

Government of India



INCOME-TAX DEPARTMENT

ACKNOWLEDGEMENT

Received with thanks from _____ a return of income and return of fringe benefits in Form No.2 for assessment year 2006-07, having the following particulars.

(a)	PAN	<input type="text"/>
(b)	Gross total income	<input type="text"/>
(c)	Deductions under Chapter VI-A	<input type="text"/>
(d)	Total income [(b) – (c)]	<input type="text"/>
(e)	Tax paid	
	(i) TDS/ TCS	<input type="text"/>
	(ii) Advance tax	<input type="text"/>
	(iii) Self-assessment tax	<input type="text"/>
	(iv) Total of [(1) + (ii) + (iii)]	<input type="text"/>
(f)	Value of fringe benefits	<input type="text"/>
(g)	Tax paid	
	(i) Advance fringe benefit tax	<input type="text"/>
	(ii) fringe benefit tax on self-assessment	<input type="text"/>
	(iii) Total of [(i) + (ii)]	<input type="text"/>

Acknowledgement No _____, Date of Receipt _____, Ward/ Circle/ Range _____

Seal

Name and signature of the Official receiving the return

*Please fill the relevant Code: Return of Income -

Sec. 139 - , Sec. 142 - , Sec. 148 -

Return of fringe benefits - Sec. 115WD(1) - , Sec. 115WD(2) - , Sec. 115WH -

24. Particulars of Bank Account (Mandatory in refund cases) (Schedule-18)
25. Income not to be included in total income (exempt income) [Schedule-14]
26. Number of dependents in case of individual
27. Cash Balance/ Balance in Banks as on 31.03.2006(optional) [Item (vii) of Schedule-16]
28. Outgoings during the year (optional) [Item (ix) of Schedule-16]

BALANCE SHEET

(a) In a case where regular books of account of business or profession are maintained.

1. Sources of funds
- (i) Capital
- (ii) Reserve and surplus
- (iii) Secured loans
- (iv) Unsecured loans
- Total: [(i) + (ii) + (iii) + (iv)]
2. Application of funds
- (a) Fixed assets:
- (i) Gross: block
- (ii) Depreciation
- (iii) Capital work-in-progress
- (b) Investments
- (c) Current assets, loans and advances:
- (i) Inventories
- (ii) Sundry debtors
- (iii) Cash and bank balances
- (iv) Loans and advances
- (d) Current liabilities and provisions:
- (i) Liabilities
- (ii) Provisions
3. Net current assets
- (e) (i) Miscellaneous expenditure to the extent not written off or adjusted
- (ii) Profit and loss account
- Total [a(i) – a(ii) + a(iii) + (b) + c(i) to c(iv) - d(i) – d(ii) + e(i) + e(ii)]

(b) In a case where regular books of account of business or profession are not maintained, furnish the following information as on the last day of the previous year, in respect of business or profession

1. Amount of total sundry debtors
2. Amount of total sundry creditors
3. Amount of total stock- in-trade
4. Amount of the cash balance

PROFIT AND LOSS ACCOUNT

(a) In a case where regular books of account of business or profession are maintained.

1. Sales (net of returns)/ Gross receipts of business
2. Miscellaneous income
3. Closing Stock
4. Total of [(1) + (2) + (3)]
5. Opening Stock
6. Purchases (net of returns)
7. Freight inwards

8.	Consumption of stores and spare parts	9285	<input type="text"/>
9.	Power and fuel	9290	<input type="text"/>
10.	Rents	9295	<input type="text"/>
11.	Repairs to building	9300	<input type="text"/>
12.	Repairs to machinery	9305	<input type="text"/>
13.	Salaries, wages and bonus	9310	<input type="text"/>
14.	Workmen and staff welfare expenses	9315	<input type="text"/>
15.	Insurance	9320	<input type="text"/>
16.	Rates and taxes excluding taxes on income	9325	<input type="text"/>
17.	Bad debts	9330	<input type="text"/>
18.	Provision for bad and doubtful debts	9335	<input type="text"/>
19.	Interest	9340	<input type="text"/>
20.	Sales promotion including publicity (other than advertisement)	9345	<input type="text"/>
21.	Advertisement	9350	<input type="text"/>
22.	Commission	9355	<input type="text"/>
23.	Travelling expenses including foreign travelling	9360	<input type="text"/>
24.	Other / Miscellaneous expenses	9365	<input type="text"/>
25.	Contribution to Provident Fund and other funds	9370	<input type="text"/>
26.	Other provisions	9375	<input type="text"/>
27.	Depreciation	9380	<input type="text"/>
28.	Total [(5) to (27)]	9385	<input type="text"/>
29.	Profit before tax (PBT) [(4) – (28)]	9390	<input type="text"/>

(b) In a case where regular books of account of business or profession are not maintained, furnish the following information for the previous year, in respect of business or profession,.

1.	Gross receipts	9391	<input type="text"/>
2.	Gross profit	9392	<input type="text"/>
3.	Expenses	9393	<input type="text"/>
4.	Net profit	9394	<input type="text"/>

Other Information

(optional in a case not liable for audit under section 44AB or where no regular books of account are maintained)

1. (a) Method of accounting (if mercantile write 1, if cash write 2) 9615
 (b) Is there any change in method of accounting (If Yes write 1, and if No write 2) 9620
 (c) Effect on the profit or loss because of deviation, if any, in the method of accounting employed in the previous year from accounting standards prescribed under section 145A. 9625

2. (a) Method of valuation of closing stock employed in the previous year, raw material 9630 finished goods 9635
 (if at cost on market rates whichever is less write 1, if at cost write 2, if at market rate write 3)
 (b) Is there any change in stock valuation method (If Yes write 1, and if No write 2) 9640
 (c) Effect on the profit or loss because of deviation, if any, from the method of valuation prescribed under section 145A. 9645

3. Amounts not credited to the profit and loss account, being -
 (a) the items falling within the scope of section 28; 9650
 (b) the proforma credits, drawbacks, refunds of duty of customs or excise, or refunds of sales tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned; 9655

