WEBINAR ON
INCOME TAX RETURNS
FOR AY 2026 – 27

e-Filing Anywhere Anytime
Income Tax Department, Government of India

INCOME TAX DEPARTMENT

~ Bombay Chartered Accountants' Society

6th August, 2026

Topics

- *Applicability for filing ITR*
- *Important Due dates*
- *Choosing the correct ITR*
- *Pre-requisites for Filing Income Tax Return*
- *Important Schedules in the tax returns*
- *Important validation points*

“The hardest thing in the world to understand is the income tax.”

ALBERT EINSTEIN

Applicability for filing ITR

Who's In & Who's Out!!!

There has been a major shift in bringing in the various assessees with the ambit of mandatorily filing their Return of Income based on Income, Value of Transactions, Specified Expenditure, Assets held in Foreign vis a vis the earlier provisions which mandated the filing of Returns in most cases only on the bases of Income.

Lets take each case in detail…

Applicability for filing ITR — Who's In & Who's Out!!!

Following persons are required to file a return of income in India [Section 139]:

1. **Companies and Firms:** Every company and firm (including LLP) is required to furnish a return of income.
2. **Individuals and Other Persons (Non-Company/Non-Firm):**

   If the total income of the individual or other person exceeds the maximum amount not chargeable to income tax. (without giving effect to any deductions or exemptions)

   Individuals who incur expenditure of ₹. 100,000 or more towards electricity consumption.

   Individuals who fulfill any of the following conditions:

   - Occupation of an immovable property exceeding a specified floor area. [as notified by CBDT]
   - Ownership or lease of a motor vehicle other than a two-wheeled vehicle.
   - Incurred expenditure on foreign travel of more than ₹. 2 lakhs [exclusion as notified – pilgrimage to Haj, Kailash Mansarovar]
   - Holder of a credit card (excluding add-on cards) .
   - Member of a club where entrance fee is ₹. 25,000 or more.
   - Deposited an amount exceeding ₹. 1 crore in one or more current accounts.
   - As prescribed under Rule 12AB

Applicability for filing ITR

Following persons are required to file a return of income in India:

2. **Individuals and Other Persons (Non-Company/Non-Firm) [Continued]:**

   Rule 12AB:

   - Sales, Turnover, Gross Receipts in business > ₹. 60 lakhs
   - Gross Receipts in Profession > ₹. 10 lakhs
   - TDS + TCS > ₹. 25,000 (₹. 50,000 for Sr. Citizens)
   - Deposit in savings account > ₹. 50 lakhs

3. **Residents with Foreign Assets:** Residents (excluding not ordinarily residents) who hold any asset located outside India or have signing authority in any account outside India and beneficiaries of any asset located outside India.

4. **Trusts, Charitable and Religious Institutions:** Any person in receipt of income derived from property held under trust or other legal obligation for charitable or religious purposes.

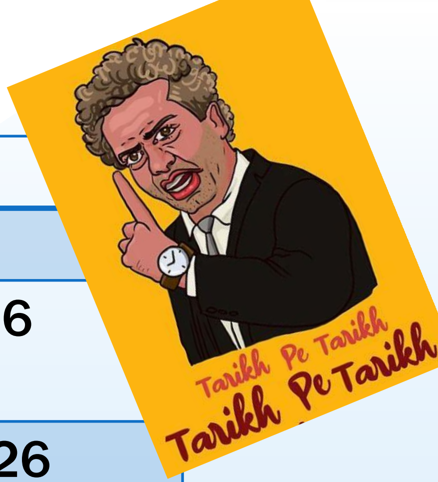
5. **Political Parties:** The chief executive officer of every political party if the total income exceeds the maximum amount not chargeable to income tax.

Applicability for filing ITR

Following persons are required to file a return of income in India:

6. **Research Associations, News Agencies, etc.:** Various specified entities like research associations, news agencies, institutions, funds, mutual funds, venture capital companies, and others listed under different clauses of section 10.
7. **Educational Institutions and Medical Institutions:** Universities, colleges, or other institutions referred to in section 35.
8. **Business Trusts:** Business trusts and investment funds referred to in section 115UB.
9. **Persons with Losses:** Any person who has sustained a loss under the head "Profits and gains of business or profession" or "Capital gains" and claims to carry forward the loss.

IMPORTANT DUE DATES



<u>INCOME TAX RETURN U/S 139 (1) *</u>	
✓ All assessee (other than covered below)	31st July, 2026
✓ Any assessee having income from PGBP and Not covered under Audit	31st August, 2026
✓ All Audit Entities & Tax Audit Assessee	31st October, 2026
✓ All Transfer Pricing Assessee	30th November, 2026
Belated Return U/s 139 (4)	31st December, 2026
Revised Return u/s 139 (5)	31st March, 2027
<u>UPDATED INCOME TAX RETURN U/S 139 (8A)*</u> ✓ Assessment Year 2025-26 (additional tax @ 25%) ✓ Assessment Year 2024-25 (additional tax @ 50%) ✓ Assessment Year 2023-24 (additional tax @ 60%) ✓ Assessment Year 2022-23 (additional tax @ 70%)	31st March, 2027
Other Forms	
✓ Tax Audit Report, Form 10B, MAT, Form 10DA, etc	30th September, 2026
✓ Transfer Pricing Report	31st October, 2026


ITR
INDIAN INCOME TAX RETURN
agricultural income upto Rs.5 thousand]
(Refer instructions for eligibility)
Amount (Rs)
(Rs) (If Yes)
Yes No
CHECK
7
4
1
2

ITR – 1 (Sahaj)

This return is applicable for a Resident Individual having Total Income from any of the following sources up to ₹ 50 lakhs

- Salary / Pension
- Two House Properties
- Other sources (Interest, Family Pension, Dividend etc.)
- Agricultural Income up to ₹ 5,000
- Capital Gain income u/s 112 A (Income Tax Act,1961) up to ₹ 1,25,000

ITR-1 cannot be used by a person who:

a) is a Director in a company

b) has short term capital gain

c) has Long-term capital gain u/s 112A of Income Tax Act, 1961 exceeding ₹1,25,000

d) has held any unlisted equity shares at any time during the previous year

e) has any asset (including financial interest in any entity) located outside India

f) has signing authority in any account located outside India

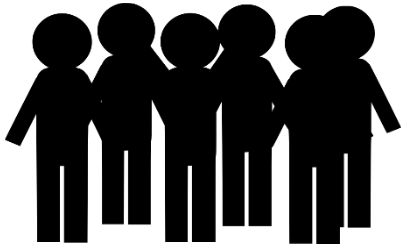
g) has income from any source outside India

h) is a person in whose case tax has been deducted u/s 194N of Income Tax Act,1961

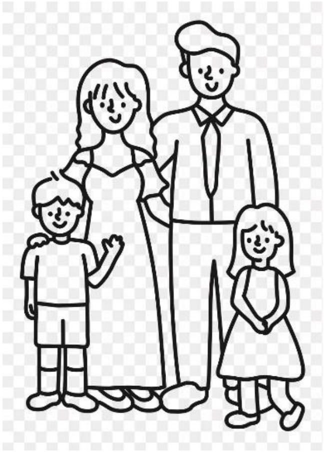
i) is a person in whose case payment or deduction of tax has been deferred on ESOP

j) has any brought forward loss or loss to be carried forward under any head of income

k) has total income exceeding ₹50 lakhs (excluding LTCG u/s 112A upto ₹1,25,000)



Individual



HUFs

ITR-2

1. Income from salary or pension

2. Income from house property (income can be from more than two house property)

3. Income from capital gains or loss on sale of investments or property (both short-term and long-term)

4. Income from other sources (including winning from lottery, bets on racehorses and other legal means of gambling)

5. Agricultural income

6. Resident and a non-resident

The total income from the above sources may exceed ₹. 50 lakhs.

