

RJA

Rajput Jain & Associates
Chartered Accountants

CHANGES IN ITR FORMS
(AY:2020-21)

About Us

- Rajput Jain & Associates is a Chartered Accountants firm, with its headquarter situated at New Delhi (the capital of India). The firm has been set up by a group of young, enthusiastic, highly skilled and motivated professionals who have taken experience from top consulting firms and are extensively experienced in their chosen fields has providing a wide array of Accounting, Auditing, Taxation, Assurance and Business advisory services to various clients and their stakeholders. focus at providing tailor made solutions to challenging problems of our clients, and perform with high quality and timely service.
- Rajput jain & Associates, a professional firm, offers its clients a full range of services, To serve better and to bring bucket of services under one roof, the firm has merged with it various Chartered Accountancy firms pioneer in diversified fields
- Our main office is located at Delhi. Incidentally, Delhi is the Capital of India. Our other offices are in Mankapur & Moradabad (U.P.). We have associates all over India in big cities. All our offices are well equipped with latest technological support with updated reference materials. We have a large team of professionals other than our Core Team members to meet the requirements of our prospective clients including the existing ones. However, considering our commitment towards high quality services to our clients, our team keeps on growing with more and more associates having strong professional background with good exposure in the related areas of responsibility. Further to meet the growing demands of the fiercely competitive market we are constantly looking forward for team of associates comprising of highly skilled professionals to cater the needs ever increasing clientele.

FORMS TO BE USED BY TAXPAYER

- ITR-1
- ITR-2
- ITR-3
- ITR-4
- ITR-5
- ITR-6
- ITR-7

ITR-1

- ✓ an individual
- ✓ resident and ordinarily resident
- ✓ Incomes
 - ✓ Salaries
 - ✓ family pension
 - ✓ Income from house property
 - ✓ Income from other sources
- x Capital Gains
- x PGBP

ITR-1

- x Non-resident
- x Resident but not ordinarily resident
- x Own more than one house property
- x B/f loss or c/f loss u/h IHP
 - x What if b/f loss u/h CG is there and need to be c/f further without set-off in this year???
- x Loss u/h IOS
- x assets (including financial interest in any entity) located outside India
- x signing authority in any account located outside India
- x income from any source outside India
- x income to be apportioned as per section 5A

ITR-1

- x deduction u/s 57, except against family pension
- x director in any company;
- x held unlisted equity share at any time during the previous year;
- x assessable for the whole or any part of the income on which tax has been deducted at source in the hands of a person other than the assessee
- x claimed any relief of tax u/s 90 or 90A or deduction of tax u/s 91
- x agricultural income, exceeding Rs. 5,000
- x total income, exceeding Rs. 50 lakh
- x income taxable u/s 115BBDA
- x income of the nature referred to in section 115BBE

ITR-4

- ✓ Individual/HUF/Firm (except LLP)
- ✓ Resident & Ordinarily Resident (Resident in case of Firm)
- ✓ Income u/h PGBP – Section 44AD, 44ADA, 44AE

x Income u/h Capital Gains???

x As per Rule 12, ITR-4 can be opt for

x As per ITR Forms, cannot be opted for

ITR-4

- x Non-resident
- x Resident but not ordinarily resident
- x Own more than one house property
- x B/f loss or c/f loss under any head
- ~~x Loss u/h IOS~~
 - x i.e. current year loss u/h IOS allowed
 - x But utility provides that only deduction against family pension can be claimed
 - x No schedule for set-off of such loss
- x assets (including financial interest in any entity) located outside India
- x signing authority in any account located outside India
- x income from any source outside India
- x income to be apportioned as per section 5A

ITR-4

- x director in any company;
- x held unlisted equity share at any time during the previous year;
- x assessable for the whole or any part of the income on which tax has been deducted at source in the hands of a person other than the assessee
- x claimed any relief of tax u/s 90 or 90A or deduction of tax u/s 91
- x agricultural income, exceeding Rs. 5,000
- x total income, exceeding Rs. 50 lakh
- x income taxable u/s 115BBDA
- x income of the nature referred to in section 115BBE

ITR-2

✓ Individual/HUF

x Total income does not include income u/h PGBP

x What if partner in Firm/LLP and only profit share is there and that too NIL amount

ITR-3

- Individual/HUF
- Other than eligible for ITR-1, ITR-2 and ITR-4

ITR-5

- All except
 - Individual
 - HUF
 - Company
 - Liable for ITR-7

ITR-6

- For all companies except
 - Liable for ITR-7

ITR-7

- Liable to file ITR u/s
 - 139(4A) – Trusts governed by Sections 11 to 13
 - 139(4B) – Political Parties
 - 139(4C) – Specified Section 10 institutions
 - 139(4D) – Section 35 institutions