- (i) opening stock; 9800
- (ii) purchase during the year; 9805
- (iii) closing stock; 9810
- (iv) shortage/excess, if any. 9815

(b) In the case of a manufacturing concern, give quantitative details of the principal item of raw materials, finished products and by-products:

A. Raw materials:

- (i) opening stock; 9820
- (ii) purchases during the previous year; 9825
- (iii) consumption during the previous year; 9830
- (iv) sales during the previous year; 9835
- (v) closing stock; 9840
- (vi) * yield of finished products; 9845
- (vii) * percentage of yield; 9850
- (viii) *shortage/excess, if any. 9855

B. Finished products/By-products;

- (i) opening stock; 9860
- (ii) purchase during the previous year; 9865
- (iii) quantity manufactured during the previous year; 9870
- (iv) sales during the previous year; 9875
- (v) closing stock; 9880
- (vi) shortage/excess, if any. 9885

15 Accounting ratios with calculations as follows:-

- (a) Gross profit/Turnover; 9890
- (b) Net profit/Turnover; 9895
- (c) Stock-in-trade/Turnover; 9900
- (d) Material consumed/Finished goods produced. 9905

PART-B

COMPUTATION OF TOTAL INCOME AND TAX THEREON

- 1. Salaries [Sch.-1(8) or Sch.-7(1)(v)] 701
- 2. Income from house property [Sch.-6(12) or Sch.-8(1)(v)] 702
- 3. (a) Income from business or profession [Sch.-2(22) or Sch.-8(2)(v)] 703
- (b) Profits and gains from transactions chargeable to securities transaction tax included in (a) above [Sch.-15(1)] 597
- 4. Capital gains
 - (a) Short-term (under section 111A) [Sch.-3(8)] 710
 - (b) Short-term (others) [Sch.-3(9)] 704
 - (c) Total short-term [Sch.3(7) or Sch.8(3)(v)] 3260
 - (d) Long-term [Sch.3(20) or Sch.8(4)(v)] 705
 - (e) Total capital gains (c) + (d) 776
- 5. Income from other sources [Sch.-4(8) or Sch.-8(5)(v)] 706
- 6. Gross Total income [(1) + (2) + (3) + (4)(e) + (5)] 744
- 7. Deductions under Chapter VI-A (Schedule-11) 747
- 8. Total income [(5) – (6) – (7)] 760
- 9. Income of any other person included in (1) to (5) above (Schedule-12) 775

10.	Net agricultural income/ any other income for rate purpose	762	<input type="text"/>
11.	Tax payable on total income		
	(a) at normal rates	801	<input type="text"/>
	(b) at special rates (Schedule-13)	802	<input type="text"/>
	(c) Total [(a) + (b)]	810	<input type="text"/>
12.	Rebate under section 88E (Schedule-15)	818	<input type="text"/>
13.	Net tax payable [(11)– (12)]	862	<input type="text"/>
14.	Surcharge on (13).	828	<input type="text"/>
15.	Education Cess on [(13) + (14)]	834	<input type="text"/>
16.	Tax + Surcharge + Education Cess [(13) + (14) + (15)]	832	<input type="text"/>
17.	(i) Relief under section 89	837	<input type="text"/>
	(ii) Relief under sections 90/91	836	<input type="text"/>
18.	Net tax payable [(16) – (17)(i) – 17(ii)]	840	<input type="text"/>
19.	Tax deducted at source [total of column (10) & (11) of Schedule-23 and total of column (11) of Schedule-25] and Tax collected at source [total of column (9) of Schedule-24]	873	<input type="text"/>
20.	Advance tax paid (Schedule-19)	862	<input type="text"/>
21.	Balance tax payable [(18) - (19) – (20)]	877	<input type="text"/>
22.	Interest payable under section 234A	842	<input type="text"/>
23.	Interest payable under section 234B	843	<input type="text"/>
24.	Interest payable under section 234C	844	<input type="text"/>
25.	Tax and interest payable [(21) + (22) + (23) + (24)]	880	<input type="text"/>
26.	Self-assessment tax paid (Schedule-20)	888	<input type="text"/>
27.	Balance tax and interest payable [(25) – (26)]	883	<input type="text"/>
28.	Refund due, if any	896	<input type="text"/>

PART-C

COMPUTATION OF FRINGE BENEFITS AND TAX THEREON (IF APPLICABLE)

1.	Value of fringe benefits for first quarter	8500	<input type="text"/>
2.	Value of fringe benefits for second quarter	8501	<input type="text"/>
3.	Value of fringe benefits for third quarter	8502	<input type="text"/>
4.	Value of fringe benefits for fourth quarter	8503	<input type="text"/>
5.	Value of total fringe benefits (Schedule-17)	8504	<input type="text"/>
6.	Fringe benefit tax payable [30% of (5)]	8505	<input type="text"/>
7.	Surcharge on (6)	8506	<input type="text"/>
8.	Education Cess on [(6) + (7)]	8507	<input type="text"/>
9.	Total fringe benefit tax payable [(6) + (7) + (8)]	8508	<input type="text"/>
10.	Advance fringe benefit tax paid (Schedule-21)	8509	<input type="text"/>
11.	Balance tax payable [(9) – (10)]	8510	<input type="text"/>
12.	Interest under section 115WJ	8511	<input type="text"/>
13.	Interest under section 115WK	8512	<input type="text"/>
14.	Self-assessment tax paid (Schedule-22)	8513	<input type="text"/>
15.	Balance tax payable/ refundable [(11) + (12) + (13) – (14)]	8550	<input type="text"/>

VERIFICATION

I, _____(full name in block letters), son/ daughter of _____solemnly declare that to the best of my knowledge and belief, the information given in the return and the schedules thereto is correct and complete and that the amount of total income/

fringe benefits and other particulars shown therein are truly stated and are in accordance with the provisions of the Income-tax Act, 1961, in respect of income and fringe benefits chargeable to income-tax for the previous year relevant to the assessment year _____. I further declare that I am making this return in my capacity as _____ and I am also competent to make this return and verify it.