Further, if one is a Director of any company and an individual who has invested in unlisted equity shares of a company, he must file returns in ITR 2.

ITR-2 cannot be used by a person who

- Any individual or HUF having income from business or profession.
- Note - Taxpayers eligible to file ITR-1 can also file ITR-2. However, it is advisable to file using ITR-1 as long as they meet the eligibility criteria.

ITR – 3

- **Proprietorship Business**: Income from a proprietary business or profession.
- **Partnership Firms**: Income received as a partner in a partnership firm.
- **Capital Gains**: Income generated from the sale of assets, investments, or shares.
- **Trading Income:** Profits from Futures & Options (F&O) trading and intraday trading, which are classified as business income.
- **Multiple House Properties:** Income derived from more than one house property.

ITR-3 cannot be used by a person who

By Taxpayer Category:

•**Companies** (Must file ITR-6)
•**Partnership Firms / LLPs** (Must file ITR-5)
•**Trusts and NGOs** (Must file ITR-7)
•**Co-operative Societies** (Must file ITR-5)

By Income Source:

•**No Business Income**: Individuals or HUFs with only salary, house property, or capital gains, but **no** business or professional income (Must file ITR-1 or ITR-2).

•**Presumptive Taxation**: Taxpayers opting to declare business income under the presumptive scheme sections 44AD, 44ADA, or 44AE, provided their total income is under ₹50 Lakhs (Must file ITR-4).

•**Non-Residents**: Non-residents with simple salary or property income and no business operations in India (Must use ITR-2)

ITR – 4 (Sugam)

- Income not exceeding ₹50 Lakh during the FY
- Income from Business and Profession which is computed on a presumptive basis u/s 44AD, 44ADA or 44AE
- Long-term capital gain u/s 112A not exceeding ₹. 1.25 lakhs
- Income from Salary/Pension, two House Property, Agricultural Income (up to ₹ 5000/-)
- Other Sources (excluding winning from Lottery and Income from Race Horses):

ITR-4 cannot be used by a person who

- is a Resident but Not Ordinarily Resident (RNOR), or Non-Resident Indian
- has total income exceeding ₹ 50 Lakh
- has Short term capital gains;
- has Long-term capital gain u/s 112A exceeding ₹. 1.25 lakhs
- has agricultural income in excess of ₹ 5,000/-
- is a Director in a Company
- has income from more than two House Properties;
- has income of the following nature:
    - winnings from lottery;
    - activity of owning and maintaining race horses;
    - income taxable at special rates u/s115BBDA or u/s. 115BBE;
- has held any unlisted equity shares at any time during the previous year
- has deferred income tax on ESOP received from employer being an eligible start-up

Key Form Amendments & Disclosures

1. Futures & Options (F&O) and Intraday Trading: The utility includes separate, detailed disclosure fields for turnover and income from F&O, intraday equity transactions, commodity trades, and currency trades to increase transparency for active traders.

2. Capital-gains date split removed

For AY 2025-26, taxpayers had to separately report gains earned before and after 23 July 2024 because tax rates changed during the year. Since the revised capital-gains regime applies throughout FY 2025-26, this bifurcation has been removed. Capital gains are now reported without a date-wise split.

3. Share buy-back loss reporting added

A new field allows taxpayers to report capital losses arising from share buy-backs, subject to the applicable conditions and corresponding dividend income disclosures.

1. F&O Income Classification

F&O trading (Futures & Options on recognised stock exchanges) is treated as **non-speculative business income** under Section 43(5) of the Income Tax Act, 1961. It is expressly excluded from the definition of "speculative transaction" because it involves exchange-traded, standardised contracts. This classification applies to all F&O traders — whether salaried, self-employed, or full-time traders.

This means F&O income/loss is reported under the head **"Profits and Gains of Business or Profession" (PGBP)** — not under Capital Gains. Reporting F&O income as capital gains in ITR-2 is a common error that leads to defective notices and incorrect assessments

F&O Turnover Calculation as Per Income Tax Act Section 44AB

This is where most traders make mistakes.

For **Tax Audit applicability for F&O traders AY 2026-27**, turnover must be calculated correctly.

As per ICAI Guidance Note and accepted tax practice:

How to Calculate F&O Turnover

Futures Turnover = Absolute profit + Absolute loss

Options Turnover = Absolute profit + Absolute loss + Premium received on sale of options

2. Intraday Trading

Intraday Trading refers to the purchase and sale of listed securities within the same trading day without taking delivery of shares. All positions are squared off before market closing hours. These transactions are treated differently from delivery-based investments for taxation purposes.

For income tax purposes, securities may be classified as either capital assets or trading assets, depending on why they are bought and how they are used. This classification decides whether the income is taxed as capital gains or business income.

Trading assets are securities bought mainly for frequent buying and selling to earn from short-term price movements. Income from these transactions is generally treated as business income.

In the case of intraday trading, where shares are bought and sold on the same trading day without taking delivery, the transactions are generally treated as speculative business transactions under Section 43(5) of the Income Tax Act, 1961.

- ✓ Speculative losses arising from intraday trading is set off only against speculative business income and cannot be adjusted against any other income.
- ✓ Speculative losses from intraday trading may be carried forward for up to four assessment years, provided the income tax return is filed within the prescribed due date.

Validation points for Loss from F&O transactions

Set Off in Same Year

You can set off against all Incomes in same year except Income from Salary

Set Off of B/f Losses in Subsequent Years

You can set off the B/f F & O Losses ONLY against Income from Business and Profession

Carry Forward

- Can be carried forward for **8 assessment years**
- Must file return before due date under Section 139(1)

Disclosure in ITR in Trading Account:

12a	Turnover from Intraday Trading	12a	
12b	Income from Intraday Trading - transferred to Profit and Loss account	12b	
12c	Turnover from Futures & Options Trading	12c	
12d	Income from Futures & Options Trading - transferred to Profit and Loss account	12d	

Capital Gain Calculation Errors Due to AIS

Common Issues Observed

- Missing Cost of Acquisition resulting in inflated capital gains.
- Selling expenses are not considered
- Transactions executed in the last 1–2 days of the financial year may not appear in AIS due to reporting timelines by brokers, depositories, and reporting entities. These transactions must still be considered while computing capital gains based on actual records.
- Duplicate reporting of transactions from multiple intermediaries.
- Incorrect treatment of grandfathered equity holdings (pre-31 January 2018 acquisitions).
- Joint ownership transactions reflected entirely in one taxpayer's AIS or vice versa
- Corporate actions (bonus, split, merger, demerger) not correctly factored into acquisition cost.

