

SCHEDULE-A. SALARIES

In case of more than one employment, please state the aggregate of salary etc. against the relevant Items.

Whether in the employment of Government? Yes No

Name of the Employer

Address of the Employer

	Amount	Code	Amount
1. Salary (including all allowances)		201	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>
2. Less : Allowances exempt u/s 10			
(a) House Rent Allowance as per Rules	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
(b) _____	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
(c) _____	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
3. Total of 2 above		202	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>
4. Balance (1-3)		203	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>
5. Add value of perquisite(s), and/or profits in lieu of salary (See S.17)			
(a) Rent free accommodation as per Rules	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
(b) Conveyance as per Rules	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
(c) _____	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
(d) _____	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
6. Total of 5 above		204	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>
7. Total (4+6)		205	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>
8. Less : Deductions claimed u/s 16			
(a) Standard deduction [S16(i)]	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>	206	
(b) _____	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
(c) _____	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>		
9. Total of 8 above		207	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>
10. INCOME CHARGEABLE UNDER THE HEAD "SALARIES" (7-9)		220	<table border="1" style="display: inline-table; width: 80px; height: 20px;"></table>

SCHEDULE-C. PROFITS AND GAINS OF BUSINESS OR PROFESSION (CONTD.)

18. Section's 10A/10B/10C applicable in your case ? Yes No

If 'Yes' have you opted out by filing declaration prescribed u/s 10A(8)/10B(8)/10C(6)? Yes No

If 'No' furnish the following information –

Section Year Number Amount claimed deductible/not includible in total income

Total 552

Deduct : Amount claimed deductible/not includible in Total income as arrived at 553

19. Add : Income(s) specified in S.28(ii) to 28(vi) not included in 14. 560 561

20. Add : Deemed income(s) u/s 33AB, 33ABA, 35ABB, 41, 72A, 80HHD, 80IA etc. not included in 14 above

Section _____ Amount _____

Section _____ Amount _____

Section _____ Amount _____

Section _____ Amount _____

Total 564 565

21. Deduct : Allowances u/s 35A, 35AB, 35ABB, 35D, 35E etc.

Section	Year No.	Instalment	Amount debited in A/cs	Amount allowable

Total 568 569

22. Add : Adjustment on account of profit includible u/s 44B, 44BB, and 44BBA 570 571

23. Add/deduct : Adjustments in accordance with Ss.28 to 44 D, if any necessary

Total 572 573

24. Add/deduct : Adjustment on account of current depreciation debited in books of account, and as allowable as per the Act 574 575

25. Add/deduct : Adjustment on a/c of scientific research expenses u/s 35(i)(iv), if any 576 577

26. Profits and gains of business or profession other than speculation business 578

(III) COMPUTATION OF INCOME FROM SPECULATION BUSINESS

27. Profit/loss from speculation business 580

28. Add/Deduct : Adjustments in accordance with s.28 to s.44D, if any necessary 583

29. Balance-Profit from speculation business (27–28) 584
[If this figure is negative, it shall be shown against 35(i) below]

30. Deduct : Loss if any, of business and profession, at 26 above 585
to the extent speculation profit is available
[the resultant negative figure, if any shall be shown against 35(ii) below]

31. Balance – (29–30) 586

32. Deduct : Brought forward speculation loss, if any 587

33. Balance-Income or loss from speculation (31–32) 588
[If this figure is negative, it shall be shown against 35(i) below and not considered in 34]

34. Income chargeable under the head “profits and gains of business or profession” including speculation (26+33) 599

35. Current year's losses remaining unadjusted; 591

i) Speculation loss, i.e. the negative figure, if any at 29 or 33

ii) Loss from business or profession after set off against current year's speculation profit at 30 above. 592

(The above negative figure(s) shall be shown in Schedule F.1 to F.3)

SCHEDULE-D. CAPITAL GAINS

Separate sheets may be used and attached to the return in case of more than one short term/long term asset. The aggregate figure may be shown against item no. 14. Indexed cost of acquisition and improvement, wherever considered necessary may be shown against item no. 7.