Date:

Place:

.....

Name and Signature

Certificate of electronically furnishing the details of the Return(optional) (See Instruction No.7)

Certified that I have also furnished the details contained in this return and its Schedules electronically to the designated website vide acknowledgement number ----- dated -----

Name and Signature

SCHEDULE - 3: Capital Gains

A. Short-term capital gain

1	Full value of consideration	607	<input type="text"/>
2	Deductions under section 48		
	(i) Cost of acquisition	609	<input type="text"/>
	(ii) Cost of improvement	610	<input type="text"/>
	(iii) Expenditure on transfer	611	<input type="text"/>
3	Balance [(1) – {(2)(i)+(2)(ii)+(2)(iii)}]	616	<input type="text"/>
4	Exemption under section 54B/54D/54G/54GA	3250	<input type="text"/>
5	Amount deemed to be capital gains under section 54/54B/54D/54EC/54ED/54F/54G/54GA	3255	<input type="text"/>
6	Deemed short-term capital gain on depreciable assets	643	<input type="text"/>
7	Total short-term capital gain [(3) –(4)+ (5) + (6)]	3260	<input type="text"/>
8	Short-term capital gain under section 111A included in (7)	650	<input type="text"/>
9	Short-term capital gain other than referred to in section 111A [(7) –(8)]	649	<input type="text"/>

B. Long-term capital gain

10.	Full value of consideration(other than securities to which proviso to section 112(1) is applicable)	657	<input type="text"/>
11.	Deductions under section 48		
	(i) Cost of acquisition after indexation	659	<input type="text"/>
	(ii) Cost of improvement after indexation	660	<input type="text"/>
	(iii) Expenditure on transfer	661	<input type="text"/>
12.	Balance [(10) – {(11)(i)+(11)(ii)+(11)(iii)}]	666	<input type="text"/>
13.	Full value of consideration in respect of securities (please see instruction)	3355	<input type="text"/>
14.	Cost of acquisition / expenditure on transfer of the assets referred to in (13)	336	<input type="text"/>
15.	Balance [(13) – (14)]	3365	<input type="text"/>
16.	Total long-term capital gains [(12) + (15)]	3370	<input type="text"/>
17.	Exemption under section 54/ 54B/ 54D/ 54EC/ 54ED/54F/ 54G/54GA	3375	<input type="text"/>
18.	Balance [(16) – (17)]	3380	<input type="text"/>
19.	Amount deemed to be capital gains under section 50B/54/ 54B/ 54D/ 54EC/ 54ED/54F/ 54G/54GA	3385	<input type="text"/>
20.	Total long-term capital gain [(18) + (19)]	3390	<input type="text"/>
21.	Income chargeable under the head “CAPITAL GAINS” [(7) + (20)]	3400	<input type="text"/>

SCHEDULE - 4: Income from other sources

1.	Income other than from owning race horse(s):-		
	(a) Dividends, Gross	460	<input type="text"/>
	(b) Interest, Gross	461	<input type="text"/>
	(c) Rental income from machinery, plants, buildings, etc., Gross	462	<input type="text"/>
	(d) others, Gross	464	<input type="text"/>
	(e) Total of (a) to (d)	470	<input type="text"/>
2.	Deductions under section 57:-		
	(a) Expenses	3010	<input type="text"/>
	(b) Depreciation	3015	<input type="text"/>
	(c) Total [(a) + (b)]	3020	<input type="text"/>
3.	Balance [(1)(e) - (2)(c)]	473	<input type="text"/>
4.	Income from owning and maintaining race horses	474	<input type="text"/>
5.	Deductions under section 57 in relation to (4)	475	<input type="text"/>
6.	Balance income from owning and maintaining race horse(s) [(4) – (5)]	476	<input type="text"/>
7.	Winnings from lotteries, crossword puzzles, races, etc	477	<input type="text"/>

SCHEDULE - 7: Total income after set off of current year's losses under section 71

- 1 Loss arising from house property [(12) of Sch.-1] 8700
- 2 Loss from business (excluding speculation loss) [(19) of Sch.-2] 8705
- 3 Loss from other sources (excluding loss from race horses) [(3) + (7) of Sch.-4] 8710

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 year 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.	Salary					
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)					

7. Total of Column (v) 8720

SCHEDULE - 8: Total income after set off of unabsorbed loss and allowances brought forward from earlier years

S. No	Head /Source of income	Income after set off, if any, of current year's losses as per Schedule 7	Brought forward loss set off	Brought forward depreciation set off	Brought forward allowance under section 35(4) set off	Current year's income remaining after set off
		(i)	(ii)	(III)	(iv)	(v)
1.	House property					
2.	Business (including speculation profit)					
3.	Short-term capital gain					
4.	Long-term capital gain					
5.	Other sources (including profit from owning race horses)					

6. Total of Column (v) 8730

SCHEDULE - 9: Losses and allowances brought forward from preceding assessment years and carried forward

S. No.		8 th	7 th	6 th	5 th	4 th	3 rd	2 nd	1 st	Total amount brought forward	Amount set off against current year's income	Amount c/f including current year's amount
1.	Assessment year											
2.	Date on which return filed											
3.	House Property loss											
4.	Speculation business loss											
5.	Other business loss											
6.	Business depreciation											
7.	Allowance under section 35(4)											
8.	Loss under "capital gains"											
9.	Loss from owning race horses											

SCHEDULE - 10: Deductions under section 10A/10AA/10B/10BA

Sl. No.	Section	Is the section applicable, if Yes write 1 and if No write 2	Year Number	Amount claimed deductible
(i)	10A	<input type="checkbox"/>	If not opted out u/s. 10A(8) <input type="text"/>	8800 <input type="text"/>
(ii)	10AA	<input type="checkbox"/>	<input type="text"/>	8805 <input type="text"/>
(iii)	10B	<input type="checkbox"/>	If not opted out u/s. 10B(8) <input type="text"/>	8810 <input type="text"/>

