	3	4	5	6	7	8
	1	2021-22	Sl. No. 8b of ITR - AY 2021-22			(To be enabled from AY 2026-27) (Payment to be made in FY 2025-26)		

Reporting in ITR

Schedule Tax deferred on ESOP

Home > Filing Returns for A.Y. 2022-23 > ITR-2 > Schedules > Schedule ESOP > Edit Schedule ESOP

Edit Details

* Indicates mandatory fields



Assessment Year: 2021-22

Amount of Tax deferred brought forward from earlier AY: ₹ 3,00,000

Has any of the following events occurred during the previous year relevant to current assessment year

Such specified security or sweat equity shares were sold (Specify the date and amount of tax attributed to such sale out of Col 3)

Partly Sold

Sl. No.	Date of Sale	Amount of Tax Attributed out of the sale
1	28-Feb-2022  	₹ 1,50,000

Do you want to add more?
[+ Add Another](#)

Reporting in ITR

Schedule Tax deferred on ESOP

Ceased to be the employee of the employer who allotted or transferred such specified security or sweat equity share?

Yes No

Date of Ceased to be employee

Choose a date 

Forty-eight months have expired from the end of the relevant assessment year in which specified security or sweat equity shares referred to in the said *clause were allotted. If yes, specify date

Date

Choose a date 

Reporting in ITR

Schedule Salary

a. Salary as per Section 17 (1)		₹ 40,50,000
Sl. No.	Nature of Salary	Amount
1	Basic salary	₹ 40,50,000
b. Value of perquisites as per section 17(2)		₹ 90,00,000
Sl. No.	Nature of Perquisites	Amount
1	Stock options allotted or transferred by employer being an eligible start-up referred to in section 80-IAC-Tax to be deferred	₹ 90,00,000
c. Profit in lieu of salary as per section 17(3)		₹ 0
Sl. No.	Nature of Profit in lieu of salary	Amount
1		₹ 0
d. Income from retirement benefit account maintained in a notified country u/s 89A		₹ 0
e. Income from retirement benefit account maintained in a country "other than notified country u/s 89A"		₹ 0
Gross Salary (a + b + c + d + e)		₹ 1,30,50,000

Reporting in ITR

Schedule TTI (auto-computed)

8. Gross tax payable (higher of 1d and 7) (8a+8b)	₹ 44,40,150
Hide Details ▾	
a. Tax on income without including income on perquisites referred in section 17(2)(vi) received from employer, being an eligible start-up referred to in section 80-IAC (Schedule Salary) (8-8b)	₹ 13,66,200
b. Tax deferred - relatable to income on perquisites referred in section 17(2)(vi) received from employer, being an eligible start-up referred to in section 80-IAC	₹ 30,73,950
c. Tax deferred from earlier years but payable during current AY (total of col 7 of schedule Tax deferred on ESOP)	₹ 1,50,000

Tax payable on salary income excluding ESOPs perquisite	=	Tax on total income including ESOPs perquisites	x	$\frac{\text{Total Income excluding ESOPs perquisites}}{\text{Total Income including ESOPs perquisites}}$
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Reporting in ITR

Schedule Tax deferred on ESOP

Sl.No. (1)	Assessment Year (2)	Amount of Tax deferred brought forward from earlier AY (3)	Has any of the following events occurred during the previous year relevant to current assessment year				Amount of tax payable in the current Assessment Year (7)	Balance amount of tax deferred to be carried forward to the next Assessment years Col (3- 7) (8)
			Such specified security or sweat equity shares were sold (Specify the date and amount of tax attributed to such sale out of Col 3) (4)	Ceased to be the employee of the employer who allotted or transferred such specified security or sweat equity share? (5)	(i) Option selected	(ii) Total Amount of Tax Attributed out of the sale		
<input type="checkbox"/>	1	2021-22	₹ 3,00,000	Partly Sold	₹ 1,50,000	No	₹ 1,50,000	₹ 1,50,000
	2	2022-23						₹ 30,73,950