Impact

•Overstatement or understatement of capital gains.
•Excess tax payment or under-reporting risk.
•Automated mismatch notices during ITR processing.
•Delays in refund processing and increased scrutiny.

Best Practices

•Do not rely solely on AIS for capital gain computation.

•Reconcile AIS with:

- Broker/Depository Capital Gain Statement
- CAMS/KFintech Consolidated Account Statement (CAS)
- Demat statement and contract notes

•Ensure transactions executed on 30–31 March (or the last two trading days of the financial year) are included in the computation, even if they are not yet reflected in AIS.

•Submit AIS Feedback wherever incorrect or missing information is identified.

•Compute gains using actual acquisition cost and the applicable capital gains provisions for FY 2025–26.

💡 Key Takeaway 💡

AIS is a reconciliation tool—not the primary source for capital gain computation.

Always compute capital gains using actual transaction records and reconcile them with AIS before filing the return.

Mandatory Disclosures & Reporting in ITR – 4

FINANCIAL PARTICULARS OF THE BUSINESS **Note—For E11 to E25 furnish the information as on 31st day of March, 2026**			
E11	Partners/ Members own capital	E11	
E12	Secured loans	E12	
E13	Unsecured loans	E13	
E14	Advances	E14	
E15	Sundry creditors	E15	
E16	Other liabilities	E16	
E17	Total capital and liabilities (E11+E12+E13+E14+E15+E16)	E17	
E18	Fixed assets	E18	
E18a	Investments	E18a	
E19	Inventories	E19	
E20	Sundry debtors	E20	
E21	Balance with banks	E21	
E22	Cash-in-hand	E22	
E23	Loans and advances	E23	
E24	Other assets	E24	
E25	Total assets (E18+E18a+E19+E20+E21+E22+E23+E24)	E25	
NOTE ▶ *Please refer to instructions for filling out this schedule (E15, E19, E20, E21, E22 are mandatory and others if available)*			

Pre-requisites for ITR 1 – 4

1. Personal Information :

- PAN, Aadhar, Passport Number, Mobile and Email: For communication and OTP verification
- All Bank Account Details Viz. Bank Name, Bank Account Number and IFSC Code

2. Income from Salary :

- Form 16, Annual Salary statement, TDS, PF, NPS by employer and details of other allowances claimed
- Pension Income details other than family pension

3. Income from House Property :

- Rent Agreement - Details of Landlord and Tenant,
- Housing Loan statement – A/c Number, Sanction Date, Closing Balance, Interest payment, etc

4. Income from Business / Professional :

- Balance Sheet and Profit & Loss Statement of the Business concern
- Quantity Details of Traded Goods and Manufactured Goods
- Tax Audit Report, Other Income Tax Forms like Form 10DA, 10B, etc

Pre-requisites for ITR 1 – 4

- Future & Option transaction ledger, Intraday trading details
- GST Turnover (GSTNwise for multiple registrations)

5. Capital Gains :

- Contract Notes, Demat Statement, Capital Gain / P&L Report, CAS, CAMS, and PMS Report.
- Details of Capital Asset sold – Land, Building, Investments, AIF, Bonds / Debentures, jewellery, etc.

6. Income from Other Sources :

- Interest Certificate, Dividend income, Income from Virtual Digital Asset, online gaming, etc
- Family Pension

7. Tax Credits:

- Form 26AS – TDS & TCS credit, Foreign withholding tax statements (Form 67), etc

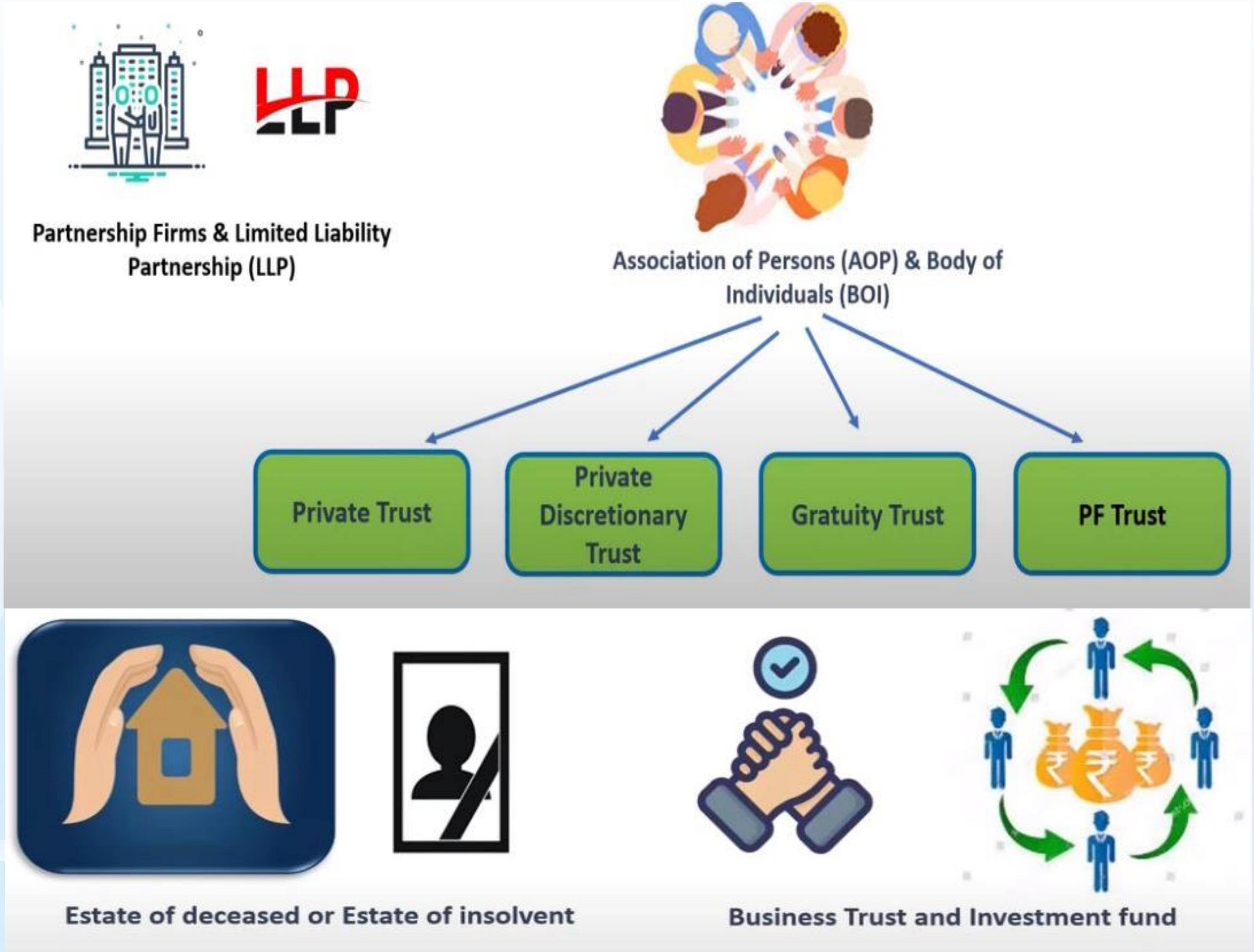
8. Annual Information Statement (AIS) & Taxpayer Information Summary (TIS) to be reconciled with above Income

