

Instructions for filling out Form ITR-7

These instructions are guidelines for filling the particulars in this Return Form. In case of any doubt, please refer to relevant provisions of the Income-tax Act, 1961 and the Income-tax Rules, 1962.

1. Assessment Year for which this Return Form is applicable

This Return Form is applicable for assessment year 2012-2013 only.

2. Who can use this Return Form?

This Form can be used by persons including companies who are required to furnish return under section 139(4A) or section 139(4B) or section 139(4C) or section 139(4D).

3. Annexure with the Return Form

This Return Form should be attached with the documents as specified in the form such as :- (i) Audit report in Form 10B (ii) Audit report in Form 10BB (iii) applications for exercising options under section 11(1) (iv) Form 10DB/10DC (v) Income and expenditure account (vi) Balance sheet (vii) TDS certificates.

4. Manner of filing this Return Form

This Form has to be furnished in paper form to the Income Tax Department.

5. Codes for filling this Return Form

Under the heading 'Filing Status' in the Return Form details have to be filled regarding section under which the return is being filed by ticking in the relevant box provided therein.

6. Acknowledgement

Acknowledgement slip attached with this Form should be duly filled out. This form is not required to be filed in duplicate.

7. Tax Credit Statement

Tax-payers are advised to match the taxes deducted/collected/paid by or on behalf of them with their **Tax Credit Statement** (Form 26AS). (Please refer to www.incometaxindia.gov.in)

8. BRIEF SCHEME OF THE LAW- Before filling out the form, you are advised to read the following-

(1) Computation of total income

- (a) "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.
- (b) Tax is chargeable on what is called '**total income**'; it has a definite technical meaning.
- (c) Total income is to be computed as follows, in the following order:
 - (i) Classify all items of income under the following **heads of income-**
 - (A) "Income from house property"; (B) "Profit and gains from business or profession"; (C) "Capital gains"; and (D) "Income from other sources". [There may be no income under one or more of the heads at (A), (B), (C) and (D)].
 - (ii) 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.
 - (iii) 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.
 - (iv) Aggregate the headwise end-results as available after (iii) above; this will give you "gross total income".
 - (v) Deduct from the gross income, amounts exempt under sections 10 and 11, to arrive at gross total income.
 - (vi) From gross total income, subtract, as per procedures prescribed by the law, "deductions" mentioned in Chapter VIA of the Income-tax Act. The result will be the total income. Besides, calculate agricultural income for rate purposes.

(2) Computation of income-tax, education cess including secondary and higher education cess and interest in respect of income chargeable to tax.

- (a) 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.
- (b) In case, the tax liability computed as above is less than 18.5% of book profit, the company is required to pay minimum alternate tax (MAT) under section 115JB at the rate of 18.5% of the profit. The excess tax so paid is allowable to be carried forward for credit in the year in which tax liability under the normal provisions of the Act is more than MAT liability. Such carry-forward is allowable up to 5 years.
- (c) Add Education Cess including secondary and higher education cess at the rate of 3% on the tax payable.
- (d) Claim relief(s) as prescribed by the law, for double taxation and calculate balance tax payable.
- (e) Add interest payable as prescribed by the law to reach total tax and interest payable.
- (f) 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).

(3) A return of income can be filed in any of the following manners:

- (a) Under section 139(1) i.e., within the "due date" prescribed by the law;

- (b) Under section 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;
- (c) Under section 139(5) a return already filed, 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;
- (d) Under Section 139(9), defective/invalid returns can be filed afresh after curing the defects;
- (e) Under section 142(1) i.e., pursuant to a statutory notice calling for the return;
- (f) Under section 148 i.e., pursuant to a statutory notice u/s 149 for assessing or reassessing total income that has been either not assessed or under-assessed earlier;
- (g) Under section 153A i.e. pursuant to a statutory notice calling for return in case of search;
- (h) Under section 153C i.e. pursuant to a statutory notice calling for return;