A. Short Term Asset

B. Long term Asset

- | | |
|--|---|
| <p>1. Number of sheets 601 <input type="checkbox"/> (in case of more than one asset only)</p> <p>2. Particulars of asset transferred 603 _____</p> <p>3. Date of Acquisition (DD-MM-YYYY) 604 <input type="text"/></p> <p>4. Date of transfer (DD-MM-YYYY) 605 <input type="text"/></p> <p>5. Mode of transfer 606 _____</p> <p>6. Full value of consideration 607 <input type="text"/></p> <p>7. Deductions u/s 48</p> <p style="padding-left: 20px;">(i) cost of acquisition 609 <input type="text"/></p> <p style="padding-left: 20px;">(ii) cost of improvement 610 <input type="text"/></p> <p style="padding-left: 20px;">(iii) expenditure on transfer 611 <input type="text"/></p> <p>8. Total of 7 above 615 <input type="text"/></p> <p>9. Balance (6-8) 616 <input type="text"/></p> <p>10. Exemption u/s</p> <p style="padding-left: 20px;">54 <input type="checkbox"/> 621 54B <input type="checkbox"/> 622 <input type="text"/></p> <p style="padding-left: 20px;">54D <input type="checkbox"/> 623 54G <input type="checkbox"/> 624 <input type="text"/></p> <p>11. Balance (9-10) 630 <input type="text"/></p> <p>12. Amount deemed to be Capital gains u/s</p> <p style="padding-left: 20px;">54 <input type="checkbox"/> 631 54B <input type="checkbox"/> 632 <input type="text"/></p> <p style="padding-left: 20px;">54D <input type="checkbox"/> 633 54G <input type="checkbox"/> 634 <input type="text"/></p> <p>13. Total (11+12) 640 <input type="text"/></p> <p>14. Total of 13 (in case of more than one short/long term asset, give total of all sheets) 642 <input type="text"/></p> <p>15. Deemed Short term capital gain 643 <input type="text"/>
on depreciable assets (Sec. 50)</p> <p>16. Particulars of transfer claimed exempt u/s 47 :</p> | <p>Sheet No. 602 <input type="checkbox"/></p> <p>653 _____</p> <p>654 <input type="text"/></p> <p>655 <input type="text"/></p> <p>656 _____</p> <p>657 <input type="text"/></p> <p>659 <input type="text"/></p> <p>660 <input type="text"/></p> <p>661 <input type="text"/></p> <p>665 <input type="text"/></p> <p>666 <input type="text"/></p> <p>54 <input type="checkbox"/> 667 54B <input type="checkbox"/> 668 <input type="text"/></p> <p>54D <input type="checkbox"/> 669 54EC <input type="checkbox"/> 672 <input type="text"/></p> <p style="padding-left: 40px;">54ED <input type="checkbox"/> 675 <input type="text"/></p> <p>54F <input type="checkbox"/> 673 54G <input type="checkbox"/> 674 <input type="text"/></p> <p>680 <input type="text"/></p> <p>54 <input type="checkbox"/> 681 54B <input type="checkbox"/> 682 <input type="text"/></p> <p>54D <input type="checkbox"/> 683 54EA <input type="checkbox"/> 686 <input type="text"/></p> <p>54EB <input type="checkbox"/> 687 54EC <input type="checkbox"/> 688 <input type="text"/></p> <p>54ED <input type="checkbox"/> 689 54F <input type="checkbox"/> 684 <input type="text"/></p> <p style="padding-left: 40px;">54G <input type="checkbox"/> 685 <input type="text"/></p> <p>690 <input type="text"/></p> <p>692 <input type="text"/></p> |
|--|---|

Nature of asset	Date of transfer	Amount/Value	Relevant clause of section 47

17. Income chargeable under the head "CAPITAL GAINS"

- | | |
|---|---|
| A. Short term (14 + 15) 649 <input type="text"/> | B. Long Term (14) 699 <input type="text"/> |
|---|---|

18. Information about accrual/receipt of capital gains

	upto 15/6	16/6 to 15/9	16/9 to 15/12	16/12 to 15/3	16/3 to 31/3
Short term	Rs. _____	Rs. _____	Rs. _____	Rs. _____	Rs. _____
Long term	Rs. _____	Rs. _____	Rs. _____	Rs. _____	Rs. _____

SCHEDULE-E. INCOME FROM OTHER SOURCES

	Code	Amount		Code	Amount
1. Income* other than from owning race horse(s) :					
(a) Dividends [other than those claimed exempt u/s 10(33)]	460	<input type="text"/>			
(b) Interest	461	<input type="text"/>			
(c) Rental income from machinery, plants, buildings etc.	462	<input type="text"/>			
(d) Others	464	<input type="text"/>			
2. Total of 1 above.....				470	<input type="text"/>
3. Deductions u/s 57 :-					
(a) Depreciation		<input type="text"/>			
(b)		<input type="text"/>			
(c)		<input type="text"/>			
4. Total of 3 above.....				471	<input type="text"/>
5. Balance [2-4]				473	<input type="text"/>
6. (a) Income from owning and maintaining race horses					
	474	<input type="text"/>			
(b) Deductions u/s 57					
	475	<input type="text"/>			
7. Balance income from owning and maintaining race horse(s) [6(a) - 6(b)]				476	<input type="text"/>
[Negative figure, if any, shall be shown in Sch.F.3.]					
8. Winnings from lotteries, cross word puzzles, races etc. (see sec. 115BB)				477	<input type="text"/>
9. INCOME CHARGEABLE UNDER THE HEAD					
“INCOME FROM OTHER SOURCES” (5 + 7 + 8)				499	<input type="text"/>
[Negative figure, if any, in item 7 shall not be considered here]					

* Indicate the gross amount against sub items (a) to (d)

SCHEDULE-F1. STATEMENT OF SET OFF OF CURRENT YEAR'S LOSS UNDER SECTION 71

Fill in this sub-part only if there is loss from any of the following sources for set-off against income from any other source; else, write N.A.