9. Claimable Deductions - LIC premium receipts, PPF, Mediclaim, Form 10BE - donation, etc as applicable

Residential Status

(e)	**Residential Status in India (for individuals)** *(Tick applicable option)*	**A. Resident**	☐ You were in India for 182 days or more during the previous year [section 6(1)(a)]
			☐ 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]
			☐ 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)]
			☐ 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)]
		B. Resident but not Ordinarily Resident	☐ You have been a non-resident in India in 9 out of 10 preceding years [section 6(6)(a)]
			☐ You have been in India for 729 days or less during the 7 preceding years [section 6(6)(a)]
			☐ 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)]
			☐ 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)]
		C. Non-resident	☐ You were a non-resident during the previous year. (i)Please specify the jurisdiction(s) of residence during the previous year - S. No. | Jurisdiction(s) of residence | Taxpayer Identification Number(s) 1 | | 2 | | (ii) In case you are a Citizen of India or a Person of Indian Origin (POI), please specify - Total period of stay in India during the previous year (in days) | Total period of stay in India during the 4 preceding years (in days)
	Residential Status in India (for HUF) *(Tick applicable option)*	D. ☐ Resident	☐ Resident but not Ordinarily Resident ☐ Non-resident

ITR – 5


LLP
Partnership Firms & Limited Liability Partnership (LLP)
Association of Persons (AOP) & Body of Individuals (BOI)
Private Trust
Private Discretionary Trust
Gratuity Trust
PF Trust
Estate of deceased or Estate of insolvent
Business Trust and Investment fund

ITR – 6

For **Companies** other than companies claiming exemption under section 11 of the Income Tax Act, 1961

ITR – 7

Charitable and Religious Trusts: Entities claiming exemption under Section 139(4A) .

Political Parties: Organizations claiming exemption under Section 139(4B) .

Scientific Research Associations: Institutions, colleges, or universities claiming exemption under Section 139(4C).

Universities and Medical Institutions: Educational and medical bodies claiming exemption under Section 139(4D).

Business Trusts and Investment Funds: Funds not required to file under other sections but covered under Section 139(4E) or 139(4F)

Pre-requisites for ITR 5

- Audited / Unaudited Financial Statements
- Tax Audits Report
- Income Tax Forms, as applicable
- List of Partners / members / Beneficiaries

Firm / LLP - Partner Personal details, Remuneration, % of Share, DPIN for LLP Partners

AOP, Societies, etc – Details of Managing Committee

- Nature of Business codes

(For Co-operative Societies code for claiming benefit u/s 80P is 23011)

- Form 26AS, AIS, TIS reconciliation
- GST Turnover (GSTNwise for multiple registrations)

Pre-requisites for ITR 6

- Audited Financial Statements
- Financial Statements in Full figures
- Tax Audits Report
- Income Tax Forms, as applicable
- List of Directors, Secretary, Principal Officers
- List of Shareholders (not required for listed Company)
- Form 26AS, AIS, TIS reconciliation
- GST Turnover

(GSTNwise for multiple registrations)

Schedule PTI

Investment in Fund

Unitholder (Investor)

Investment Fund (Category I & II)

Income received from Fund

All Income is Taxable in the hands of unitholder except PGBP.

Refer Form 64C for detailed breakup

PGBP Income is Taxable in the hand of the Fund.

Schedule PTI — Pass Through Income details from business trust or investment fund as per section 115UA, 115UB

PASS THROUGH INCOME

Sl.	Investment entity covered by section 115UA/115UB	Name of business trust/ investment fund	PAN of the business trust/ investment fund	Sl.	Head of income	Current year income	Share of current year loss distributed by Investment fund	Net Income/Loss 9=7-8	TDS on such amount, if any
1	2	3	4	5	6	7	8	9	10
1.				i	House property				
				ii	Capital Gains				
					a Short term				
					ai Section 111A				
					aii Others				
					b Long term				
					bi Section 112A				
					bii Sections other than 112A				
				iii	Other Sources				
					a Dividend				
					b Others				
				iv	Income claimed to be exempt				
					a u/s 10(23FBB)				
					b u/s				
					c u/s				
2.				i	House property				

Note : Category III Income Is Tax Free In The Hands of Unitholders.

ITR v/s Tax Audit Validation

Particulars	TAR	ITR
Amounts not credited to the profit and loss account	Clause 16	Clause 5
Amounts debited to the profit and loss account, to the extent disallowable under Section 37	Clause 21a	Clause 7
Amounts debited to the profit and loss account, to the extent disallowable under section 40	Clause 21b	Clause 8
Amounts debited to the profit and loss account, to the extent disallowable under section 40A	Clause 21b / 23	Clause 9
Any amount disallowed under section 43B in any preceding previous year but allowable during the previous year	Clause 26Aa	Clause 10
Any amount debited to profit and loss account of the previous year but disallowable under section 43B	Clause 26Bb	Clause 11
Any amount of profit chargeable to tax u/s 41	Clause 25	Clause 14
Amount of income or expenditure of prior period credited or debited to the profit and loss account	Clause 27b	Clause 15
Amount of expenditure disallowed u/s 14A	Clause 21(h)	Clause 16

Agricultural Income

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	Net Agricultural income for the year (i – ii – iii) *(enter nil if loss)*		2	
		v	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)*			

Schedule AL - (Assets and Liabilities)

- Individual & HUF – applicable if **net total taxable income** exceeds ₹1 Crore
- Companies – Mandatory for all unlisted Companies, not applicable for listed Cos.