(4) Obligation to file return of income

- (a) Return under section 139(4A) is required to be filed by every person in receipt of income derived from property held under trust or other legal obligation wholly for charitable or religious purposes or in part only for such purposes, or of income being voluntary contributions referred to in sub-section (iia) of clause (24) of section 2, shall, if the total income in respect of which he is assessable as a representative assessee (the total income for this purpose being computed under this Act without giving effect to the provisions of sections 11 and 12) exceeds the maximum amount which is not chargeable to income-tax.
- (b) Return under section 139(4B) is required to be filed by a political party if the total income without giving effect to the provisions of section 139A exceeds the maximum amount which is not chargeable to income-tax.
- (c) Return under section 139(4C) is required to be filed by every –
 - (i) scientific research association referred to in section 10(21);
 - (ii) news agency referred to in section 10(22B);
 - (iii) association or institution referred to in section 10(23A);
 - (iv) institution referred to in section 10(23B);
 - (v) fund or institution or university or other educational institution or any hospital or other medical institution referred to in section 10(23C)(iv)/ (v)/ (vi) if the conditions mentioned in section 139(4C) are satisfied.
- (d) Return under section 139(4D) is required to be filed by every university, college or other institution referred to in clause (ii) and clause (iii) of sub-section (1) of section 35, which is not required to furnish return of income or loss under any other provision of this section.
- (e) Return of income is also required to be filed by a person if his total income before allowing deductions under section 10A or section 10B or section 10BA or Chapter VI-A exceeds the maximum amount which is not chargeable to income tax.
- (f) The losses shall not be allowed to be carried forward unless the return has been filed on or before the due date.
- (g) The deduction under sections 10A, 10B, 80-IA, 80-IAB, 80-IB and 80-IC shall not be allowed unless the return has been filed on or before the due date.

9. Instructions for filling out this Form

- (i) Some of the details in this form have to be filled out on the basis of the relevant codes.
- (ii) The codes for nature of business to be filled in ‘Schedule BP –General’ are as under-

Sector	Sub-Sector	Code
(1) Manufacturing Industry	Agro-based industries	0101
	Automobile and Auto parts	0102
	Cement	0103
	Diamond cutting	0104
	Drugs and Pharmaceuticals	0105
	Electronics including Computer Hardware	0106
	Engineering goods	0107
	Fertilizers, Chemicals, Paints	0108
	Flour & Rice Mills	0109
	Food Processing units	0110
	Marble & Granite	0111
	Paper	0112
	Petroleum and Petrochemicals	0113
	Power and energy	0114
	Printing & Publishing	0115
	Rubber	0116
	Steel	0117
Sugar	0118	

	Tea, Coffee	0119
	Textiles, handloom, Power looms	0120
	Tobacco	0121
	Tyre	0122
	Vanaspati & Edible Oils	0123
	Others	0124
(2) Trading	Chain Stores	0201
	Retailers	0202
	Wholesalers	0203
	Others	0204
(3) Commission Agents	General Commission Agents	0301
(4) Builders	Builders	0401
	Estate Agents	0402
	Property Developers	0403
	Others	0404
(5) Contractors	Civil Contractors	0501
	Excise Contractors	0502
	Forest Contractors	0503
	Mining Contractors	0504
	Others	0505
(6) Professionals	Chartered Accountants, Companies Secretaries, etc.	0601
	Fashion designers	0602
	Legal professionals	0603
	Medical professionals	0604
	Nursing Homes	0605
	Specialty hospitals	0606
	Others	0607
(7) Service Sector	Advertisement agencies	0701
	Beauty Parlours	0702
	Consultancy services	0703
	Courier Agencies	0704
	Computer training/educational and coaching institutes	0705
	Forex Dealers	0706
	Hospitality services	0707
	Hotels	0708
	I.T. enabled services, BPO service providers	0709
	Security agencies	0710
	Software development agencies	0711
	Transporters	0712
	Travel agents, tour operators	0713
	Others	0714
(8) Financial Service Sector	Banking Companies	0801
	Chit Funds	0802
	Financial Institutions	0803
	Financial service providers	0804
	Leasing Companies	0805
	Money Lenders	0806
	Non-Banking Finance Companies	0807
	Share Brokers, Sub-brokers, etc.	0808
	Others	0809
(9) Entertainment Industry	Cable T.V. productions	0901
	Film distribution	0902
	Film laboratories	0903
	Motion Picture Producers	0904
	Television Channels	0905
	Others	0906

