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CERTIFICATE COURSE ON FILING OF RETURNS

Today's Content – Practical Guide to file ITR- 5

What is ITR 5?

ITR-5 is an Income Tax Return (ITR) form used by specific entities such as firms, LLPs, Association of Persons (AOPs), and other non-individual taxpayers in India. It is designed for reporting income, tax computation, and compliance with tax laws.

1. Eligibility to File ITR-5

Entities required to file ITR-5 include:

- ✓ **Firms (Partnership Firms & LLPs)**
- ✓ **Association of Persons (AOPs)**
- ✓ **Body of Individuals (BOIs)**
- ✓ **Artificial Juridical Persons (AJP)**
- ✓ **Local Authorities**
- ✓ **Co-operative Societies**
- ✓ **Business Trusts & Investment Funds**

Who Cannot File ITR-5?

Entities not allowed to file ITR-5:

- ✗ **Individuals and HUFs (they file ITR-1 to ITR-4)**
- ✗ **Companies (they file ITR-6)**
- ✗ **Charitable/religious trusts (they file ITR-7)**

2. Key Features of ITR-5

✔ Comprehensive Reporting of Income

- Business or professional income (Presumptive or Regular)
- Capital Gains (Short-term and Long-term)
- Rental income (House Property)
- Income from Other Sources (Interest, Dividends, etc.)

✔ Tax Computation & Deductions

- Adjustments for **depreciation, carry forward of losses, and deductions under Chapter VI-A**
- Deductions under **Sections 80C, 80D, 80G, 80JJAA, 80P, etc.**
- Exemptions available under sections **10, 54, 54EC, 54F, etc.**

✔ Balance Sheet & Profit & Loss Reporting

- Detailed disclosures for firms, LLPs, and AOPs
- **Breakdown of assets, liabilities, and capital structure**
- **Tax audit requirements (if applicable)**

✔ TDS & TCS Credit

- **Claim of TDS deducted** under Section 194C, 194J, etc.
- **TCS (Tax Collected at Source) credits**

✔ MAT (Minimum Alternate Tax) & AMT (Alternate Minimum Tax)

- If applicable, businesses must **calculate MAT under Section 115JB or AMT under 115JC.**

✔ Schedule IF: Partnership Firms

- If the entity is a **partner in another firm**, its share of profit/loss is reported here.

✔ GST & Other Regulatory Disclosures

- GST Turnover details required for reconciliation with **GSTR filings.**

Key Changes in the ITR-5 Form in AY 2024-25

- Provide the acknowledgement number for the [Audit Report](#) and [UDIN](#)
- Show the sum subjected to be paid to MSME beyond the mentioned time limit
- Comprehensive data related to the utilisation of capital gains accounts scheme
- Under Schedule 80GGC, the information for the contribution to political parties is sought in detail.
- Schedule OS included the declaration of bonus payment under LIC policies, receipt information of dividends from IFSC units
- Startups under Section 80-IAC- The schedule asks for the information date of incorporation, nature of business, certificate number obtained from Inter-Ministerial Board, First AY - when deduction claimed, and amount of deduction availed for current AY
- MSME particulars are needed, such as registration status and registration number as allotted MSME

Key Changes for AY 2025-26

The form has been updated to reflect amendments from the **Finance Act, 2024** and **CBDT Notification No. 42/2025**. Notable updates include:

- **Capital Gains Reporting by Date:** Gains must be split based on whether the transaction occurred before or after **July 23, 2024**, due to revised tax rates (e.g., LTCG under Section 112A now taxed at 12.5% instead of 10%).
- **Buyback Loss Restrictions:** From **October 1, 2024**, capital loss on share buybacks is allowed only if the related dividend income is declared under "Income from Other Sources".
- **Section 44BBC:** Introduced a presumptive taxation scheme for **non-resident cruise operators**, taxing 20% of gross passenger revenue².
- **TDS Section Code Mapping:** Mandatory to specify exact TDS section codes (e.g., 194A, 194C) to improve reconciliation with Form 26AS and AIS.
- **Enhanced Entity Identification:** Requires detailed entity info including LLPIN, incorporation date, and dual mobile numbers and emails.
- **Filing Status Dropdown:** Lets user's select filing section (e.g., 139(1), 139(4)) and due date (July 31, October 31, or November 30).
- **Business Trust Declaration:** Checkbox added to identify REITs or InvITs.

Filing Deadlines

- **Non-audit cases:** Extended to **September 15, 2025** (originally July 31)
- **Audit cases:** **October 31, 2025**
- **Transfer pricing cases:** **November 30, 2025**
- **Belated return:** Allowed till **December 31, 2025**, with late fees (₹5,000 or ₹1,000 if income < ₹5 lakh)

Step-by-Step Filing Process

1. Login to the e-Filing Portal

- Visit Income Tax e-Filing Portal
- Use your PAN and password to log in
- Navigate to **e-File > Income Tax Return > File Income Tax Return**

2. Select the Correct Form

- Choose **Assessment Year: 2025-26**
- Select **ITR Form: ITR-5**
- Filing type: **Original** or **Revised**
- Submission mode: **Online** or **Upload JSON**

3. Fill in the Required Sections

Here are the key schedules and what they require:

Section	Details to Fill
Part A – General	Entity info, PAN, address, nature of business
Schedule BP	Business/profession income details
Schedule CG	Capital gains (split by date: before/after July 23, 2024)
Schedule DPM/DOA	Depreciation on assets
Schedule IF	Partners' details in case of firm/LLP
Schedule AL	Assets and liabilities

Section	Details to Fill
Schedule TDS/TCS	Tax deducted/collected at source
Schedule MAT/MATC	Minimum alternate tax and credit
Schedule 80G/80IA etc.	Deductions claimed
Schedule VI-A	Other deductions under Chapter VI-A
Verification	Name, designation, and DSC/e-verification method

4. Attach Audit Reports (if applicable)

- Upload audit reports under relevant sections (e.g., 44AB, 92E)
- Ensure they are submitted **before filing the return**

5. Validate and Preview

- Use the **“Validate”** button to check for errors
- Preview the entire form before submission

6. Submit and E-Verify

- Submit the return
- Choose one of the following for verification:
 - **Digital Signature Certificate (DSC)**
 - **Aadhaar OTP**
 - **Net banking**
 - **EVC via bank account or demat account**

★ Tips for Smooth Filing

- Use “NA” for non-applicable fields and “Nil” for zero values
- Round off figures to the nearest rupee (or ₹10 for total income/tax)
- Keep Form 26AS and AIS handy for reconciliation
- Mention correct TDS section codes (e.g., 194A, 194C)

Discussion on any questions