Amount of loss arising from house property (see item B-17)	Rs. _____
Amount of loss from business (excluding speculation loss) [see item C-26]	Rs. _____
Amount of loss from other sources (excluding loss from race horses) (see item E-4)	Rs. _____

S.No.	Head/Source of income	Income of current year	House property loss of the current year set off*	Business loss (other than speculation loss) of the current set off*	Other sources loss (other than loss from owning race horses) of the current year set off*	Current year's income remaining after set-off
		(i)	(ii)	(iii)	(iv)	(v)
1.	Salaries					
2.	House Property					
3.	Business (including speculation profit)					
4.	Short term capital gain					
5.	Long term capital gain					
6.	Other sources (including profit from owning race horses)					

GUIDANCE NOTES FOR FILLING UP RETURN OF INCOME (ITS-2) (To be detached before filing the return)

Detailed guidance notes are provided below to assist you in filling up this form.

Use this form only if you.

- are not a company; and
- have income (or loss) under the head “Profits and gains of business or profession”; and
- are not claiming exemption u/s 11.

This return is to be filed by 31st October of the assessment year in cases where the accounts are required to be audited under any law, and by 31st July of the assessment year in other cases. These notes are meant to help you in filling up this return form. **They are not a substitute for the law.** Notes are given only in respect of items that need some explaining.

BRIEF SCHEME OF THE LAW.

Computation of total income

- “Previous year” is the financial year (1st April to the following 31st March) during which the income in question has been earned. “Assessment Year” is the financial year immediately following the previous year.
- Tax is chargeable on what is called “**total income**”; it has a defined technical meaning.
- Total income is to be computed as follows, in the following order:
 - (1) Classify all items of income under the following **heads of income**: (A) “Salaries”; (B) “Income from house property”; (C) “Profits and gains of business or profession”, (this head **has to be applicable** for you to be entitled to use this form); (D) “Capital gains”; and (E) “Income from other sources”. (There may be no income under one or more of these heads of income).
 - (2) Compute taxable income of the current year (i.e., the previous year) under each head of income separately in the Schedules which have been structured so as to help you in making these computations as per provisions of the Income-tax Act. These statutory provisions decide what is to be included in your income, what you can claim as an expenditure or allowance and how much, and also what you cannot claim as an expenditure/allowance.
 - (3) Set off current year’s headwise loss(es) against current year’s headwise income(s) as per procedures prescribed by the law. A separate Schedule is provided for such set-off.
 - (4) Set off, *as per procedures prescribed* by the law, loss(es) and/or allowance(s) of earlier assessment year(s) brought forward. Also, compute loss(es) and/or allowance(s) that could be set off in future and is (are) to be carried forward as per procedures prescribed by the law. Separate Schedules are provided for this.
 - (5) Aggregate the headwise end-results as available after (4) above; this will give you “gross total income”.
 - (6) From gross total income, subtract, *as per procedures prescribed* by the law, “deductions” mentioned in Chapter VI-A of the Income-tax Act, which include deductions in respect of income from export, payment of mediclaim premia etc. *The result will be the total income. Besides, calculate agricultural income for rate purposes.*

Computation of income-tax, surcharge and interest

- Compute income-tax payable on the total income. Special rates of tax are applicable to some specified items. Include agricultural income, *as prescribed, for rate purposes*, in the tax computation procedure.
- Claim tax rebate(s) *as prescribed* by the law, which include rebates in respect of savings in PPF etc., and calculate tax payable thereafter.
- Add surcharge *as prescribed* by the law on the above tax payable (after rebate) to reach tax and surcharge payable.
- Claim relief(s) *as prescribed* by the law, such as double taxation relief, and calculate balance tax and surcharge payable.
- Add interest payable *as prescribed* by the law to reach total tax, surcharge and interest payable.
- Deduct the amount of prepaid taxes, if any, like “tax deducted at source”, “advance-tax” and “self-assessment-tax”. *The result will be the tax payable (or refundable)*.

Filing of return

- A return of income can be filed in any of the following manners:
 - Voluntarily:
 - U/s (under section) 139(1): i.e., within the “due date” prescribed by the law; or
 - U/s 139(3) r/w (read with) s 139(1) only where a loss is to be carried forward: i.e., within the “due date” prescribed by the law;
 - U/s 139(4); i.e., after the expiry of the “due date” but before the expiry of one year from the end of the relevant assessment year.
 - U/s 142(1): i.e., pursuant to a statutory notice calling for the return.
 - U/s 148: i.e., pursuant to a statutory notice u/s 148 for assessing or reassessing total income that has been either not assessed or under-assessed earlier.
 - U/s 153A: pursuant to a notice u/s 153A(a)
 - A return filed u/s 139(1) or 139(3) or 142(1) can be revised by filing a fresh return within one year from the end of the relevant assessment year or before the completion of assessment, whichever is earlier.
- Incomplete or erroneous returns are liable to be held defective [s 139(9)] or even invalid. If held defective, time (usually 15 days, extendable in some circumstances) will be allowed to rectify the defect(s).