(iii) In Schedule SI, the codes for the sections which prescribed special rates of tax for the income mentioned therein are as under:-

Sl. No.	Nature of income	Section	Rate of tax	Section code
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1.	Tax on accumulated balance of recognised provident fund	111	To be computed in accordance with rule 9(1) of Part A of fourth Schedule	1
2.	Short term capital gains	111A	15	1A
3.	Long term capital gains (with indexing)	112	20	21
4.	Long term capital gains (without indexing)	112	10	22
5.	Dividends, interest and income from units purchase in foreign currency	115A(1)(a)	20	5A1a
6.	Income from royalty or technical services where agreement entered between 31.3.1961 to 31.3.1976 in case of royalty and between 29.2.1964 and 31.3.1976, and agreement is approved by the Central Government.	Paragraph EII of Part I of first schedule of Finance Act	50	FA
7.	Income from royalty & technical services	115A(1)(b) if agreement is entered on or before 31.5.1997	30	5A1b1
8.	Income from royalty & technical services	115A(1)(b) if agreement is entered on or after 31.5.1997 but before 1.6.2005	20	5A1b2
9.	Income from royalty & technical services	115A(1)(b) if agreement is on or after 1.6.2005	10	5A1b3
10.	Income received in respect of units purchase in foreign currency by a off-shore fund	115AB(1)(a)	10	5AB1a
11.	Income by way of long-term capital gains arising from the transfer of units purchase in foreign currency by a off-shore fund	115AB(1)(b)	10	5AB1b
12.	Income from bonds or GDR purchases in foreign currency or capital gains arising from their transfer in case of a non-resident	115AC(1)	10	5AC
13.	Income from GDR purchased in foreign currency or capital gains arising from their transfer in case of a resident	115ACA(1)	10	5ACA
14.	Profits and gains of life insurance business	115B	12.5	5B
15.	Winnings from lotteries, crosswords puzzles, races including horse races, card games and other games of any sort or gambling or betting of any form or nature whatsoever	115BB	30	5BB
16.	Tax on non-residents sportsmen or sports associations	115BBA	10	5BBA
17.	Tax on income from units of an open – ended equity oriented fund of the Unit Trust of India or of Mutual Funds	115BBB	10	5BBB
18.	Anonymous donations	115BBC	30	5BBC
19.	Tax on dividend received from foreign companies	115BBD	15	5BBD
20.	Investment income	115E(a)	20	5Ea
21.	Income by way of long term capital gains	115E(b)	10	5Eb
22.	Double Taxation Agreement			DTAA

10. SCHEME OF THE FORM

The Scheme of this form follows the scheme of the law as outlined above in its basic form. The Form has been divided into three parts. It also has nineteen schedules. The details of these parts and the schedules are as under:-

- (i) Part A-GEN mainly seeks general information requiring furnishing of personal information like name and address, PAN number, date of creation, filing status, other details and audit details ;
- (ii) The second part, i.e., Part-B is regarding an outline of the total income and tax computation in respect of income chargeable to tax.

- (iii) There are 19 schedules details of which are as under-
- (a) Schedule BA: Details of Bank account
 - (b) Schedule-I: Details of amounts accumulated/ set apart within the meaning of section 11(2) in last year's viz., previous years relevant to the current assessment year.
 - (c) Schedule-J: Statement showing the investment of all funds of the Trust or Institution as on the last day of the previous year.
 - (d) Schedule-K: Statement of particulars regarding the Author(s)/ Founder(s)/ Trustee(s)/ Manager(s), etc., of the Trust or Institution.
 - (e) Schedule-LA: Details in case of a political party.
 - (f) Schedule-OS: Computation of income under the head Income from other sources.
 - (g) Schedule-HP: Computation of income under the head Income from House Property.
 - (h) Schedule-CG: Computation of income under the head Capital gains.
 - (i) Schedule-BP: General information about business and profession.
 - (j) Schedule-BP: Computation of income under the head "profit and gains from business or profession".
 - (k) Schedule-CYLA: Statement of income after set off of current year's losses
 - (l) Schedule-MAT: Computation of Minimum Alternate Tax payable under section 115JB
 - (m) Schedule-MATC: Computation of tax credit under section 115JAA
 - (n) Schedule-SI: Statement of income which is chargeable to tax at special rates
 - (o) Schedule-IT: Statement of payment of advance-tax and tax on self-assessment.
 - (p) Schedule-TDS: Statement of tax deducted at source on income other than salary.
 - (q) Schedule-TCS: Statement of tax collected at source
 - (r) Schedule FA: Details of Foreign Assets