<table>
<tr><th colspan="2">Schedule AL</th><th colspan="4">Assets and Liabilities at the end of the year (applicable in a case where total income exceeds Rs. 1 Crore.)</th></tr>
<tr><td rowspan="23">DETAILS OF ASSETS AND LIABILITIES</td><td>A</td><td colspan="4">Details of immovable assets</td></tr>
<tr><td>Sl. No.</td><td>Description</td><td>Address</td><td>Pin code</td><td>Amount (cost) in Rs.</td></tr>
<tr><td>(1)</td><td>(2)</td><td>(3)</td><td>(4)</td><td>(5)</td></tr>
<tr><td>(i)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>(ii)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>B</td><td colspan="4">Details of movable assets</td></tr>
<tr><td>Sl. No.</td><td colspan="3">Description</td><td>Amount (cost) in Rs.</td></tr>
<tr><td>(1)</td><td colspan="3">(2)</td><td>(3)</td></tr>
<tr><td>(i)</td><td colspan="3">Jewellery, bullion etc.</td><td></td></tr>
<tr><td>(ii)</td><td colspan="3">Archaeological collections, drawings, painting, sculpture or any work of art</td><td></td></tr>
<tr><td>(iii)</td><td colspan="3">Vehicles, yachts, boats and aircrafts</td><td></td></tr>
<tr><td>(iv)</td><td colspan="2">Financial assets</td><td colspan="2">Amount (cost) in Rs.</td></tr>
<tr><td rowspan="5"></td><td>(a)</td><td>Bank (including all deposits)</td><td colspan="2"></td></tr>
<tr><td>(b)</td><td>Shares and securities</td><td colspan="2"></td></tr>
<tr><td>(c)</td><td>Insurance policies</td><td colspan="2"></td></tr>
<tr><td>(d)</td><td>Loans and advances given</td><td colspan="2"></td></tr>
<tr><td>(e)</td><td>Cash in hand</td><td colspan="2"></td></tr>
<tr><td>C</td><td colspan="3">Liabilities in relation to Assets at (A + B)</td><td></td></tr>
</table>

Important Schedules in ITR 1 – 6

- PART A – (General)
- Schedule-S : Details of Income from Salary
- Schedule-HP: Computation of income under the head Income from House Property
- Schedule-BP: Computation of income under the head "profit and gains from business or profession"
- Schedule-CG: Computation of income under the head Capital gains.
- Schedule 112A: Sale of equity share in a company or unit of equity oriented fund or unit of a business trust on which STT is paid under section 112A (ISIN mandatory for securities claiming benefit of grandfathering rate as on 31.01.2018)
- Schedule VDA: Income from transfer of Virtual Digital Assets (VDA)
- Schedule-OS: Computation of income under the head Income from other sources.
- Schedule-CYLA: Statement of income after set off of current year's losses
- Schedule-BFLA: Statement of income after set off of unabsorbed loss brought forward from earlier years.
- Schedule ICDS: Effect of Income Computation Disclosure Standards on profit

Important Schedules in ITR

- Schedule-SI: Statement of income which is chargeable to tax at special rates
- Schedule-EI: Statement of Income not included in total income (exempt incomes)
- Schedule PTI: Pass through income details from business trust or investment fund
- Schedule-MAT / AMT: Computation of Minimum Alternate Tax payable under section 115JB
- Schedule TR: Summary of tax relief claimed for taxes paid outside India (Check for Form 67)
- Schedule FA: Details of Foreign Assets and income from any source outside India (consider calendar Year 2025)
- Schedule GST: Information regarding turnover/gross receipt reported for GST
- Part B-TI: Computation of total income
- Part B-TTI: Computation of tax liability on total income
- Tax payments
- Verification

Foreign Assets:

Schedule FA' in the Income Tax Return (ITR) form is applicable to resident assessees who hold, own, or have a beneficial interest in foreign assets or have income from any source outside India.

The schedule requires details such as foreign bank and custodial accounts, equity or debt interest in entities, insurance or annuity contracts, immovable property, capital assets, financial interests, signing authority in foreign accounts, trusts, and any other foreign-sourced income. The reporting period for these disclosures is the end of the calendar year.

The structure of the schedule includes:

- Part A: Foreign Depository and Custodial Accounts
- Part B: Financial interest in any entity abroad
- Part C: Immovable Property located outside India
- Part D: Other capital assets held abroad
- Part E: Signing authority in any foreign account not covered under Parts A–D
- Part F: Interest in foreign trusts (as trustee, settlor, or beneficiary)
- Part G: Any other foreign-sourced income not included above or derived under the head "Profits and Gains of Business or Profession“

For each category, the assessee must furnish specific details like country name and code, ZIP code, nature and ownership of asset, account or property details, investment value, income derived, and whether such income is taxable and reported in the return.

Where applicable, the schedule, amount, and item number where income is offered in the ITR must also be indicated.

This schedule ensures accurate foreign asset reporting and helps the Income Tax Department assess cross-border holdings and income for residents.

It is mandatory for all resident taxpayers to give correct disclosure for the foreign assets and incomes.

Under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, sections 42 and 43 impose a flat penalty of ₹10 lakh for failing to disclose or incorrectly reporting foreign assets in tax returns

Penalty Provisions

- *Section 42*: Applies when a resident individual or entity fails to file an income tax return at all while holding a foreign asset or foreign income, carrying a flat penalty of ₹10 lakh.

- *Section 43*: Applies when a return is filed, but foreign assets are left out or inaccurate particulars are provided in Schedule FA, carrying a flat penalty of ₹10 lakh for each year of default.

Exceptions and Reliefs

- **Threshold Exemption**: The ₹10 lakh penalty under Section 43 does not apply to movable foreign assets, if the aggregate value of such assets does not exceed ₹20 lakh.

- **Prosecution Risks**: Willful failure to disclose foreign assets can also trigger criminal prosecution under the Black Money Act, leading to rigorous imprisonment ranging from 6 months up to 7 years alongside additional fines.

- Non-declaration can block your ability to claim tax relief under Double Taxation Avoidance Agreements.

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 2025

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 31st December 2025

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 *(drop down to be provided specifying nature of amount viz. interest/dividend/proceeds from sale or redemption of financial assets/ other income)*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(i)											
(ii)											

A3 Details of Foreign Equity and Debt Interest held (including any beneficial interest) in any entity at any time during the calendar year ending as on 31st December 2025

Sl No	Country name	Country code	Name of entity	Address of entity	ZIP code	Nature of entity	Date of acquiring the interest	Initial value of the investment	Peak value of investment during the period	Closing value	Total gross amount paid/credited with respect to the holding during the period	Total gross proceeds from sale or redemption of investment during the period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(i)												
(ii)												

A4 Details of Foreign Cash Value Insurance Contract or Annuity Contract held (including any beneficial interest) at any time during the calendar year ending as on 31st December 2025

Sl No	Country name	Country code	Name of financial institution in which insurance contract held	Address of financial institution	ZIP code	Date of contract	The cash value or surrender value of the contract	Total gross amount paid/credited with respect to the contract during the period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(i)								
(ii)								

B	Details of Financial Interest in any Entity held (including any beneficial interest) at any time during the calendar year ending as on 31st December, 2025										
Sl No	Country Name and code	Zip Code	Nature of entity	Name and Address of the Entity	Nature of Interest- Direct/ Beneficial owner/ Beneficiary	Date since held	Total Investment *(at cost) (in rupees)*	Income accrued from such Interest	Nature of Income	Income taxable and offered in this return		
										Amount	Schedule where offered	Item number of schedule
(1)	2a	2b	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