- (i) Cash balance as on 1st April, 2005 with you and other persons whose income have been included in your income [In item (24) of Part-B] 5001
- (ii) Balance in banks as on 1st April, 2005 with you and other persons whose income have been included in your income [In item (24) of Part-B] 5002
- (iii) Income received during the year including that of other persons referred to in item (i) above 5003
- (iv) Other receipts, if any, including exempt income, loans, gifts, etc. taken or received during the year by you and other persons referred to in item (i) above 5004
- (v) Total [(i) + (ii) + (iii) + (iv)] 5010
- (vi) Outgoings during the year out of (v) above by way of-
 - (a) expenses, investment, etc., on which deduction under Chapter VI-A claimed 5020
 - (b) other investments 5021
- (vii) Cash Balance/ Balance in Banks as on 31.03.2006 5030
- (viii) Total [(vi)(a) +(vi)(b) + (vii)] 5024
- (ix) Other outgoings [(v) –(viii)] 5022

SCHEDULE - 17: Value of fringe benefits

	Nature of expenditure (i)	Amount/ Value of expenditure (ii)	Percentage (iii)	Value of fringe benefit (iv) = (ii) x (iii) ÷ 100
1.	Free or concessional tickets provided for private journeys of employees or their family members (The value in column (ii) shall be the cost of the ticket to the general public as reduced by the amount, if any, paid by or recovered from the employee).	<input type="text"/>	100	8551 <input type="text"/>
2.	Contribution to an approved superannuation fund for employees.	<input type="text"/>	100	8552 <input type="text"/>
3.	Entertainment	<input type="text"/>	20	8553 <input type="text"/>
4(a).	Hospitality in the business other than the business of hotel.	<input type="text"/>	20	8554 <input type="text"/>
4(b).	Hospitality in the business of hotel.	<input type="text"/>	5	8555 <input type="text"/>
5.	Conference (other than fee for participation by the employees in any conference)	<input type="text"/>	20	8556 <input type="text"/>
6.	Sales promotion including publicity (excluding any expenditure on advertisement referred to in proviso to section 115WB (2) (D).	<input type="text"/>	20	8557 <input type="text"/>
7.	Employees welfare	<input type="text"/>	20	8558 <input type="text"/>
8(a).	Conveyance, tour and travel (including foreign travel) in the business other than the business of construction, or in the business of manufacture or production of pharmaceuticals or computer software.	<input type="text"/>	20	8559 <input type="text"/>
8(b).	Conveyance, tour and travel (including foreign travel) in business of construction, or in the business of manufacture or production of pharmaceuticals or computer software.	<input type="text"/>	5	8560 <input type="text"/>
9(a).	Use of hotel, boarding and lodging facilities in the business other than the business of manufacture or production of pharmaceuticals or computer software.	<input type="text"/>	20	8561 <input type="text"/>
9(b).	Use of hotel, boarding and lodging facilities in the business of manufacture or production of pharmaceuticals or computer software.	<input type="text"/>	5	8562 <input type="text"/>
10(a).	Repair, running (including fuel), maintenance of motor cars and the amount of depreciation thereon in the business other than the business of carriage of passengers or goods by motor car.	<input type="text"/>	20	8563 <input type="text"/>
				<input type="text"/>

- 10(b). Repair, running (including fuel), maintenance of motor cars and the amount of depreciation thereon in the business of carriage of passengers or goods by motor car. 5 8564
11. Repair, running (including fuel) and maintenance of aircrafts and the amount of depreciation thereon in the business other than the business of carriage of passengers or goods by aircraft. 20 8565
12. Use of telephone (including mobile phone) other than expenditure on leased telephone lines. 20 8566
13. Maintenance of any accommodation in the nature of guest house other than accommodation used for training purposes. 20 8567
14. Festival celebrations. 50 8568
15. Use of health club and similar facilities. 50 8569
16. Use of any other club facilities 50 8570
17. Gifts 50 8571
18. Scholarships. 50 8572
19. Value of fringe benefits [Total of Column (iv)] 8573
20. (a) Are you having employees based both in and outside India? If Yes write 1, if No write 2 8574
- (b) If yes, are you maintaining separate books of account for Indian and Foreign operations? If Yes write 1, if No write 2 8575
- (c) If separate accounts are not maintained, -
- (i) Number of employees based in India 8576
- (ii) Total number of employees both in and outside India 8577
- (d) Value of taxable fringe benefits [column 19 x column 20(c)(i) ÷ column 20(c)(ii)] 8580

Schedule - 18: Particulars of Bank Account (Mandatory in Refund cases)

Name of the Bank	MICR Code (9 digit)	Address of Bank Branch	Type of Account (Savings/ Current)	Account Number	ECS (Y/N)

STATEMENTS OF TAXES PAID Schedule - 19: Advance Income-tax

Name of the Bank Branch	BSR Code of Bank Branch (7 Digit)	Date of deposit (DDMMYY)	Serial No. of challan	Amount (Rs.)

Date of instalment	Upto 15/9 <input type="text"/> 858	16/9 to 15/12 <input type="text"/> 859	16/12 to 15/03 <input type="text"/> 860	16/03 to 31/03 <input type="text"/> 861
Amount				

Total advance tax paid 862

Schedule - 20: Income Tax on self-assessment

Name of the Bank Branch	BSR Code of Bank Branch (7 Digit)	Date of deposit (DDMMYY)	Serial No. of challan	Amount (Rs.)

Total self-assessment tax paid 888

SCHEDULE - 21: Advance fringe benefit tax

Name of the Bank Branch	BSR Code of Bank Branch (7 Digit)	Date of deposit (DDMMYY)	Serial No. of challan	Amount (Rs.)

Date of instalment	For first quarter 8585	For second quarter 8586	For third quarter 8587	For fourth quarter 8588
Amount				

Total Advance Fringe Benefit Tax paid 8590

Schedule - 22: Fringe Benefit Tax paid on self-assessment

Name of the Bank Branch	BSR Code of Bank Branch (7 Digit)	Date of deposit (DDMMYY)	Serial No. of challan	Amount (Rs.)