11. GUIDANCE FOR FILLING OUT PARTS AND SCHEDULES

(1) General

- (i) All items must be filled in the manner indicated therein; otherwise the return maybe liable to be held defective or even invalid.
- (ii) If any schedule is not applicable score across as "---NA---".
- (iii) If any item is inapplicable, write "NA" against that item.
- (iv) Write "Nil" to denote nil figures.
- (v) Except as provided in the form, for a negative figure/ figure of loss, write "-" before such figure.
- (vi) All figures should be rounded off to the nearest one rupee. However, the figures for total income/ loss and tax payable be finally rounded off to the nearest multiple of ten rupees.

(2) Sequence for filling out parts and schedules

- (i) Part A
- (ii) Schedules
- (iii) Part B
- (iv) Verification

12. PART A-GEN

Most of the details to be filled out in Part-Gen of this form are self-explanatory. However, some of the details mentioned below are to be filled out as explained hereunder:-

- (a) It is compulsory to quote PAN.
- (b) Codes for status:

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

- (c) E-mail address and phone number are optional;
- (d) Name of the project/ institution run by you- In this row write the name of the project/institution run by you. For example- if running educational projects/institutions then name of the school/college/university etc need to be mentioned. Similarly in case of the hospitals/research institutions the name of the hospital or research centre need to be mentioned. If more than one project/institution is run by the taxpayer, then mention the name of all the projects/institutions.
- (e) Tick in the box to indicate the section under which the return is filed.
- (f) All the boxes in the table for “Other Details” need to be filled.
 - A. The taxpayer needs to fill yes if any of the charitable purpose is advancement of any other object of general public utility as per section 2(15). If the activities carried on by you is of commercial nature then tick yes. If the aggregate annual receipts from the activity of commercial nature, carried on during the financial year, exceed Rs.25 lakhs, then tick yes otherwise tick no.
 - B. If claiming exemption under section 10 then tick yes.
 - C. Any university or other educational institution existing solely for educational purposes and not for purposes of profit; any hospital or other institution for the reception and treatment of persons suffering from illness or mental defectiveness etc existing solely for philanthropic purposes and not for purposes of profit are required to fill the details mentioned herein.
 - D. If registered under section 12A/12AA, then provide the registration number and the date of the registration.
 - E. If you have received approval under section 35 then provide the approval reference number and the date of approval.
 - F. If you have received approval under section 80G then provide the approval reference number and the date of approval.
 - G. If there is any change in the objects or activities during the financial year then tick yes.
 - H. If registration under Foreign Contribution Regulation Act (FCRA) has been done, date of registration and registration number need to be mentioned. The total amount received from outside India during the financial year need to be written in the space earmarked for the same.

(g) “Audit Details needs” to be filled up in this table. Audit is required to be done under different sections of the Act, including section 10(23C) (iv), 10(23C) (v), 10(23C) (vi), 10(23C) (via), section 12A, section 13A, section 44AB etc. Specify the section under which audit has been done in the space designated for the same in the return.

13. PART B –TI

- (a) Item 1-4: transfer figure(s) from the appropriate.
- (b) Item 6-7: make adjustments as per the provisions of section 11.
- (c) Income chargeable under section 11(4) to be separately mentioned.
- (d) Items 12-16: total of agricultural income to be mentioned for rate purposes; income chargeable at special rates and maximum marginal rates are to be mentioned separately. Anonymous donations, taxed @30%, need to be mentioned separately.

14. **PART B-TTI** The scheme of computation of tax liability has been provided.

15. SCHEDULES

(a) Schedule- BA:

In this schedule, please quote the MICR code of the bank whether you want to receive the refund through electronic clearing system (ECS) or not. However, it may not be possible to issue the refund in all cases through ECS since the ECS facility is not available across the country.

If you have any asset (including financial interest in any entity) located outside India or signing authority in any account located outside India, then tick yes and also ensure to fill Schedule FA.