C	Details of Immovable Property held (including any beneficial interest) at any time during the calendar year ending as on 31st December, 2025									
Sl No	Country Name and code	Zip Code	Address of the Property	Ownership - Direct/ Beneficial owner/ Beneficiary	Date of acquisition	Total Investment *(at cost) (in rupees)*	Income derived from the property	Nature of Income	Income taxable and offered in this return		
									Amount	Schedule where offered	Item number of schedule
(1)	2a	2b	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(i)											
(ii)											

D	Details of any other Capital Asset held (including any beneficial interest) at any time during the calendar year ending as on 31st December, 2025									
Sl No	Country Name and code	Zip Code	Nature of Asset	Ownership - Direct/ Beneficial owner/ Beneficiary	Date of acquisition	Total Investment *(at cost) (in rupees)*	Income derived from the asset	Nature of Income	Income taxable and offered in this return		
									Amount	Schedule where offered	Item number of schedule
(1)	(2a)	(2b)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

E	Details of account(s) in which you have signing authority held (including any beneficial interest) at any time during the calendar year ending as on 31st December, 2025 and which has not been included in A to D above.										
Sl No	Name of the Institution in which the account is held	Address of the Institution	Zip Code	Name of the account holder	Account Number	Peak Balance/ Investment during the year *(in rupees)*	Whether income accrued is taxable in your hands?	If (7) is yes, Income accrued in the account	If (7) is yes, Income offered in this return		
									Amount	Schedule where offered	Item number of schedule
(1)	(2)	(3a)	(3b)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
(i)											
(ii)											

F	Details of trusts, created under the laws of a country outside India, in which you are a trustee, beneficiary or settlor										
Sl No	Country Name and code	Zip Code	Name and address of the trust	Name and address of trustees	Name and address of Settlor	Name and address of Beneficiaries	Date since position held	Whether income derived is taxable in your hands?	If (8) is yes, Income derived from the trust	If (8) is yes, Income offered in this return		
										Amount	Schedule where offered	Item number of schedule
(1)	(2a)	(2b)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(i)												
(ii)												

G	Details of any other income derived from any source outside India which is not included in,- (i) items A to F above and, (ii) income under the head business or profession								
Sl No	Country Name and code	Zip Code	Name and address of the person from whom derived	Income derived	Nature of income	Whether taxable in your hands?	If (6) is yes, Income offered in this return		
							Amount	Schedule where offered	Item number of schedule
(1									

Important Schedules in ITR 6

- **Schedule BBS: Details of tax on distributed income of domestic company on buy back of shares, not listed on stock exchange**
- **Schedule SH-1: Shareholders details including movement in shareholding (Applicable for unlisted company)**
- **Schedule AL-1: Assets and liabilities as at the end of the year**
- **Schedule FD: Break-up of payments/receipts in Foreign currency (Not applicable for Co. having Tax Audits)**

Schedule for Directors and Shareholders

KEY PERSONS

Particulars of Managing Director, Directors, Secretary and Principal officer(s) who have held the office during the previous year and the details of eligible person who is verifying the return.

S.No.	Name	Designation	Residential Address	PAN/Aadhaar No.	Director Identification Number (DIN) issued by MCA, in case of Director

SHAREHOLDERS INFORMATION

Particulars of persons who were beneficial owners of shares holding not less than 10% of the voting power at any time of the previous year

S.No.	Name and Address	Percentage of shares held	PAN (if allotted)

ION

In case of unlisted company, particulars of natural persons who were the ultimate beneficial owners, directly or indirectly, of shares holding not less than 10% of the voting power at any time of the previous year

S.No.	Name	Address	Percentage of shares held	PAN/Aadhaar No. (if allotted)

Schedule for Shareholders

SCHEDULE SH-1	SHAREHOLDING OF UNLISTED COMPANY *(other than a company that is registered under section 8 of the Companies Act, 2013 (or section 25 of the Companies Act, 1956) or a company limited by guarantee under section 3(2) of Companies Act, 2013 or a start-up for which Schedule SH-2 is to be filled up)*

If you are an unlisted company, please furnish the following details;-

Details of shareholding at the end of the previous year

Name of the shareholder	Residential status in India	Type of share	PAN /Aadhaar No.	Date of allotment	Number of shares held	Face value per share	Issue Price per share	Amount received

Details of equity share application money pending allotment at the end of the previous year

Name of the applicant	Residential status in India	Type of share	PAN/Aadhaar No.	Date of application	Number of shares applied for	Application money received	Face value per share	Proposed issue price

Details of shareholders who is not a shareholder at the end of the previous year but was a shareholder at any time during the previous year

Name of the shareholder	Residential status in India	Type of share	PAN/Aadhaar No.	Number of shares held	Face value per share	Issue Price per share	Amount received	Date of allotment	Date on which cease to be shareholder	Mode of cessation	In case of transfer/sale, PAN of the new shareholder

Pre-requisites for ITR 7

- Audited Financial Statements with Audit report under other Act
- Form 10B / 10BB Report
- Details of Projects carried out by the Trust
- Income Tax Forms, as applicable
- Details of Registrations – 12A, 80G, FCRA, etc
- List of Trustees, members, etc
- Form 26AS, AIS, TIS reconciliation
- GST Turnover (GSTNwise for multiple registrations)
- Form 9A/10 details for specific claims

Important Schedules in ITR - 7

Part A General

Schedule-I: Details of amounts accumulated/ set apart within the meaning of section 11(2)

Schedule-J: Statement showing the investment of all funds of the Trust or Institution as on the last day of the previous year.

Part A-BS : Details of Application and Sources of Fund as on 31st March 2026

Schedule R: Reconciliation of Corpus of Schedule J and Balance sheet

Schedule-VC: Details of Voluntary Contributions received.

Schedule AI: Aggregate of income derived during the year excluding voluntary contributions

Important Schedules in ITR - 7

- **Schedule A: Amount applied to stated objects of the trust / institution during the previous year from all sources referred to in C1 to C7 of this table**

- **Part B-TI: Computation of total income**
- **Part B1 : Applicable if exemption is being claimed u/s 11 and 12 or 10(23C), etc**

- **Part B-TTI: Computation of tax liability on total income Tax payments**

- **Verification**

Updated Returns

An Updated Return (Form ITR-U) allows taxpayers in India to correct errors, omissions, or file missed returns up to 48 months from the end of the relevant assessment year. It comes with an additional tax penalty (25% to 70%) and cannot be used to reduce tax liability or claim a refund.

- **Timeline:** Can be filed within 4 years from the end of the relevant Assessment Year (AY).
- **Eligibility:** Available to anyone, even if you missed filing your original, revised, or belated returns.
- **Frequency:** Only **one** updated return can be filed per assessment year.
- **Additional Tax:**
- Assessment Year 2025-26 (additional tax @ 25%)
- Assessment Year 2024-25 (additional tax @ 50%)
- Assessment Year 2023-24 (additional tax @ 60%)
- Assessment Year 2022-23 (additional tax @ 70%)

Budget 2026 Update

As per the budget 2026 proposals, updated return can be filed even after the beginning of re-assessment proceedings, with a 10% additional tax, apart from the existing additional taxes applicable for filing updated return. This amendment is proposed to reduce the litigations. In the re-assessment proceedings, the assessing officer can only refer to updated returns.