PAGEWISE SCHEME OF THIS FORM

The Scheme of this form follows the scheme of the law as outlined above in its basic form. Filling up this form as per instructions will enable and help you in making computation in accordance with the law. The sheetwise scheme of this form is as follows:

- Sheet 1 and 2: The main form (two copies provided so that one copy can be returned to you, duly acknowledged) requiring identificatory and other data, an outline of the total income and tax computation, and a statutory verification.
- Sheet 3: Schedule A: Computation of income under the head Salaries.
- Sheet 4: Schedule B: Computation of income under the head Income from house property.

- Sheets 5 and 6: Schedule C: Computation of income under the head Profits and gains of business or profession.
- Sheet 7: Schedule D: Computation of income under the head Capital gains.
- Sheet 8: Schedule E: Computation of income under the head Income from other sources, and Schedule F.1: Statement of set-off of current year's loss under section 71.
- Sheet 9: Schedule F.2: Statement of set-off of unabsorbed losses and allowances brought forward from preceding assessment years; and Schedule F.3: Statement of losses and allowances to be carried forward.
- Sheet 10: Schedule G: Statement of total income.
- Sheet 11: Schedule H: Statement of taxes; suitably structured to help you in making the statutory computation of gross tax (including surcharge, if any) and net tax and interest payable/ refundable after taking credit for prepaid taxes, if any.

HOW TO FILL UP THE PAGES

All sheets and items must be filled in the manner indicated therein; ***otherwise the return will be liable to be held defective or even invalid.*** If the space provided is inadequate copies of accounts, computation sheets and/ or other papers may be annexed. If any sheet is wholly inapplicable, write “—NA—” across that sheet. If any item is inapplicable, write “NA” against that item. Write “Nil” to denote nil figures, and (-) before negative figures.

You are advised to follow the following sequence in filling in the sheets;

- (1) Sheets 3 to 8, headwise, i.e; Schedule-A to Schedule-E.
- (2) Sheets 8 and 9, as follows: (i) F.1: Statement of set-off of current year's loss u/s 71; (ii) F.2: Set-off of unabsorbed losses and allowances brought forward from preceding assessment years; (iii) F.3: Statement of losses and allowances to be carried forward.
- (3) Sheet 10, Schedule G: Statement of total income.
- (4) Sheet 11, Schedule H: Statement of taxes.
- (5) Sheets 1 and 2.

Sheetwise instructions follow.

Sheet 3: Schedule A: Salaries.

- If salary is earned from more than one employment during the year, write aggregate figures against the items and mention the name and address of the last employer in the space provided.
- Item 1: Here mention gross chargeable salary, including arrears or advance of salary, payment received in lieu of leave not availed of, bonus, wages, fees, pension (including commuted value of pension), any annuity or gratuity and house rent and all other cash allowances, but not including value of perquisites and profits in lieu of salary.
- Item 2: The law exempts some allowances from tax up to prescribed limits u/s 10. Here give a list of such allowances; (a) is for house rent allowance which is exempt under Rule 2A of the Income-tax Rules upto a prescribed extent. Other exemptions include leave travel assistance to the extent stipulated in section 10(5) and any such special allowance as has been notified in the official gazette for the purposes of section 10(14).

- Item 5: Income under the head 'Salaries' also includes (i) perquisites, valued as per section 17 and Rules 3 and 3A of the Income-tax Rules, 1962, and (ii) profits in lieu of salary. Here give a list of such perquisites and profits in lieu of salary. If the space is inadequate, attach separate sheet. Perquisites provided by an employer can be:-
 - (i) Free or concessional accommodation.
 - (ii) Free or concessional benefits / amenities.
 - (a) conveyance.
 - (b) gas, electricity, water.
 - (c) domestic or personal services.
 - (d) personal traveling.
 - (e) education of children.
 - (iii) Any other payment by employer in respect of any obligation which but for such payment would have been payable by the assessee. Example, sums payable by employer for life insurance or annuity - section 17(2)(iv) and (v). The above mentioned perquisites are only illustrative and not exhaustive in nature. However, medical benefit provided by the employer to the extent specified in the proviso to section 17(2) is excluded from perquisite.
- Item 8: The law prescribes some deductions that can be claimed u/s 16. Here give a list of such deductions; item (1) is for what is called "standard deduction" deductible u/s 16(i). [Standard deduction for assessment year, 2004-05 is a sum equal to 40% of the salary, or rupees thirty thousand, whichever is less, for taxpayers whose income from salary does not exceed five lakh rupees. For employees whose salary exceeds five lakh rupees, the standard deduction is limited to Rs.20,000/-. Other deductions available are (a) entertainment allowance (allowable in respect of certain persons only) to the extent specified in section 16(ii) and employment tax in section 16(iii).

Sheet 4: Schedule B: Income from house property.