(b) Schedule – I

Under section 11(2), where 85 % of the income is not applied or is not deemed to have been applied, to charitable or religious purposes in India during the previous year but is accumulated or set apart, either in whole or in part, for application to such purposes of India, such income so accumulated or set apart shall not be included in the total income of the previous year, if certain conditions are satisfied. One of the conditions, inter alia, is that the accumulation cannot be carried forward beyond five year.

Furnish the details of financial year of accumulation; amount accumulated in respective years, whether the amount accumulated is invested in accordance with the provisions of section 11(5), purpose of accumulation etc.

(c) Schedule J:

Here, mention the investment of all funds of the trust or institution as on the last day of the previous year. The table given is self-explanatory.

(d) Schedule K:

Here, mention the particulars regarding the author(s)/ founder(s)/ trustee(s)/ manager(s) etc., of the trust or institution with their names, and date of creation of trust/ institution etc.

(e) Schedule LA:

Section 13A of the Income-tax Act provides exemption to a political party in respect of income chargeable under the head “Income from house property”, “Income from other sources” or “capital gains” or Income by way of voluntary contributions received by it, subject to fulfilment of certain conditions mentioned therein. This schedule seeks to provide the information relating to fulfilment of those conditions.

(f) Schedule-OS,-

- (a) Against item 1a and 1b, enter the details of voluntary contributions or donations received for corpus and voluntary contributions or donations received for other than corpus.
- (b) Against item 1c and 1d, enter the details of gross income by way of dividend and interest which is not exempt.
- (c) Against item 1e, 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”.
- (d) Income from owning and maintaining race horses is to be computed separately as 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.
- (e) Winnings from lotteries, crossword puzzles, races, etc., are subject to special rates of tax; hence a separate item is provided and the income from these cannot be adjusted against the losses arising under the head Income from other sources.
- (f) Item 5 of this Schedule computes the total income chargeable under the head “Income from other sources” (item 3 + item 4c). If balance in item 4c from owning and maintaining race horses is a loss, please enter 0 and enter the total of item 3 in item 5 only.

(g) Schedule-HP,-

If there are two or less than two house properties, fill out the details for each properties in this Schedule. The information relating to the percentage of share of the assessee in the co-owned property is mandatory. In case the property is co-owned then the assessee needs to furnish the name of the co-owner, PAN and percentage of share of the other co-owner (s) in the property. However the details of PAN and percentage of share of other co-owner (s) is optional.

If there are more than two house properties, the details of remaining properties be filled in a separate sheet in the format of this Schedule and attach this sheet with this return. The results of all the properties have to be filled in last row of this Schedule. Following points also need to be clarified,-

- (i) Annual lettable value means the amount for which the house property may reasonably be expected to let from year to year, on a notional basis: Deduction for taxes paid to local authority shall be available 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.
- (ii) 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 in item 3a of this Schedule.
- (iii) Item 3b of this Schedule 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.

(h) Schedule-CG,-

- (i) If more than one short-term capital asset has been transferred, make the combined computation for all the assets. Similarly, make the combined computation for all the assets if more than one long-term capital asset has been transferred.
- (ii) For computing long-term capital gain, cost of acquisition and cost of improvement may be indexed, if required, on the basis of following cost inflation index notified by the Central Government for this purpose.

Sl.No.	Financial Year	Cost Inflation Index	Sl.No.	Financial Year	Cost Inflation Index
1.	1981-82	100	16.	1996-97	305
2.	1982-83	109	17.	1997-98	331
3.	1983-84	116	18.	1998-99	351
4.	1984-85	125	19.	1999-00	389
5.	1985-86	133	20.	2000-01	406
6.	1986-87	140	21.	2001-02	426
7.	1987-88	150	22.	2002-03	447
8.	1988-89	161	23.	2003-04	463

9.	1989-90	172	24.	2004-05	480
10.	1990-91	182	25.	2005-06	497
11.	1991-92	199	26.	2006-07	519
12.	1992-93	223	27.	2007-08	551
13.	1993-94	244	28.	2008-09	582
14.	1994-95	259	29.	2009-10	632
15.	1995-96	281	30.	2010-11	711
			31.	2011-12	785

- (iii) Sections 54/54B/54D/54EC/ 54F/54G/54GA mentioned in this schedule provides exemption on capital gains subject to fulfillment of certain conditions. Exemption under some of these sections is available only in respect of long-term capital gains. Therefore, please ensure that you are claiming the benefit of any of these sections correctly in accordance with the provisions of law.
- (iv) Item C of this Schedule computes the total of short-term capital gain and long-term capital gain (item A5 + item B3). Please note that if balance in item B3 in respect of long-term capital gain is a loss, same shall not be set-off against short-term capital gain. In such situation, the figure of item B3 would be entered as 0 and then the figures of item A5 be added in item C.