Also, with effect from 01st March 2026, updated return can be filed for reduction of losses.

Who is Not Eligible to File ITR-U u/s 139(8A)?

ITR-U **cannot be filed** in the following cases:

- Updated return is already filed.
- For filing nil return/loss return (except now to reduce loss)
- For claiming/enhancing the refund amount.
- When updated return results in lower tax liability
- Search proceeding u/s 132 has been initiated against you
- A survey is conducted u/s 133A
- Books, documents or assets are seized or called for by the Income Tax authorities u/s 132A.
- If assessment/reassessment/revision/re-computation is pending or completed, except for Notice u/s 148

Income in year 1 and corresponding TDS in subsequent years

Assessee now can E-file Form 71 as application for claiming the said TDS credit alongwith supporting documents and mentioning requisite details in the Form.

Time period for Filing Form 71 is 2 years from the end of FY in which TDS was deducted by the deductor.

TDS in year 1 and corresponding Income in subsequent years

Assessee can carried forward the said TDS credit and claim the TDS in the year in which Income is offered to tax.

(Refer - Rule 37BA and Section 155 (20))

Transfer of TDS from one person to another person

To be mentioned in the Income Tax Return mentioning requisite details.

MANDATORY E-VERIFICATION WITHIN 30DAYS

1. ROI is uploaded within due date and e-verification / ITR-V is submitted within 30 days of uploading – Date of uploading the return of income is treated as the date of furnishing the ROI.

2. ROI is uploaded within due date but e-verification or ITR-V is submitted after 30 days of uploading – Date of e-verification/ITR-V submission shall be treated as the date of furnishing the ROI and all consequences of late filing of return under the Act shall follow, as applicable.

Main Consequences of Not E-Verifying ITR

- **Invalid Return Status**: Your submitted form is rejected for processing, meaning you fail to meet legal tax filing requirements.

- **Late Filing Penalties**: You may face late fees under Section 234F if the original due date has passed by the time you realize the omission.

- **Accumulation of Interest**: Interest on unpaid tax dues under Sections 234A, 234B, and 234C will keep ticking until the return is successfully validated.

- **Withheld Tax Refunds**: Any money owed to you by the government will not be processed or released.

- **Loss of Carry-Forward Benefits**: You lose the legal right to carry forward capital losses or other eligible business losses to future financial years.

High-Risk Transactions That May Attract Scrutiny

AIS/Form 26AS Mismatches	Reconcile all income, TDS/TCS, and high-value transactions with the return.
Capital Gains	Ensure accurate reporting of equity, mutual funds, property, and other asset transfers with proper computation.
Property Transactions	Verify stamp duty value, TDS applicability, exemption claims, and supporting documentation
High-Value Financial Transactions (SFT)	Report transactions such as large cash deposits, investments, credit card payments, and bank transactions appropriately.
Foreign Assets & Income	Disclose foreign bank accounts, investments, income, and claim Foreign Tax Credit (FTC), where applicable.
Virtual Digital Assets (VDA)	Report all crypto transactions separately and compute tax in accordance with applicable provisions.
Loss Set-off & Carry Forward	Verify eligibility and ensure returns are filed within due dates to preserve loss carry-forward benefits.

Checklist before fly-off

- User id & Password
- Updated Profile
- Updated Key-person details with authorized signatory detail for ITR verification
- Bank Accounts validation
- Mobile and Email
- Tax Regime Form
- DSC of the keyperson
- Filing and duly accepting the applicable Income Tax Forms before filing the Tax Return

Key Points

1. Extended Due Date for Non-Audit Trusts

The due date for Charitable trusts and non-profit organizations that are **not subject to a mandatory audit** – 31st July or 31st August?

2. Due date for Private Trusts

In case of private Trusts which have Income from investments and other sources, whether due date will be 31st July or 31st August?

Key Points

3. Professional Fees – PGBP or IOS

Professional Fees receipts, become part of PGBP or IOS.

Direct sitting Fees

4. Partners Remuneration

Chartered Accountant being a Partner in a CA Firm receives Partners Remuneration, whether such income can be shown under presumptive income u/s 44ADA

(Ref: Sh Ranu Gupta , Delhi V/s ACIT (ATA no. 2224/Delhi of 2025)

LETS GET INTO A LITTLE NUMERIC HISTORY OF INCOME TAX RETURNS

Milestone Achievement: India's Direct Tax Compliance (AY 2025-26)

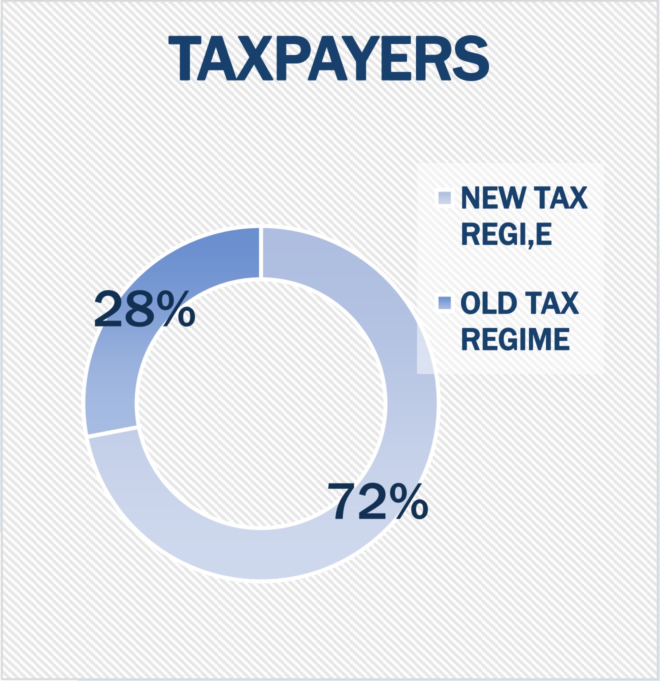
Core Metrics:

9.19 Crore: Total Income Tax Returns (ITRs) filed.

13.75 Crore: Total Individual Registered Users on the Income Tax e-Filing Portal.

8.74 Crore: Total returns successfully e-verified.

8.59 Crore: Returns already processed by the Centralized Processing Centre (CPC).



Partners in Nation Building

Around 4,00,000 Chartered Accountants and 1,50,000 Practicing CA

Direct Tax Collections for F.Y. 2025-26 as on 31.03.2026

(Rs. In Crore)