Nature of income	ITR 1*	ITR 2	ITR 3	ITR 4*
Salary Income				
Income from salary/pension (for ordinarily resident person)	✓	✓	✓	✓
Income from salary/pension (for not ordinarily resident and non-resident person)		✓	✓	
Any individual who is a Director in any company		✓	✓	
Income from House Property				
Income or loss from one house property (excluding brought forward losses and losses to be carried forward)	✓	✓	✓	✓
Individual has brought forward loss or losses to be carried forward under the head House Property		✓	✓	

Nature of income	ITR 1*	ITR 2	ITR 3	ITR 4*
Income from Business or Profession				
Income from business or profession			✓	
Income from presumptive business or profession covered under section 44AD, 44ADA and 44AE (for person resident in India)				✓
Income from presumptive business or profession covered under section 44AD, 44ADA and 44AE (for not ordinarily resident and non-resident person)			✓	
Interest, salary, bonus, commission or share of profit received by a partner from a partnership firm			✓	
Capital Gains				
Taxpayer has held unlisted equity shares at any time during the previous year		✓	✓	
Capital gains/loss on sale of investments/property		✓	✓	

Nature of income	ITR 1*	ITR 2	ITR 3	ITR 4*
Income from Other Sources				
Family Pension (for ordinarily resident person)	✓	✓	✓	✓
Family Pension (for not ordinarily resident and non-resident person)		✓	✓	
Income from other sources (other than income chargeable to tax at special rates including winnings from lottery and race horses or losses under this head)	✓	✓	✓	✓
Income from other sources (including income chargeable to tax at special rates including winnings from lottery and race horses or losses under this head)		✓	✓	
Dividend income exceeding Rs. 10 lakhs taxable under Section 115BBDA		✓	✓	
Unexplained income (i.e., cash credit, unexplained investment, etc.) taxable at 60% under Section 115BBE		✓	✓	
Person claiming deduction under Section 57 from income taxable under the head 'Other Sources' (other than deduction allowed from family pension)		✓	✓	

Nature of income	ITR 1*	ITR 2	ITR 3	ITR 4*
Deductions				
Person claiming deduction under Section 80QQB or 80RRB in respect of royalty from patent or books		✓	✓	
Person claiming deduction under section 10AA or Part-C of Chapter VI-A			✓	
Total Income				
Agricultural income exceeding Rs. 5,000		✓	✓	
Total income exceeding Rs. 50 lakhs		✓	✓	
Assessee has any brought forward losses or losses to be carried forward under any head of income		✓	✓	
Computation of Tax liability				
If an individual is taxable in respect of an income but TDS in respect of such income has been deducted in hands of any other person (i.e., clubbing of income, Portuguese Civil Code, etc.)		✓	✓	
Claiming relief of tax under sections 90, 90A or 91		✓	✓	

Nature of income

ITR 1* ITR 2 ITR 3 ITR 4*

Others

Assessee has:			
Income from foreign sources	✓	✓	
Foreign Assets including financial interest in any foreign entity			
Signing authority in any account outside India			
Income has to be apportioned in accordance with Section 5A	✓	✓	

* ITR-1 can be filed by an Individual only who is ordinarily resident in India. ITR-4 can be filed only by an Individual or HUF who is ordinarily resident in India and by a firm (other than LLP) resident in India.

Other Assesseees				
Status of Assessee	ITR 4	ITR 5	ITR 6	ITR 7
Firm (excluding LLPs) opting for presumptive taxation scheme of section 44AD, 44ADA or 44AE	✓			
Firm (including LLPs)		✓		
Association of Persons (AOPs)		✓		
Body of Individuals (BOI)		✓		
Local Authority		✓		
Artificial Juridical Person		✓		
Companies other than companies claiming exemption under Section 11			✓	
Persons including companies required to furnish return under: Section 139(4A); Section 139(4B); Section 139(4C); Section 139(4D);				✓
Business Trust		✓		
Investment Fund as referred to in Section 115UB		✓		

SCHEDULE DI

- Three parts
- Part 1
 - Chapter VI-A Part B – Deduction for certain payments
 - Date extended to 31/07/2020
- Part 2
 - Section 10AA Deduction
 - Date extended to 30/09/2020
- Part 3
 - Section 54 to 54GB
 - Date extended to 30/09/2020

SCHEDULE DI

- Eligible amount auto populate
- You need to fill amount which invested after 31/03/2020 but you are claiming benefit in AY 2020-21
- Balance amount, if any, invested after 31/03/2020 can be used for AY 2021-22

SEVENTH PROVISO TO SECTION 139(1)