(i) Schedule-BP (General and Computation of income),-

- (A) In Schedule BP-General, information relating to business and professions which are of general in nature are to be provided. For example – nature of business carried on, number of branches, method of accounting adopted by the taxpayer etc.
- (B) **Computation of income**
- (i) The computation in this schedule has to be started on the basis of profit before tax as shown in profit and loss account.
- (ii) In case any item of addition or deduction not covered by the items mentioned in this schedule be filled in residual items 12 and 16 of this schedule.
- (iii) In case, agricultural income to be excluded on the basis of rule 7A, 7B or 7C (in business of growing and manufacturing tea, coffee etc), it shall not be included in the item 5c of this schedule.
- (iv) In A-23, net profit or loss from business or profession is to be computed, only in special cases, e.g. business of growing and manufacturing tea, coffee, etc., where rules 7A, 7B or 7C is applicable otherwise, the figure of profit/ loss as computed in A-22 may be entered.
- (v) Item B of this Schedule computes the total of profit and loss from speculative business. Please note that if balance in item B27 in respect of speculative business is a loss, same shall not be set-off against profit from non-speculative business. In such situation, only the figures of item A 23 be entered in item D.
- (vi) Item C of this schedule computes the total of profit or loss from specified business or profession. Please note that if balance in item C33 in respect of specified business is a loss, same shall not be set-off against profit from non-specified business. In such situation, only the figures of item A 23 be entered in item D.
- (vii) Net profit or loss from specified business under section 35AD to be mentioned in A-3.

(j) Schedule-CYLA,-

- (i) Mention only positive incomes of the current year in column 1, head wise, in the relevant rows.
- (ii) Mention total current year's loss (es), if any, from house property, business or profession and other sources (other than losses from race horses) in the first row against the heading loss to be adjusted under the respective head.. These losses are to be set off against income under other heads in accordance with the provisions of section 71. The amount set off against the income of respective heads has to be entered into in columns 2, 3 and 4, in the relevant rows.
- (iii) Mention the end-result of the above inter-head set-off(s) in column 5, head wise, in relevant rows.
- (iv) Total of loss set off out of columns 2, 3 and 4 have to be entered into row ix.
- (v) The losses remaining for set off have to be entered in row x.

(k) Schedule – MAT: Compute the book profit under section 115JB. The tax liability under said section shall be 18.5 per cent of the book profit so computed. The computation should be based on profit and loss account laid at annual general meeting in accordance with the provisions of section 210 of the Companies Act, 1956. Further, the computation in this Schedule be based on Form 29B. However, Form 29B is not to be attached with the return.

(l) Schedule MATC: Credit for MAT paid in assessment year 2006-07, 2007-2008, 2008-09, 2009-10, 2010-11 and 2011-12, in excess of the normal tax liability, is allowed to be set off against the normal tax liability of assessment year 2012-2013. However, the credit is restricted to the extent of the normal tax liability for assessment year 2012-2013 exceeds the MAT liability for that year.

(m) Schedule-SI, - Mention the income included in total income which is chargeable to tax at special rates. The codes for relevant section and special rate of taxes are given in Instruction No.9 (iii).