	FY 2024-25 (as on 31.03.2025)					FY 2025-26 (as on 31.03.2026)**					Percentage growth
	Corporation Tax (CT)	Non*-Corporate Tax (NCT)	Securities Transaction Tax (STT)	Other taxes (OT)	Total	Corporation Tax (CT)	Non*-Corporate Tax (NCT)	Securities Transaction Tax (STT)	Other taxes (OT)	Total	Total Growth
Gross Collection	12,72,542	13,73,905	53,296	3,366	**27,03,107**	13,81,606	13,72,474	57,522	334	**28,11,936**	**4.03%**
Refunds	2,85,775	1,90,932	-	25	**4,76,732**	2,82,440	1,89,069	-	22	**4,71,531**	-1.09%
Net Collection	9,86,767	11,82,972	53,296	3,341	**22,26,375**	10,99,166	11,83,405	57,522	312	**23,40,406**	**5.12%**

Source: Pr.CCA (CBDT)

* NCT includes taxes paid by individuals, HUFs, Firms, AoPs, BoIs, Local Authorities, Artificial Juridical Person

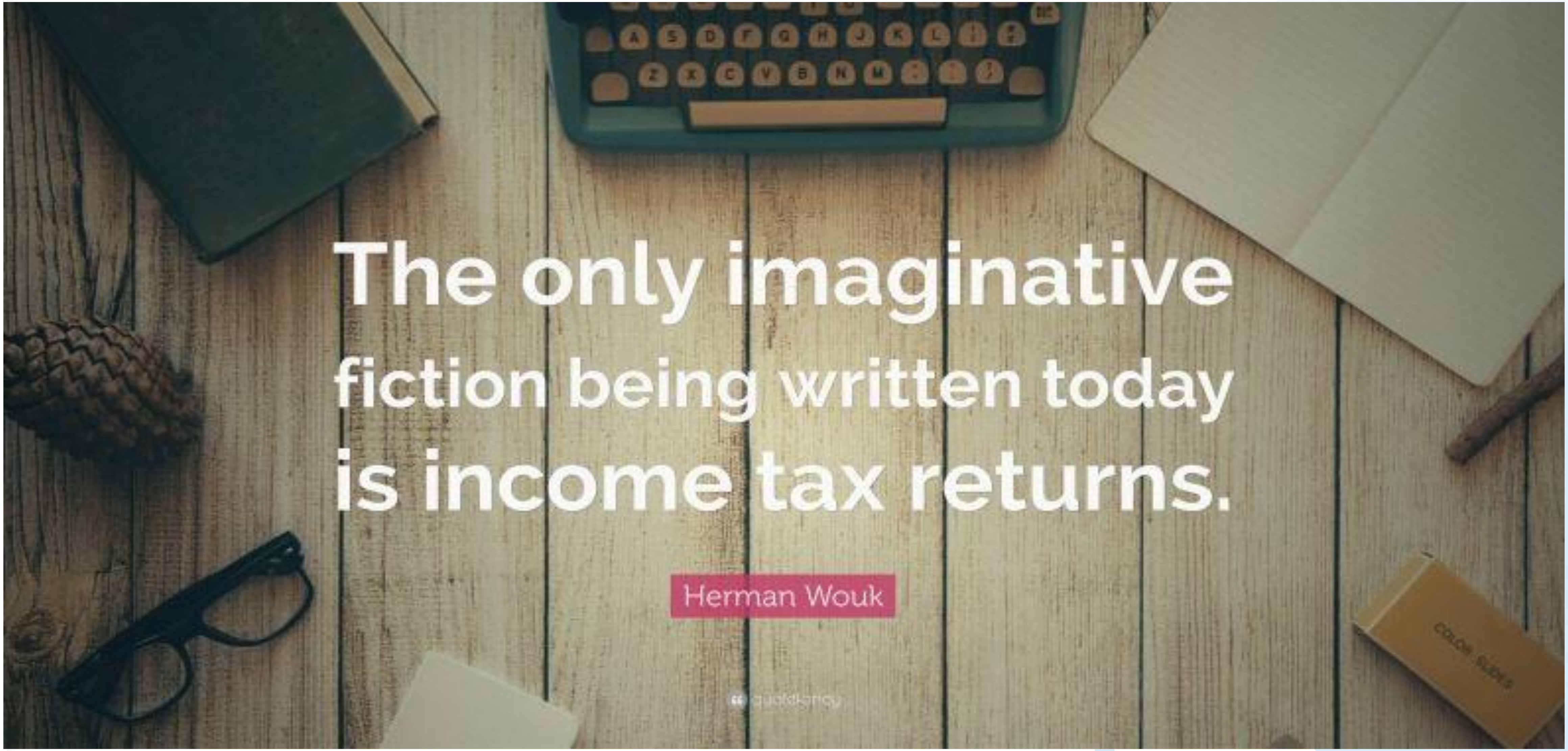
** Provisional figures

Category and Total Income Range wise filing count for AY 2025-26

Category	Range1 (Up to Rs.5,00,000)	Range2 (Rs.5,00,001 - Rs.10,00,000)	Range3 (Rs.10,00,001 - Rs.20,00,000)	Range4 (Rs.20,00,001 - Rs.50,00,000)	Range5 (Rs.50,00,001 - Rs.1,00,00,000)	Range6 (Above Rs.1,00,00,000)	Range7 (Above Rs.10,00,00,000)
Artificial Juridical Person	7247	255	291	79	98	24	66
Association Of Persons	269563	8522	8094	1378	1547	355	764
Body Of Individuals	7298	252	244	49	45	11	15
Company	845763	45512	105697	36682	55261	13720	26822
Firm	1323555	114115	173422	40225	32464	4949	4699
Government	570	13	26	8	7	0	8
Hindu Un-divided Family	931187	214006	153846	7184	3747	321	187
Individual	27609993	38374335	15046391	763597	352219	21306	12681
Local Authority	3439	34	61	12	35	7	29
Trust	244621	5983	5530	1001	1811	604	1870
Total	**31243236**	**38763027**	**15493602**	**850215**	**447234**	**41297**	**47141**

Category and Total Income Range wise filing count AY 2014-15

Category	Range1 (Up to Rs.5,00,000)	Range2 (Rs.5,00,001 - Rs.10,00,000)	Range3 (Rs.10,00,001 - Rs.20,00,000)	Range4 (Rs.20,00,001 - Rs.50,00,000)	Range5 (Rs.50,00,001 - Rs.1,00,00,000)	Range6 (Above Rs.1,00,00,000)
Artificial Juridical Person	7010	180	174	97	42	132
Association Of Persons	83554	2569	1470	1154	600	1168
Body Of Individuals	3176	132	71	58	28	40
Company	574173	33898	31080	32900	18320	31596
Firm	809065	50254	33102	25632	11057	9873
Government	25	0	0	1	0	2
Hindu Un-divided Family	730455	84163	19876	5852	1424	718
Individual	23904641	4568944	1437341	513710	99250	51102
Local Authority	1872	30	28	37	8	65
Trust	156378	2310	1022	628	316	535
Total	**26270349**	**4742480**	**1524164**	**580069**	**131045**	**95231**


The only imaginative
fiction being written today
is income tax returns.
Herman Wouk

Thank you

~ CA Ronak A. Rambhia

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