- If there are more than one house properties, the computation should be first done for each house property separately, and then aggregated. Use photocopies of the page for additional house properties.
- Item 1: Mention (a) total number of sheets used (=total number of separate house properties); and (b) individual sheet number on each sheet).
- Items 2 to 15: These are to be filled for each house property separately:
 - Item 4: Built-up area: Inclusive of walls and common areas.
Land appurtenant: Attached to, and forming an integral part of, the property.
Annual lettable value: Amount for which the house property may reasonably be expected to let from year to year, on a notional basis.
 - Item 5: Indicate here the annual lettable value or the rent received / receivable for the whole year, whichever is higher. In respect of one self-occupied house used for your own residence, or which is vacant and cannot be used due to your place of employment being different, the value to be mentioned in this item may be taken as "nil" and items 6 and 7 need not be filled in.
 - Item 6: The deductions admissible u/s 23 should be claimed here, such as:-

- (a) Municipal Taxes: an assessee can claim deduction only if the property is in the occupation of a tenant, and such taxes are borne by the assessee and not by the tenant and have actually been paid during the year. Please attach proof of such payment.
- (b) Unrealised rent in view of Explanation below section 23(1) subject to Rule 4.
- Item 8: This figure represents the annual value, which is to be taken to be Nil *for one self-occupied property*.
- Item 9: Indicate here the deductions claimed under section 24.
 - (a) 30% of annual value.
 - (b) Interest on capital borrowed.

No deduction u/s 24 is allowed in respect of a self occupied property or a property which could not be occupied because of employment, business or profession at another place or where the annual value is taken as nil. However, in respect of such property, deduction for interest on borrowed capital is allowable upto Rs.30,000/-. This limit is Rs.1,50,000/- in respect of interest on capital borrowed on or after 01.4.1999 for construction or acquisition of self occupied property where such construction or acquisition is completed within three years from the end of the financial year in which capital was borrowed. In such cases, the net result of computation could be a loss of upto Rs.30,000/- or Rs. 1,50,000/-, as the case may be.
- Item 12: Deduction is available for unrealized rent in the case of a let-out property. If such a deduction has been taken in an earlier assessment year, and such unrealized rent is actually received in the assessment year in question, the unrealized rent so received is to be shown against this item.
- Item 13: This relates to enhancement of rent with retrospective effect. Here mention back years' extra rent received thereon, and claim deduction @ 30% of such arrear rent received.
- Items 16 to 17: Aggregation of individual property-wise computations as per items 2 to 15.

Sheets 5 & 6: Schedule C: Profits and gains of business or profession.

(I) General

- Item 1: Tick one or more box(es), as applicable.
- Item 3: Tick any one box. The law permits use of only one of the two methods.
- Items 4 to 5: This relates to change in the method of accounting in the assessment year in question compared to the immediately preceding assessment year.
- Items 7 to 8: This relates to change in the method of valuing stock in the assessment year in question compared to the immediately preceding assessment year.
- Item 9: Sec 44AA prescribes compulsory maintenance of accounts for some businesses and professions.
- Item 10: Sec 44AB(a) and (b) prescribe compulsory tax audit for business and profession where the sales, turnover, or gross receipts exceed prescribed amounts.

- Item 11: Sec 44AB (c) prescribes compulsory tax audit where profits and gains of business or profession are shown not as per accounts maintained, but at presumptive figures prescribed u/ss 44AD, or 44AE, or 44AF.
- Items 12 to 13: Sec 44AB prescribes that (a) the tax audit be got done by a certain “specified date”, and (b) the tax audit report be furnished within the “due date” for filing the return of income as defined in sec 139(1).

(II) Computation of income from business or profession *other than speculation business.*

If accounts have been maintained separately for each business, business-wise computations may be carried out on separate sheet(s) and the *consolidated* figures be given in items 14 to 26.

- Item 14: This item relates to the consolidated P&L A/c. If separate P&L A/cs are maintained for separate businesses, all such a/cs are to be combined to form the consolidated P&L A/c.
- Item 15: Any change in method of accounting and/ or valuation of stock may necessitate an adjustment in the current year’s profits as reflected in the accounts, Here mention such adjustment.
- Item 16, (i) to (iv): Sections 44AD, 44AE and 44AF permit computation of profits of some specified businesses at presumptive figures in some prescribed circumstances. These items provide the mechanism for that: 16(i) is meant to first remove from the P&L A/c the profit(s)/loss(es) of such specified business(es), and 16(ii), (iii) and (iv) are meant to then substitute the aforesaid profit(s)/ loss(es) by the presumptive figure(s) in prescribed circumstances.
- Item 17: This item is meant to remove from the P&L A/c amounts of income that are exempt from chargeability. Amount deductible will be net of expenses incurred for earning the exempt income - section 14A.
- Item 18: Sections 10A, 10B and 10C permit the claiming of exemption from tax of incomes of some specified businesses. This item is meant to eliminate such income(s) from the computation of profits / gains.
- Item 19: Section 28 defines certain incomes as *deemed business profits*. Here include such item(s) *if not already included in item 14*.
- Item 20: Some sections such as s.33AB define certain amounts to be *deemed incomes* in some circumstances. Here mention such amount(s) along with the corresponding section (s).
- Item 21: Some sections such as s.35A provide for the allowance of some expenses in *annual installments over a number of years*. Here mention such amount(s) along with the corresponding section(s).
- Item 22: Sections 44B, 44BB and 44BBA provide for the computation of profits of some businesses at presumptive figures, which necessitate an adjustment to the profit(s)/loss(es) of such business(es) reflected in the P&L A/c. This item is meant for such adjustment.
- Item 23: This item is for other statutory adjustments necessary that are not specifically mentioned above or in items 24 and 25. Here mention the section(s) and the amount(s) of adjustment(s), positive or negative, and the net adjustment.