- (n) **Schedule-IT,-** In this Schedule, fill the details of payment of advance income-tax and income-tax on self-assessment. The details of BSR Code of the bank branch (7 digits), date of deposit, challan serial no., and amount paid should be filled out from the acknowledgement counterfoil.
- (o) **Schedules- TDS,-** In this Schedule fill the details of tax deducted on the basis of TDS certificates (Form No.16A) issued by the deductor(s). All the tax deductions at source made in the current financial year should be reported in the TDS schedules. Details of each certificate are to be filled separately in the rows. "Unique TDS Certificate Number"- this is a six digit number which appears on the right hand top corner of those TDS certificates which have been generated by the deductor through the Tax Information Network (TIN) Central System. "Financial Year in which TDS is Deducted"- mention the financial year in this column. In case rows provided in these Schedules are not sufficient, please attach a table in same format.
- (p) **Schedule TCS,-** In this Schedule, fill the details of tax collected at source on the basis of TCS certificates (Form No. 26) issued by the Collector. In case rows provided in these Schedules are not sufficient, please attach a table in same format.
- (q) **Schedule FA,-**
- (i) This schedule is to be filled up by a resident assessee. It need not be filled up by a 'not ordinarily resident' or a 'non-resident'. Mention the details of foreign bank accounts, financial interest in any entity, details of immovable property or other assets located outside India. This should also include details of any account located outside India in which the assessee has signing authority.
 - (ii)
 - (A) The peak balance in the bank account during the year is to be filled up after converting the same into Indian currency.
 - (B) Financial interest would include, but would not be limited to, any of the following:-
 - (1) if the resident assessee is the owner of record or holder of legal title of any financial account, irrespective of whether he is the beneficiary or not.
 - (2) if the owner of record or holder of title is one of the following:-
 - (i) an agent, nominee, attorney or a person acting in some other capacity on behalf of the resident assessee with respect to the entity.
 - (ii) a corporation in which the resident owns, directly or indirectly, any share or voting power.
 - (iii) a partnership in which the resident assessee owns, directly or indirectly, an interest in partnership profits or an interest in partnership capital.
 - (iv) a trust of which the resident has beneficial or ownership interest.
 - (v) any other entity in which the resident owns, directly or indirectly, any voting power or equity interest or assets or interest in profits.
 - (3) the total investment in col(5) of part (B) has to be filled up as peak investment held during the year after converting it into Indian currency.
 - (C) the total investment in col(5) of part (C) has to be filled up as peak investment in immovable property held during the year after converting it into Indian currency
 - (D) the total investment in col(5) of part (D) has to be filled up as peak investment held during the year after converting it into Indian currency
 - (E) the details of peak balance/investment in the accounts in which you have signing authority and which has not been included in Part (A) to Part (D) mentioned above has to be filled up as peak investment/balance held during the year after converting it into Indian currency.
 - (iii) For the purpose of this Schedule, the rate of exchange for the calculation of the value in rupees of such asset situated outside India shall be the telegraphic transfer buying rate of such currency as on the date of peak balance in the bank account or on the date of investment.

Explanation: For the purposes of this Schedule, "telegraphic transfer buying rate", in relation to a foreign currency, means the rate or rates of exchange adopted by the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955), for buying such currency, having regard to the guidelines specified from time to time by the Reserve Bank of India for buying such currency, where such currency is made available to that bank through a telegraphic transfer.

16. PART B-TI-COMPUTATION OF TOTAL INCOME

- (i) In this part the summary of income computed under various heads is to be entered.
- (ii) Every entry which have to be filled on basis of Schedules have been cross referenced and hence doesn't need any further clarification.

17. PART B-TTI-COMPUTATION OF TAX LIABILITY ON TOTAL INCOME

- (a) in item 2a , fill the details of gross tax liability to be computed at the applicable rate. The tax liability has to be computed at the rates given as under:-

- (A) In case of a domestic company, @ 30% of the total income;
- (B) In a case of a company other than a domestic company –
 - @ 50% of on so much of the total income as consist of (a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or (b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976, and where such agreement has, in either case, been approved by the Central Government;
 - @ 30% of the balance
- (b) In item 3, fill the details of surcharge computed @ 5% of tax in case of a domestic company having total income exceeding one crore rupees and @ two and a half per cent of the tax in case of a company other than a domestic company.
- (c) In item No. 4, calculate the education cess including secondary and higher education cess at the rate of three per cent.

18. VERIFICATION

- (a) Please 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.
- (b) Please note that any person making a false statement in the return or the accompanying schedules shall be liable to be prosecuted under section 277 of the Income-tax Act, 1961 and on conviction be punishable under that section with rigorous imprisonment and with fine.