*Other Changes
in ITRs*

Sunset clause in Schedule 80-IA/IB

- Assessee deriving profit from the eligible business can claim deduction u/s. 80-IA or u/s. 80-IB.
- Due to the sun-set date, **the deduction under this section is not available** for certain businesses, like, **telecommunication services, revival of power generating plant, cross-country natural gas distribution network, multiplex theatres, convention centre, etc.**
- Schedule 80-IA and 80-IB have been amended to remove the rows allowing deduction under the above obsolete provisions

[ITR 3, 5 & 6]

Schedule-SI

- Schedule OS → seek separate disclosure of the following income taxable under section 115AC:

c	Any other income chargeable at special rate (total of ci to cxiii)	2c
i	Dividends received by foreign company chargeable u/s 115A(1)(a)(i)	ci
ii	Interest received from Government or Indian concern on foreign currency debts chargeable u/s 115A(1)(a)(ii)	cii
iii	Interest received from Infrastructure Debt Fund chargeable u/s 115A(1)(a)(iia)	ciii
iv	Interest referred to in section 194LC(1) - chargeable u/s 115A(1)(a)(iiaa) @ 5%	civ
v	Interest referred to in Proviso to section 194LC(1) - chargeable u/s 115A(1)(a)(iiaa) @ 4%	cv
vi	Interest referred to in section 194LD - chargeable u/s 115A(1)(a)(iiab)	Cvi
vii	Distributed income being interest referred to in section 194LBA - chargeable u/s 115A(1)(a)(iiac)	Cvii
Viii	Income from units of UTI or other Mutual Funds specified in section 10(23D), purchased in Foreign Currency - chargeable u/s 115A(1)(a)(iii)	Cviii
ix	Income from royalty or fees for technical services received from Government or Indian concern - chargeable u/s 115A(1)(b)(A) & 115(1)(b)(B)	cix
x	Income by way of interest from bonds purchased in foreign currency by non-residents - chargeable u/s 115AC	cx
xi	Income by way of dividend from GDRs purchased in foreign currency by non-residents - chargeable u/s 115AC	Cxi
xii	Income received in respect of units purchased in foreign currency by an off-shore fund-115AB(1)	Cxii

Cost Attribution –Rule 8AB

- Deduction u/s. 48(iii) in respect of cost attributable pursuant to Rule 8AB.

					c
4	From sale of listed securities (other than a unit) or zero coupon bonds where proviso under section 112(1) is applicable				
a	Full value of consideration			4a	
b	Deductions under section 48				
	i	Reduction as per clause (iii) of section 48 of the Act, read with rule 8AB of the Rules		bi	
	ii	Cost of acquisition without indexation		bii	
	iii	Cost of improvement without indexation		biii	
	iv	Expenditure wholly and exclusively in connection with transfer		Biiv	
	v	Total (bi + bii +biii+biv)		bv	
c	Long Term Capital Gains on assets at B4 (4a – bv)				4c

*Important Amendments
applicable to
AY 2022-23*

COVID-19 Relief

From Employer to Employee

If Employee is Alive	If the Employee is deceased
First Proviso to Perquisites u/s. 17(2)	Sub-clause (A) of Clause (XIII) of Proviso to 56(2)(x)(c)
<p>Sum paid by - Employer.</p> <p>Purpose - actual medical expenditure incurred by the employee for illness relating to COVID-19.</p> <p>For whom: Employee or His family members</p> <p>Subject to Conditions as may be notified</p> <p>Any threshold: NO</p>	<p>Sum received from - Employer of deceased employee.</p> <p>Sum received by - Family member of deceased employee</p> <p>Any threshold: NO</p> <p>Purpose - Sum paid by employer to family members because of death of employee due to illness relating to COVID-19.</p> <p>Condition - Sum received within 12 months from the date of the death of the employee and other conditions as may be prescribed</p>

From 'Any Person'