- Item 24: The calculation of depreciation, including the calculation of WDV's, as adopted in the a/cs may, and often does, differ from that prescribed by the income-tax law, and this may necessitate an adjustment. Here mention such adjustment.
- Item 25: Section 35(1)(iv) prescribes a procedure for allowing scientific research expenses, and this may necessitate an adjustment. Here mention such adjustment.
- Item 26: *This is the end-result of the computation involved in items 14 to 25 for the current year.* This result can be positive or negative.

(III) Computation of income from speculation business.

- Item 28: Here mention the net result of all adjustments.
- Item 29: *This is the end-result of the computations involved in items 28 and 29.* This figure can be positive or negative. Here mention the figure *only if it is positive. If negative, mention the figure against item 35(i).*
- Item 30: *If item 26 is negative, mention that (negative) figure here, to the extent of the positive figure at item 29. The balance negative amount in item 26 is to be shown in item 35(ii).*
- Item 31: This is the result of deducting item 30 from item 29. *It can be positive or zero; it cannot be negative.* Current year's speculation loss cannot be adjusted against profit from any other business or profession. Loss from business or profession (other than from speculation business) can, however, be set-off against income from speculation (remaining after adjustment of brought forward speculation loss).

Sheet 7: Schedule D: Capital gains.

- The law requires that, if there are more than one transfer of a capital asset, the computation of capital gains be first done separately for each transfer, and then aggregated. Sheet 7 is meant for (a) one short-term and one long-term capital gains, and (b) the aggregation. Use photocopies of the page for additional capital gains.
- Item 1: Mention (a) total no. of sheets used, and (b) individual sheet no. on each sheet. (For example, if 5 sheets are used, number of sheets will be 5, and Sheet no. will be from 1 to 5.)
- Items 2 to 13: These are for computing capital gain for each transfer:
 - Item 2: Here give a brief description of the asset.
 - Item 5: Here give a brief description of the mode of transfer, such as:-
 - (i) sale, exchange or relinquishment of right; or
 - (ii) extinguishment of any rights therein; or
 - (iii) compulsory acquisition thereof under any law; or
 - (iv) in a case where the asset is converted by the owner thereof into; or is treated by him as, stock-in-trade of a business carried on by him, such, conversion or treatment; or
 - (v) any transaction involving the allowing of the possession of any immovable property to be taken or retained in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882; or

- (vi) any transaction (whether by way of becoming a member of, or acquiring shares in, a cooperative society, company or other association of persons or byway of any agreement or any arrangement or in any other manner whatsoever) which has the effect of transferring, or enabling the enjoyment of, any immovable property. In case of compulsory acquisition, please mention on a separate sheet the law under which the said acquisition has been made as also the dates of notification and possession of the property by the concerned authority.
- Item 7, (i) and (ii). Here mention indexed cost of acquisition and indexed cost of improvement, wherever applicable. The following cost inflation index has been notified by the Central Government for the purposes of section 48.

Sl. No.	Financial Year	Cost Inflation Index
1.	1981-82	100
2.	1982-83	109
3.	1983-84	116
4.	1984-85	125
5.	1985-86	133
6.	1986-87	140
7.	1987-88	150
8.	1988-89	161
9.	1989-90	172
10.	1990-91	182
11.	1991-92	199
12.	1992-93	223
13.	1993-94	244
14.	1994-95	259
15.	1995-96	281
16.	1996-97	305
17.	1997-98	331
18.	1998-99	351
19.	1999-2000	389
20.	2000-2001	406
21.	2001-2002	426
22.	2002-2003	447
23.	2003-2004	463
24.	2004-2005	480

- Item 10: The sections mentioned provide for exemption from tax of certain capital gains in some circumstances. Tick the appropriate box(es) and mention the total amount of exempt capital gains.
- Item 12: Amounts exempted in earlier years under these sections may be deemed to be income in the current year in certain circumstances. Such deemed income is to be mentioned here.

- Item 14: Aggregation of individual capital gain wise computations.
- Item 15: Here mention the result of application of section 50 (only short-term capital gains arise under that section).
- Item 16: The law provides for exemption from computation of capital gains in respect of certain specified transfers. Here give particulars of such transfers.
- Item 17: This represents (A) the sum of items 14 and 15 for short-term capital gains, and (B) item 14 for long-term capital gains. Where there is a loss under the head “capital gains”, it is not to be set-off against income under any other head of income, and is to be carried forward.
- Item 18: This information is for verifying liability to pay advance tax and interest, if any, u/s 234C.

Sheet 8: Schedule E: Income from other sources.