Total Fringe Benefit Tax paid on self-assessment 8591

Instructions for filling up FORM No. 2

(to be detached before filing the return)

GENERAL

1. These instructions though stated to be non-statutory, may be taken as guidelines for filling the particulars in this Form. In case of any doubt, please refer to relevant provisions of the Income-tax Act, 1961 and the Income-tax Rules, 1962.
2. This Form is applicable in case of non-corporate assessees (not claiming exemption under section 11) and having income from business or profession
3. This Form is a combined form for return of income and return of fringe benefits.
4. This Form is applicable for Assessment Year 2006-07 only.
5. Please do not enclose any statement showing the computation, TDS/TCS Certificate, proof of payment of Advance Tax or Self-Assessment Tax, audit report or any other document. If enclosed, same shall be returned by the official receiving the return.
6. All documents and other evidences in support of the computation of the Tax payable and Tax Paid and audit report should be retained by the Assessee for verification by the Income Tax Authorities, if necessary.
7. You are **encouraged** to follow a **two-step procedure** to file this Return. **First**, transmit this return and schedules thereto electronically (without digital signature) to web-site <http://www.incometaxindiaefiling.gov.in> **and thereafter** file a paper Return. The date of such transmission and acknowledgement number given to you electronically by the Income-tax Department for such transmission be filled in this certificate. **However, in case you do not transmit the Return electronically, the paper Return must necessarily be filed and will be treated as a valid Return.**
8. The paper return in this Form is not to be filled in duplicate. Acknowledgement slip attached with this Form be duly filled. On receiving the Form by the receiving official, the same shall be returned to the assessee as the acknowledgement of having received the return.
9. The acknowledgement is deemed to be the intimation. No intimation is separately given unless there is a demand or refund.

10. BRIEF SCHEME OF THE LAW

(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) 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) Salaries; (B) "Income from house property"; (C) "Profits and gains of business or profession"; (D) "Capital gains"; and (E) "Income from other sources". {There may be no income under one or more of the heads mentioned at (A),(B),(D)and (E)}
 - (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) 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.
 - (v) Aggregate the headwise end-results as available after (iv) above; this will give you "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.

(2) Computation of income-tax, surcharge, 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) Deduct Rebate u/s 88E, if allowable, in respect of the Securities Transaction Tax paid during the previous year,
- (c) Add surcharge as prescribed by the law on the above tax payable (after rebate).
- (d) Add Education Cess as prescribed on the tax payable (after rebate) plus surcharge.
- (e) Claim relief(s) as prescribed by the law, on account of double taxation and calculate balance tax and surcharge payable Add interest payable as prescribed by the law to reach total tax, surcharge and interest payable.
- (f) Deduct the amount of prepaid taxes, if any, like "tax deducted at source", "tax collected at source", "advance-tax" and "self-assessment-tax". The result will be the tax payable (or refundable).

(3) Computation of fringe benefits and income-tax, surcharge, education cess and interest in respect of fringe benefits chargeable to tax

- (a) Chapter XII-H of the Act relates to income-tax on fringe benefits paid or deemed to have been paid by an employer to his employees. Previous year 2005-06 is the first year for which the provisions of income-tax on fringe benefits are applicable. Thus, an employer has to furnish the return of fringe benefits for the assessment year 2006-07 and onwards.
- (b) Section 115WB provides the list of fringe benefits provided or deemed to have been provided by an employer to his employees which are chargeable to tax. Section 115WC provides as to how to compute the value of the fringe benefits provided or deemed to have been provided.
- (c) Additional income-tax (fringe benefit tax) is required to be paid by every specified employer at the rate of thirty per cent on the value of such fringe benefits. Surcharge and Education Cess at specified rates are also to be paid on fringe benefit tax (FBT). FBT is payable by an employer even if no income-tax is payable by him on his total income

- (d) Specified employer means a company, firm, an association of persons or a body of individuals (whether incorporated or not), a local authority and every artificial juridical person. However any person eligible for exemption under section 10(23C) or registered under section 12AA or a political party registered under section 29A of the Representation of the People Act, 1951 is not chargeable to fringe benefits tax.
- (e) The Central Board of Direct Taxes has issued an exhaustive Circular No.8 / 2005 dated 29.8.2005 explaining the provisions relating to fringe benefit tax. In case of any doubt, the assessee may refer to the said circular

(4) Filing of return

- (a) As mentioned earlier it is a combined form for return of income and return of fringe benefits. In case, an assessee has furnished a return of income in old Form ITS-2 before the notification of the combined form, may furnish the return of fringe benefits in Form No. 3B.
- (b) A return of income can be filed in any of the following manners:-
 - (i) Under section 139(1), i.e., within the "due date" prescribed by the law; or
 - (ii) Under section 139(3) read with s 139(1) only where a loss is to be carried forward: i.e., within the "due date" prescribed by the law;
 - (iii) 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.
 - (iv) Under section 142(1) i.e, pursuant to a statutory notice calling for the return.
 - (v) 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.
 - (vi) Under section 153A i.e., pursuant to a notice u/s 153A(a)
 - (vii) A return filed u/s139(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.
 - (viii) Incomplete or erroneous returns are liable to be held defective under section 139(9) or even invalid. If held defective, time (usually 15 days, extendable in some circumstances) will be allowed to rectify the defect(s).
- (c) Similarly, a return of fringe benefit can be filed in any of the following manners:
A return of fringe benefit can be filed in any of the following manners:
 - (i) Under section 115WD(1) i.e., within the "due date" prescribed by the law; or
 - (ii) Under section 115WD(3) i.e., after the expiry of the "due date" but before the expiry of one year from the end of the relevant assessment year.
 - (iii) Under section 115WD(2) i.e., pursuant to a statutory notice calling for the return. If an assessee has not filed the return on or before the due date.
 - (iv) Under section 115WH i.e., pursuant to a statutory notice for assessing or reassessing fringe benefits that have been either not assessed or under-assessed earlier.
 - (v) A return filed under section 115WD(1) or 115WD(2) 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.
 - (vi) Incomplete or erroneous returns are liable to be held defective [section 139(9)] or even invalid. If held defective, time (usually 15 days, extendable in some circumstances) will be allowed to rectify the defect(s).