If Individual is Alive	If the Individual is deceased
<p style="text-align: center;">Clause (XII) of Proviso to 56(2)(x)(c)</p>	<p style="text-align: center;">Sub-clause (B) of Clause (XIII) of Proviso to 56(2)(x)(c)</p>
<p>Sum received from - <i>Any Person</i>.</p> <p>Purpose - actual medical expenditure incurred by the Individual for illness relating to COVID-19.</p> <p>For whom: Individual or His family members Subject to Conditions as may be notified</p> <p>Any threshold: NO</p>	<p>Sum received from - Any other person or personS</p> <p>Sum received by - Family member of deceased individual</p> <p>Any threshold: Aggregate sum - Max. Rs. 10,00,000/-</p> <p>Purpose - Sum paid by employer to family members because of death of employee due to illness relating to COVID-19.</p> <p>Condition - Sum received within 12 months from the date of the death of the employee and other conditions as may be prescribed</p>

Family

- Explanation 1 to clause (5) of section 10:

(i) the spouse

(ii) children

(iii) the parents, brothers and sisters of the individual or any of them, wholly or mainly dependent on the individual.

Section 14A

Disallowance u/s. 14A

- Section 14A cannot be invoked where no exempt income was earned by assessee
 - CIT vs. Chettinad Logistics (P.) Ltd. [2018] 257 Taxman 2 (SC)
 - PCIT vs. GVK Project and Technical Services Ltd. [2019] 106 taxmann.com 181 (SC)
- Amendment vide Finance Act, 2022:

*“For the removal of doubts, it is hereby clarified that notwithstanding anything to the contrary contained in this Act, **the provisions of this section shall apply** and shall be deemed to have always applied in a case where the income, not forming part of the total income under this Act, has not accrued or arisen or has not been received during the previous year relevant to an assessment year **and** the expenditure has been incurred during the said previous year in relation to such income not forming part of the total income.”*

Section 37

Disallowance for Offences

Expenditure incurred for any purpose which is an offence or which is prohibited by law, shall include and shall be deemed to have always included the expenditure incurred by an assessee, —

- (i) **for any purpose which is an offence under, or which is prohibited by, any law for the time being in force, in India or outside India; or**
- (ii) **to provide any benefit or perquisite, in whatever form, to a person, whether or not carrying on a business or exercising a profession, and acceptance of such benefit or perquisite by such person is in violation of any law or rule or regulation or guideline, as the case may be, for the time being in force, governing the conduct of such person; or**
- (iii) **to compound an offence under any law for the time being in force, in India or outside India.**

Section 79A

Set-off against undisclosed income

- A new Section 79A was vide Finance Act, 2022.
- It provides that where consequent to a search proceeding u/s. 132 or u/s. 132A or survey proceedings u/s. Act [other than survey for withholding tax compliances under Section 133A(2A)}
- If Total Income of the taxpayer includes any undisclosed income, then- **no set off of any loss (including unabsorbed depreciation) shall be allowed against such undisclosed income.**

Section 40(a)(ii)

Deductibility of 'Cess'

- Sesa Goa Ltd. Vs. JCIT [ITA 17 & 18 of 2013; order dated 28.02.2020] - 'Cess' not disallowable u/s. 40(a)(ii).
- Explanation 3 inserted vide Finance Act, 2022 w.e.f. 01.04.2005:

“For the removal of doubts, it is hereby clarified that for the purposes of this sub-clause, the term "tax" shall include and shall be deemed to have always included any surcharge or cess, by whatever name called, on such tax;”
- If 'cess' is claimed as deduction → Deemed 'under-reporting' u.s. 270A pursuant to section 155(18)

Section 80EEA

Interest deduction for Housing Loan

Section 80EEA:

- Finance Act, 2020:

Deduction upto Rs. 1,50,000/- in respect of interest on loan **sanctioned** for an affordable residential house property (SDV - Rs. 45,00,000/-) from any financial institutions **between 01.04.2019 to 31.03.2021** is available u/s. 80EEA.

- Finance Act, 2021:

Sun-set clause extended from 31.03.2021 to **31.03.2022**.

Thank You

Participants

*J.B. Nagar Study Circle
(WIRC-ICAI)*

*'It's not the Profession that Glorifies You,
You Glorify the Profession.'*

(281 and Beyond - VVS Laxman)

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