- Items 1: Income from owning and maintaining race horses is to be computed separately, in items 6 and 7. Mention gross figures against (a), (b), (c) and (d). Against (b), mention the gross amount of interest(s) received/receivable. Attach a separate sheet giving information regarding each item of interest received /receivable and attach supporting evidence. Against (c), indicate the gross income from machinery, plant or furniture let on hire and also such income from building where its letting is inseparable from the letting of the said machinery, plant or furniture, if it is not chargeable to income-tax under the head “Profits and gains of business or profession”.
- Item 8: Winnings from lotteries, crossword puzzles, races etc., are subject to special rates of tax; hence a separate item is provided.
- Item 9: This is the net result under the head “other sources”. Loss from owning and maintaining race horses cannot be adjusted against income from any other source, and can only be carried forward for set off against similar income in subsequent years.

Schedule F.1: Statement of set-off of current year’s loss u/s 71

- Mention only positive incomes of the current year *in column (i)*, headwise, in the relevant rows.
- Mention current year’s loss(es) under any head set off u/s 71 against income under any other head, headwise in columns (ii) to (iv), *in the relevant rows*.
- Mention the end-result of the above inter-head set-off(s) in column (v), headwise, in relevant rows.

Sheet 9: Schedule F.2: Unabsorbed losses and allowances brought forward from preceding assessment years and set off against current year’s income.

- Mention only positive incomes of the current year (after set off of loss in Schedule F.1) in column (i), headwise, in relevant rows.

Schedule F.3: Statement of losses and allowances to be carried forward.

- Loss from owning and maintaining race horses can be carried forward for only 4 assessment years. For other sources of income, losses can be carried forward for 8 assessment years.

Sheet 10: Schedule G: Statement of total income.

- Item 1: A to E: Transfer figure(s) from the appropriate schedules as indicated.
- Item 4: The following deductions are allowed among others under Chapter VI-A for the assessment year 2004-05. The sum total of the deductions allowable is limited to the amount of gross total income.
 1. Deduction in respect of contribution to pension fund set up by the Life Insurance Corporation of India upto Rs.10,000 (80CCC).
 2. Premium paid for medical insurance upto Rs.10,000/-. Rs.15,000/- is allowed in case of senior citizens. (Section 80D).
 3. Deduction of Rs.50,000/- is allowed in case of assessee who incurs any expenditure in respect of maintenance including medical treatment of a dependant, being a person with disability, or makes payment of any amount under specified schemes of LIC or any other insurer or the Administrator or the specified company framed in this behalf. Where such dependent is a person with severe disability, a deduction of Rs.75,000/- shall be allowed. (Section 80DD).
 4. Deduction of Rs.40,000/- is allowed in respect of expenditure actually incurred on treatment of specified diseases. The deduction allowable is the net amount after reducing the insurance receipts, if any. Deduction of Rs.60,000/- is allowed, in case, the assessee or dependent relative is a senior citizen. (Section 80DDB).
 5. Donations to certain approved funds and charitable institutions, the overall ceiling is 10% of gross total income (as reduced by the amount on which no tax is payable or with reference to which the taxpayer is entitled to any deduction under Chapter VI-A) (Section 80G).
 6. Donation for approved organisations of scientific, social science/ statistical research, rural development, conservation of natural resources, afforestation or eligible project or scheme. (Section 80GGA).
 7. Income by way of interest on deposits in banks, etc., upto an aggregate of Rs.12,000/-. This limit is raised by another Rs.3,000/- if income is received (a) by way of interest on any security of the Central Government or State Government (Section 80L).
 8. Deduction in respect of royalty income, etc., of authors of certain books other than text-books allowed upto Rs.3 lakh (80QQB).
 9. Remuneration from certain foreign sources in the case of professors, teachers etc., to the extent of 15% of such remuneration. (Section 80R).
 10. Remuneration received for services rendered outside India to the extent of 15% of such remuneration. (Section 80RRA).
 11. Deduction of Rs.50,000/- where taxpayer is a person with disability. Where the taxpayer is a person with severe disability, a deduction of Rs.75,000/- shall be allowed. (Section 80U).

Mention certificate(s) attached in the last column. Mention total of deductible amount(s) below as indicated.

12. Deduction in respect of royalty on patents upto an amount of Rs. 3 lakh (80RRB)

Sheet 11: Schedule H: Statement of taxes.

- Item 1: Special rates of tax are applicable to certain types of income such as income from winnings from lottery, crossword puzzle, gambling, betting, horserace, etc @ 30% u/s 115BB; income from units of open-ended equity oriented fund of the UTI or of Mutual Funds @ 10% u/s 115BBB; long term capital gains @ 20% (10% where the asset is a listed security), etc.