11. 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 twenty-five schedules. The details of these parts and the schedules are as under:-

- (i) The first part, i.e., Part-A is spread over first four and half pages of the return. It seeks general information requiring identificatory and other data and also details of balance sheet, profit and loss account. It also seeks details on some other key issues and also the details which are relevant for computation of taxable income. Some of such details are same which are required to be given by the auditor in the audit report under section 44AB. However, it is optional to fill out such details in case of an assessee whose accounts are not liable to audit under section 44AB or who is not maintaining regular books of accounts.
- (ii) The second part, i.e, Part-B on pages 5 and 6 and is regarding an outline of the total income and tax computation in respect of income chargeable to tax.
- (iii) The third part, i.e, Part-C on page 6 is regarding an outline of the value of fringe benefits and tax computation in respect of fringe benefits chargeable to tax.
- (iv) After Part-C, on page 6, there is a space for a statutory verification.
- (v) After verification, on page 6, there is a space for giving a certificate of transmitting the details of Form and Schedules thereto electronically in accordance with the procedure mentioned in instruction no.7.
- (vi) From page 7 to 16, there are 25 Schedules details of which are as under-
 - a. Schedule-1: Computation of income under the head Salaries.
 - b. Schedule-2: Computation of income under the head Profits and gains of business or profession.
 - c. Schedule-3: Computation of income under the head Capital gains.
 - d. Schedule-4: Computation of income under the head Income from other sources.
 - e. Schedule-5: Depreciation allowable under the income-tax Act under the head Profits and gains of business or profession.
 - f. Schedule-6: Computation of income under the head Income from House Property.
 - g. Schedule-7: Statement of total income after set off of current year's losses under section 71
 - h. Schedule-8: Statement of total income after set off of unabsorbed loss and allowances brought forward from earlier years,
 - i. Schedule-9: Statement of losses and allowances brought forward from preceding assessment years and carried forward.

- j. Schedule-10: Statement of deductions under sections 10A/10B/10BA/10AA.
- k. Schedule-11: Statement of deductions under Chapter VIA
- l. Schedule-12: Statement of income included in Schedules 1,2,3,4 and 6 arising to spouse / minor child / son's wife or any other person or association of persons
- m. Schedule-13: Statement of income included in Schedules 1,2,3,4 and 6 which is chargeable to tax at special rates
- n. Schedule-14: Statement of Income not included in total income (exempt incomes)
- o. Schedule-15: Statement of rebate under section 88E
- p. Schedule-16: Cash flow statement (optional) (In case of Individual / HUF relating to the matters other than the proprietorship in which business or profession is carried out).
- q. Schedule-17: Computation of value of fringe benefits
- r. Schedule-18: Particulars of Bank Account (Mandatory in Refund cases)
- s. Schedule-19: Statement of advance Income-tax paid
- t. Schedule-20: Statement of Income- tax paid on self-assessment
- u. Schedule-21: Statement of advance fringe benefit tax paid
- v. Schedule-22: Statement of Fringe Benefit Tax paid on self-assessment
- w. Schedule-23: Statement of tax deducted at source on income from salaries
- x. Schedule-24: Statement of tax collected at source:
- y. Schedule-25: Statement of tax deducted at source on income other than salaries.

12. HOW TO FILL UP THE PAGES

- (1) All sheets and items must be filled in the manner indicated therein; otherwise the return may be liable to be held defective or even invalid. 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. All figures should be rounded off to the nearest one rupee. However, the figures for total income and fringe benefits be finally rounded off to the nearest multiple of ten rupees.
- (2) You are advised to follow the following sequence in filling in the sheets;
 - (i) Part A- Pages 1 to 5 and Schedule-18.
 - (ii) Schedule-1.
 - (iii) Schedule-2, Schedule-10, Schedule-5 and Schedule-14
 - (iv) Schedule-3, Schedule-4 and Schedule-6.
 - (v) Schedule-7, Schedule-8 and Schedule-9.
 - (vi) Schedule-12.
 - (vii) Schedule-11.
 - (viii) Schedule-13.
 - (ix) Schedule-15.
 - (x) Schedule-16.
 - (xi) Schedule-17.
 - (xii) Schedule-19 and Schedule-20.
 - (xiii) Schedule-23, Schedule-24 and Schedule-25.
 - (xiv) Part B: Computation of total income and tax thereon on pages 5 and 6.
 - (xv) Schedule-17, Schedule-21 and Schedule-22.
 - (xvi) Part C: Computation of fringe benefits and tax thereon on page 6.
 - (xvii) Verification and certificate on page 6.
- (3) Necessary instructions to fill the Parts and Schedules are as under-

Part-A

(i) General

All items are self explanatory. However, following points may kindly be noted.

- (i) Item No. 17&18: The audit report should not be furnished before furnishing the return or attached with the return. Same should be retained with the assessee and should be produced before the Assessing Officer if required by him. In these items, fill the details of date of the audit report.
- (ii) Item 20: Residential status has to be decided in accordance with the provisions of section 6.

(ii) Balance Sheet

- (i) The details for the balance sheet are to be filled out only in a case where regular books of account of business or profession are maintained.
- (ii) If regular books of account of business or profession are not being maintained, then furnish the details as called for in item (b)(1) to (4) on page 2 of the return.

(iii) Profit and loss account

- (i) The details for the profit and loss account are to be filled out only in a case where regular books of account of business or profession are maintained.
- (ii) In case any income/ receipt or expense/ loss cannot be specifically covered by the items of the profit and loss account incorporated in this return, please include them in the 'miscellaneous income' or as the case may be in 'other/ miscellaneous expenses'. If separate profit and loss accounts are maintained for separate businesses, fill out the details on the basis of consolidated profit and loss account.
- (iii) If regular books of account of business or profession are not being maintained, then furnish the details as called for in item (b)(1) to (4) on page 3 of the return.