- Mandate to file ITR
- Any person other than Company & Firm (including LLP)
- Fulfills any one condition
 - Have you deposited amount or aggregate of amounts exceeding Rs. 1 Crore in one or more current account during the previous year? (Yes/No)
 - Have you incurred expenditure of an amount or aggregate of amount exceeding Rs. 2 lakhs for travel to a foreign country for yourself or for any other person? (Yes/ No)
 - Have you incurred expenditure of amount or aggregate of amount exceeding Rs. 1 lakh on consumption of electricity during the previous year? (Yes/No)

SEVENTH PROVISIO TO SECTION 139(1)

- Applicable if one or more conditions fulfilled
- Is data required to be provided for all 3 type of transactions (if limit exceeded)???
- Logically should be for Residents only, but in absence of clarification, may be interpreted that RNOR & NR also covered up

PAN VS AADHAAR

- Is truly interchangeable now???
- Assessee's PAN must, no option to use Aadhaar alternatively
- At other places where as per PDF forms notified, it is written PAN/Aadhaar
 - But in ITR Utilities, separate column for PAN and Aadhaar
 - In case of ITR by representative, showing error if PAN not filled up
 - Only on successful submission, can be sure regarding the same

TAX AUDIT VS TURNOVER

- Turnover between 1cr. and 5cr.
 - Whether during the year Total sales/turnover/gross receipts of business exceeds Rs. 1 crores but does not exceed Rs. 5 crores?
 - If Yes is selected, whether aggregate of all amounts received including amount received for sales, turnover or gross receipts or on capital account like capital contributions, loans etc. during the previous year, in cash, does not exceed five per cent of said amount
 - If Yes is selected, whether aggregate of all payments made including amount incurred for expenditure or on capital account such as asset acquisition, repayment of loans etc., in cash, during the previous year does not exceed five per cent of the said payment

NATURE OF EMPLOYMENT

- Earlier
 - Government
 - Public sector undertaking
 - Pensioners
 - Others
- Now
 - Central Government
 - State Government
 - Public sector undertaking
 - Pensioners
 - Others
 - Not Applicable

ITR 5 & 6

- Option to choose self-occupied property
- Why required???

HIDDEN CHANGES

- Schedule 112A and 115AD made mandatory
- Immovable property capital gains
 - Section 50C – option to declare sale consideration less than Circle rate removed
 - How to report and further save himself from view of full & true disclosure

OTHER

- Reporting of dividend received from Specified Foreign Company – Section 115BBD
- Schedule SH-1 – not applicable in case of Section 8 companies and companies limited by guarantee
- Depreciation Block of 45% - Motor buses, motor lorries and motor taxis used in a business of running them on hire, acquired on or after the 23rd day of August, 2019 but before the 1st day of April, 2020 and is put to use before the 1st day of April, 2020.

OTHER

- Separate columns for surcharge on incomes u/s 112A & 111A
 - For these incomes, maximum surcharge rate is 15%
 - For other incomes, maximum surcharge rate is 37%
- If ITR filed in response to notice like 142(1), 148, 153A, then DIN is required to be mentioned
- Introduction of section 80EEA and 80EEB in Schedule VI-A
- Can select multiple bank accounts for refund
 - Was there in last year utilities already

OTHER

- Companies to opt for Section 115BAA and 115BAB
- Section 43B – Schedule OI
 - any sum payable by the assessee as interest on any loan or borrowing from a deposit taking NBFC or systemically important non-deposit taking NBFC, in accordance with the terms and conditions of the agreement governing such loan or borrowing
- Section 140 – who can verify ITR
 - Amendments w.e.f. AY 2020-21
 - For Company & LLP both
 - ITR form changed only for company
 - Any other person as may be prescribed
 - No person prescribed till date u/s 140
 - Even last year there were similar cases

OTHER

- Chapter VI-A deductions
 - Section 54EE removed
 - As no fund notified till date
- ITR-6 – co-ownership in land or building sold – Capital Gains
 - Only its share to be reported
 - Why this clarification required???

Contact Us

- Rajput Jain & Associates Address: P-6/90, Connaught Circus Connaught Place New Delhi-110001
- Mobile No: 9811322785, 9555555480
- Telephone: +91 011 -23343333
- Email : info@carajput.com, singh.swatantra@gmail.com
- Website : www.carajput.com

Corporate & Head Office

- Address: 1598, Level-1, Sector 22-B, Chandigarh
- Mobile No: 9555555480, 9811322784, 9871857333
- Email : rajputjainandassociates@gmail.com

- Address: Building No. 53/160 R5, Bhakti Nagar, Pandeypur Varanasi 221002 (U.P) India

- Address: D 301 Omex Royal Apartment Sector 44 Noida, India

- Address: Building No 65 Ward No.10 Lakhe Chaur Marg, Kathmandu Metropolitan Kathmandu, Nepal.

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