Normal rates:

<u>Income</u>	<u>Tax rate</u>
Upto Rs.50,000/-	Nil
Next Rs.10,000/-	10%
Next Rs.90,000/-	20%
On the balance amount	30%

- Item 3:

(a) For assessment 2004-05, in case of Individuals and HUF, u/s 88 of the Income-tax Act, 1961, the following rebate is allowed from the amount of income-tax calculated:

- (i) where the gross total income before allowing deductions under Chapter VI-A is Rs.1,50,000/- or less, rebate is allowed @ 20% of the qualifying amount. However, in case of salaried individuals whose income from salary does not exceed Rs.1 lakh, a rebate of 30% is allowed;
- (ii) where the gross total income before allowing deductions under Chapter VI-A is more than Rs.1,50,000/- but does not exceed Rs.5 lakh, a rebate of 15% of the qualifying amount is allowed;
- (iii) no rebate is allowed in cases where the gross total income before allowing deductions under Chapter VI-A is more than Rs.5 lakh.

The qualifying amount for the purpose of rebate under the section in respect of investments / payments like Life Insurance Premia, Provident Fund contributions etc., is Rs.70,000/-. This amount stands enhanced to Rs.1 lakh in case the investment in by way of subscription to approved infrastructure bonds etc.

- (b) Provisions of section 88B are applicable only in case of resident individuals, who are of the age of 65 years or more. For the assessment year 2004-2005, such persons are eligible for an additional tax rebate at the rate of 100% of tax on total income subject to a maximum limit of Rs.20,000/-.
- (c) Provisions of section 88C are applicable in case of an individual being a resident woman and below the age of 65 years. For the assessment year 2004-05, such persons are eligible for an additional rebate at the rate of 100% of tax on total income subject to a maximum limit of Rs. 5,000/-.

- Item 6: In case of an individual, Hindu undivided family, Association of Persons, Body of Individuals, surcharge for assessment year 2004-05, is to be levied @ 10% on income exceeding Rs.8,50,000/-, on the balance tax payable after allowing rebate as computed in item 4. In case of an Artificial Juridical Person, surcharge is to be levied @ 10% on the tax payable. In case of a firm, surcharge is to be levied @ 2.5% on the tax payable.
- Item 8: Here mention total of all reliefs and tick appropriate boxes indicating the section under which relief is claimed. Relief u/s 89 is in respect of salary received in arrears, and section 90 and 91 relate to double taxation relief.
- Item 13: For self assessment tax paid on or before 31.5.2004, table (a) should be filled up, and a copy of the challan should be attached with the return. For self assessment tax paid after 31.5.2004, table (b) should be filled up. Copy of acknowledgement counterfoil (in respect of self assessment tax paid after 31.5.04) is not required to be attached, however, from the counterfoil, the name of the bank branch, BSR Code of the Bank Branch (7 digit), date of deposit, challan serial no., and amount of tax paid should be filled up.
- Items 15 and 16: Mention payable amount against 15 and refundable amount against 16.

Sheets 1 & 2: Two copies of the main return form: Identificatory and other data, outline of total income and tax computation, and statutory verification.

- It is compulsory to quote PAN if you have one.
- Use block letters only throughout to fill in this form.
- Codes for residence and status:

<u>Residence in India</u>	<u>Code</u>
Resident	01
Non-resident	02
Resident but not ordinarily resident	03

<u>Status</u>	<u>Code</u>	<u>Status</u>	<u>Code</u>
(a) Individual	01	(e) Registered firm/firm (other than the one engaged in profession)	05
(b) Hindu Undivided Family (other than that mentioned below)	02	(f) Registered firm/firm engaged in profession	06
(c) Hindu Undivided Family Which has at least one member with total income of the previous year exceeding the maximum amount not chargeable to tax	03	(g) Association of persons (AOP)	07
(d) unregistered firm	04	(h) Association of persons (Trust)	08
		(i) Body of individuals (BOI)	09
		(j) Artificial juridical person	10
		(k) Co-operative Society	11
		(l) Local authority	16

- Item 1: If you have applied for PAN but have not been allotted one, enclose copy of your application for PAN in form no.49A. If you have not applied for PAN, enclose application in form no.49A with this return.
- Items 11 and 13: State the section under which the return is filed and also whether the return is an original return or a revised return: See “Brief scheme of the law” above.
- Item 14: This asks whether you are filing your return *for the first time ever*.
- Item 15 to 24: Transfer the appropriate figures from the appropriate schedules as indicated.
- Items 25 to 36: Transfer the appropriate figures from Schedule H.
- Item 37: Here, mention the particulars of Bank Account specifying the name of the bank, the 9-digit MICR code, address of the bank branch, the type of account, along with your account number. In case you want the refund, if any, to be credited directly into your bank account, fill in ‘Y’ in the box ‘ECS (Y/N)’, or else fill in ‘N’.
- Item 38: Here mention the number of documents attached.

➤ **Verification**

Fill up the required information in the Verification. Strike out whatever is not applicable. Please ensure that the verification has been signed before furnishing the return. Write the designation of the person signing the return, which may be an authorised Person / Guardian / Karta of HUF/ Member of HUF/ Managing Director/ Director/ Principal/ Officer/ Managing Partner/ Partner/ Chief Executive Officer, as specified in section 140.

Sheet 1 will be returned to you duly stamped as acknowledgement of the return filed. This acknowledgement will be deemed to be an acceptance of the return and no separate intimation shall be given unless any tax is found to be payable by you, or refund is due to you.