(iv) Other information

The details in item No. 1 to 15 be filled on the basis of audit report under section 44AB if the assessee is liable to audit under section 44AB. However, it is optional to fill out the details in these items in a case not liable for audit under section 44AB or where no regular books of accounts are maintained.

Schedules

(i) **Schedule-1,-** In case of more than one employment, state the aggregate of salary etc. against the relevant items.

(ii) **Schedule-2, Schedule-10, Schedule-5, and Schedule-14**

- (i) The computation in **Schedule 2** is to be started on the basis of profit and loss account filled out in Part-A.
- (ii) Item 2 of **Schedule-2** is to exclude the profit or loss from speculative business included in the total profit / loss. Part-B of this Schedule (items 20-22) are meant to compute the income from speculative business separately in accordance with the provisions of the Income-tax Act.
- (iii) Section 44AD, section 44AE, section 44AF, section 44B, section 44BB, section 44BBA and section 44BBB provide for the computation of profit of certain businesses at presumptive figures which necessitate an adjustment to the profit and loss of such business reflected in the profit or loss account. Item No.8 is meant to first remove the net profit from business referred to in these sections. Item No.17 is to include the profit on presumptive figures as provided in the respective section.
- (iv) Fill out **Schedule -10** if you are claiming deduction under section 10A/10AA/10B/10BA in respect of some specified businesses. Item 7 of Schedule 2 is to eliminate such income from the computation of profits and loss. No separate declaration under sections 10A(8) or 10B(8), if any, is required to be made.
- (v) Fill out **Schedule -5** to compute amount of depreciation to be allowed under Income –tax Act. This Schedule should be only in respect of businesses other than (a) businesses referred to in sections 44AD/44AE/44AF/44BB/44BBA/44BBB If income from business referred to in these sections is to be included on presumptive basis, and (b) businesses referred to section 10A/10AA/10B/10BA if deduction under these section(s) is being claimed. Further, for the additions to fixed assets during the year after 30th September in column (8), the rate of depreciation shall be half of the depreciation rates as shown in column (3). It may also be noted that, if amount in column (6) is more than the total of amount in column (4) and (5), the excess shall be adjusted against the amount in column (8). In no case, the amount in column (6) shall exceed the total of column (4) ,(5) and (8). Such excess will, in fact, represent the short tem capital gains to be filled in item (6) of Schedule 2.
- (vi) Fill out **Schedule -14** if you have certain exempt income. Item 10 of Schedule 2 is to eliminate such income from the computation of profits and loss .if such income is included in profit and loss account. The income shown in Schedule-14 or in Item 10 of Schedule-2 should be net of the expenses incurred in relation to such income.

(iii) **Schedule-3, Schedule-4, and Schedule-6**

(i) **Schedule-3**

- (a) For filling out schedule-3, if more than one short-term capital asset / long-term capital asset has been transferred, make the computation separately. However, details be filled in a consolidated way for all the assets in this Schedule.
- (b) For computing long-term capital gain cost of acquisition and cost of improvement has to be indexed in accordance with provisions of section 48. 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
25.	2005-2006	497

- (c) In items 13 to 14 , long term capital gain from securities to which proviso to section 112(1)is applicable, may be calculated separately. If tax computed at the rate of 10% on capital gains so computed in item 15 is less than 20 % of capital gains computed after indexing, only then, item 15 shall be filled, otherwise, include the computation of such gains in items 10 to12 .

- (d) Long term capital loss can not be set-off against any other income during the year. Same is allowed to be carried forward up to 8 years and can be set off only against long term capital gains.
- (e) Short term capital loss can be set-off only against long term capital gains during a year. Amount not set off is allowed to be carried forward up to 8 years and can be set off only against capital gains.
- (ii) **Schedule -4-**
- (a) Against (c) of item 1, 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".
- (b) 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.
- (c) Winnings from lotteries, crossword puzzles, races etc., are subject to special rates of tax; hence a separate item is provided.
- (iii) **Schedule-6,-**
- (a) If there are four or less than four house properties, fill out the details for each properties in this Schedule. If there are (more than four 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 be filled in last column of this Schedule.
- (b) 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.
- (c) 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 10.
- (d) Item 11 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.
- (iv) **Schedule-7, Schedule-8 and Schedule-9**
- (i) **Schedule-7,-**
- (a) Mention only positive incomes of the current year in column (i), headwise, in the relevant rows.
- (b) Mention current year's loss(es) under any head set off under section 71 against income under any other head, headwise in columns (ii) to (iv), in the relevant rows.
- (c) Mention the end-result of the above inter-head set-off(s) in column (v), headwise, in relevant rows.
- (ii) **Schedule-8,-** Mention only positive incomes of the current year (after set-off of loss in Schedule-7) in column (i), headwise in relevant rows.
- (iii) **Schedule-9,-**
- (a) Loss from owning and maintaining race horses can be carried forward for only four assessment years. For other sources of income losses can be carried forward for eight assessment years.
- (b) Loss from speculative business can not be set off against any other income during the year. Same is allowed to be carried forward and set off against profit from speculative business only. It may please be noted that any such loss for assessment 2006-07 can be carried forward only up to four years.
- (c) Business loss can not be set off against salary income.
- (v) **Schedule-12,-** , furnish the details of income of spouse, minor child, etc., if to be included in your income in accordance with provisions of Chapter V of the Income-tax Act.
- (vi) **Schedule-11,-** The total of the deductions allowable is limited to the amount of gross total income. Audit report ,or any other document if any, on the basis of which deductions under these sections is available is not to be attached with this return.
- (vii) **Schedule-13.** Mention the income included in Schedule-1, Schedule-2, Schedule-3 and Schedule-4 which is chargeable to tax at special rates. The Table is self-explanatory.
- (viii) **Schedule-14.** Mention the income which are exempt from tax. Please note that these incomes be computed after deducting the expenses incurred in relation to such incomes.
- (ix) **Schedule-15.** Calculate the profits and gains from transactions chargeable to securities transaction tax (STT) which form part of the business activities. The tax on such profit has to be computed at the average rate of tax. STT paid by you during the year on the transactions forming part of business activities be entered into in item-3. A rebate of STT so paid by you shall be allowed under section 88E as rebate to the extent of income-tax liability computed on such profits at average rate of tax. Form 10DB/ DC is not required to be attached.
- (x) **Schedule-16. –** It is optional to furnish the details in this Schedule for assessment year 2006-07. If you opt to furnish these details, please furnish them as under:-
- (i) in sub-item (i)&(ii), please furnish the amount of cash balance and amounts in banks (other than time deposits) as on 1st April, 2005 with you and other persons whose income has been included in your income;
- (ii) in sub-item (iii), please furnish the amount of income (other than exempt income and those received in kinds) received during the period from 1st April, 2005 to 31st March, 2006 by you and other persons whose income has been included in your income;
- (iii) in sub-item (iv), please furnish the amount of other receipts, if any, including those by way of exempt income, loans, gifts, encashment of time deposits or any other financial instrument(s)(excluding such part included in item No. (iii) of Schedule-5), return of loans given, maturity of insurance policies, etc., received

during the period from 1st April, 2005 to 31st March, 2006 by you and other persons whose income has been included in your income;

- (iv) in sub-item (vi)(a), please furnish the amount of outgoings in relation to which deduction under Chapter VI-A have been claimed. Amount of such deductions are required to be filled in schedule-8 to this Form.;
- (v) in sub-item (vi)(b), please furnish the amount of other investment (like immovable property, vehicles, jewellery, shares, units and other financial instruments);
- (vi) In item (vii), please furnish the total of cash balances and balance in banks as on 31st March, 2006.

- (vii) in sub-item (ix), the amount of 'other outgoings' has to be filled in. It may be clarified that there is no maintain any record of such outgoings. It will be a derived figure. It has been mentioned in this item itself in the form as to how to arrive upon this figure.

(xi) Schedule-18. In this Schedule, 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 the 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'.

(xii) Schedules-19 and 20- In these Schedules, fill the details of payment of advance income-tax, income-tax on self-assessment, and dividend distribution tax. 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.

(xiii) Schedules-23, 24 and 25- In these Schedules fill the details of tax deducted or collected at source on the basis of TDS or TCS certificates(Form 16A or Form No.27D) issued by the deductor(s) or collector(s). Details of each certificate are to be filled separately in the rows. In case rows provided in these Schedules are not sufficient, please attach a sheet in the same format. However total of TDS/TCS be filled out in the rows provided at the end of these Schedules. It may please be noted that the TDS or TCS certificates are not to be annexed with the Return Form.

Part B

It has been mentioned against various items of this Part as to which figures are to be filled therein. Only following points need to be clarified.

- (i) In item 14, fill the amount of surcharge. In case of individual/ Hindu undivided family or association of persons or body of individuals, surcharge is leviable (at the rate of 10 per cent) only if total income exceeds ten lakh rupees. In other cases the surcharge is leviable (at the rate of 10 per cent.) irrespective of the level of income. However, there is no surcharge in case of a local authority.
- (ii) In item 15, compute the Education Cess at the rate of 2%
- (iii) In item 17(i), fill the details of relief under section 89. Please do not attach Form No. 10E.
- (iv) In item 17(ii), fill the details of total of all double taxation reliefs
- (v) In item 22, compute the interest for defaults in furnishing return of income.
- (vi) In item 23, compute the interest for defaults in payment of advance tax.
- (vii) In item 24, compute the interest for deferment of advance tax.

Schedule-17

- (i) If accounts have been maintained separately for each business, business-wise computation of fringe benefits of the previous year may be carried out and the consolidated figures be given in items 1 to 18.
- (ii) In item 4, any expenditure on or payment for food and beverages provided by the employer to his employees in office or factory or any payment through non-transferable paid vouchers usable only at eating joints or outlets shall not be included in column (ii).
- (iii) In item 5, any expenditure on conveyance, tour and travel (including foreign travel), on hotel, boarding and lodging, in connection with any conference shall be included in column (ii).
- (iv) In item 6, any expenditure on advertisement in any print or electronic media or on sponsorship of any sports event, etc, as referred to in proviso to clause (D) of sub-section (2) of section 115WB shall not be included in column (ii).
- (v) In item 7, any expenditure incurred for fulfilling any statutory obligation or mitigating occupational hazards, as referred to in Explanation to clause (E) of sub-section (2) of section 115WB shall not be included in column (ii).

Schedules-21 and 22

In these Schedules, fill the details of payment of advance fringe benefits tax and fringe benefits tax paid 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.

Part C

- (i) Quarter wise break-up of fringe benefits is required to be given in items 1 to 4, so as to facilitate computation of interest in item 12 for default in paying the quarterly instalments of advance fringe benefits tax.
- (ii) In item 5, fill the details of fringe benefits as computed in item 20(d) of Schedule 17. The amount in item 5 must necessarily be equal to the total of the amounts in items 1 to 4.
- (iii) In item 6, compute the fringe benefit tax payable on the value of fringe benefits for the previous year, i.e., on the amount in item 5.
- (iv) In item 7, compute the surcharge as prescribed by the law on the fringe benefit tax as computed in item 6. In case of association of persons or body of individuals, surcharge is leviable (at the rate of 10 per cent) only if

total fringe benefits exceeds ten lakh rupees. In case of a firm or artificial juridical person the surcharge is leviable (at the rate of 10 per cent.) irrespective of the level of total fringe benefits.

- (v) In item 8, compute the education cess as prescribed by the law on the fringe benefit tax and surcharge thereon. The rate of education cess is 2 per cent.
- (vi) In item 12, compute the interest under section 115WJ(3) for default in payment of advance fringe benefit tax.
- (vii) In item 13, compute the interest under section 115WK(1) for defaults in furnishing return of fringe benefits.

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. 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.

Certificate of electronically furnishing the details of the Return

It be given by the same person who is verifying the Return.