

DIRECT TAX

Circular No. – 18 of 2019

Date – 8th August 2019

Clarification in respect of filling-up of the ITR forms for the Assessment Year 2019-20

The Income-tax return (ITR) forms for the Assessment Year (AY) 2019-20 were notified vide notification bearing G.S.R. 279(E), dated the 1st day April, 2019. Subsequently, the instructions for filing ITR forms were issued and the software utility for e-filing of all the ITR forms were also released. After notification of the ITR forms various queries have been raised by the stakeholders in respect of filling-up of the ITR forms. In order to address such queries, following clarifications are issued. __

Question.1: I am a non-resident. The Taxpayer Identification Number (TIN) is not allotted in my jurisdiction of residence. How do I report the same in the column on “residential status”?

Answer: In case TIN has not been allotted in the jurisdiction of residence, the passport number should be mentioned instead of TIN. Name of the country in which the passport was issued should be mentioned in the column “jurisdiction of residence”.

Question.2: I am a director in a foreign company which does not have PAN. How do I report the same against the column “Whether you were Director in a company at any time during the previous year?”

Answer: You should choose “foreign company” in the drop-down provided for “type of company”. In such case, PAN is not mandatory. However, PAN should be mentioned, if such foreign company has been allotted a PAN.

Question.3: Whether an individual who is a non-resident, or resident but not ordinary resident (RoNR) is also required to disclose details of his directorship in a foreign company which does not have any income accruing or arising in India?

Answer: Yes.

Question.4: I have held shares of a company during the previous year, which are listed in a recognized stock exchange outside India. Whether I am required to report the requisite details against the column “Whether you have held unlisted equity shares at any time during the previous year?”

Answer: No. 2

Question.5: I have held equity shares of a company which were previously listed in a recognised stock exchange, but delisted subsequently, and became unlisted. How do I report PAN of company in the column “whether you have held unlisted equity shares at any time during the previous year”?

Answer: In such cases, PAN of the company may be furnished if it is available. In case PAN of delisted company cannot be obtained, you may enter a default value in place of PAN, as “NNNNN000N”.

Question.6: In case unlisted equity shares are acquired or transferred by way of gift, will, amalgamation, merger, demerger, or bonus issue etc., how to report the “cost of acquisition” and “sale consideration” in the relevant column?

Answer: You may enter zero or the appropriate value against “cost of acquisition” or “sale consideration” in such cases. Please note that the details of unlisted equity shares held during the year are required only for the purpose of reporting. The quantitative details entered in this column are not relevant for the purpose of computation of total income or tax liability.

Question.7: I hold shares in an unlisted foreign company which has been duly reported in the Schedule FA. Whether I am required to report the same again in the column “Whether you have held unlisted equity shares at any time during the previous year?”

Answer: Yes.

Question. 8: I have held unlisted equity shares as stock-in-trade of business during the previous year. Whether I have to report the same in the column “Whether you have held unlisted equity shares at any time during the previous year?”

Answer: Yes.

Question. 9: Please clarify whether holding of equity shares of a Co-operative Bank or Credit Societies, which are unlisted, are required to be reported?

Answer: The details of equity shareholding in any entity which is registered under the Companies Act, and is not listed on any recognised stock exchange, is only required to be reported.

Question. 10: I have sold land and building to a non-resident. Whether I need to report the PAN of buyer in the table A1/B1 in Schedule CG?

Answer: As mentioned in ITR form, quoting of PAN of buyer is mandatory only if tax is deducted under section 194-IA or is mentioned in the documents.

Question.11: I am resident and have sold land and building situated outside India. Whether I need to report the details of property and identity of buyer in Schedule CG?

Answer: The details of property and name of buyer should invariably be mentioned. However, quoting of PAN of buyer is mandatory only if tax is deducted under section 194-IA or is mentioned in the documents

Question. 12: Whether it is mandatory to provide ISIN details and scrip-wise computation of Long Term Capital Gains (LTCG) arising on sale of Shares/Mutual Funds units on which STT has been paid?

Answer: The tools for computation of LTCG under sections 112A and 115AD have been provided in the departmental utility for the convenience of taxpayers. These are optional tools designed for computation of the final figures of LTCG, which is then populated in the respective items in Schedule CG. Alternatively, the taxpayers can themselves compute the aggregate long term gain or loss manually, and input the same directly in the respective items in Schedule CG.

Question.13: An unlisted company is required to furnish details of assets and liabilities in the Schedule AL-1 of ITR-6? Please clarify whether details of assets held as stock-in-trade of business are also required to be reported therein.

Answer: In case jewellery/motor vehicle etc. is held as stock-in-trade of business, the drop-down value “stock-in-trade” should be selected against the field “purpose for which used”, while filling up details in the

relevant table (table „I“ or table „H“). In such cases, only the aggregate values are required to be filled up, and the particular details of each asset held as stock-in-trade is not required to be reported.

Question.14: I hold foreign assets during the previous year which have been duly reported in the Schedule FA. Whether I am required to report such foreign asset again in the Schedule AL (if applicable)?

Answer: Yes.

Question.15: An unlisted company is required to furnish details of shareholding as at the end of previous year in the Schedule SH-1 of ITR-6. Please clarify whether these details are required to be furnished in case of an unlisted foreign company.

Answer: Not required.

Question.16: An unlisted company is required to furnish details of assets and liabilities in the Schedule AL-1 of ITR-6. Please clarify whether these details are required to be furnished in case of an unlisted foreign company.

Answer: Not required.

Question.17: Please clarify whether a farmer producer company as defined in section 581A of Companies Act, 1956 is required to furnish details of shareholding in the Schedule SH-1 of ITR6?

Answer: No. However, please ensure to tick the option „Yes“ against the item “whether the company is a producer company as defined in section 581A of Companies Act, 1956?” in Part-A General.

Question.18: A company is required to disclose break-up of all payments and receipts during the year, in foreign currency, as per Schedule FD of ITR-6 (if it is not required to get the accounts audited u/s 44AB). Please clarify whether only the receipts/payments related to business operations in India are required to be reported in Schedule FD?

Answer: Yes. In Schedule FD, the break-up of receipts and payments in foreign currency is required to be reported only in respect of business operations in India.

Question.19: In schedule TDS, one is required to enter the head under which corresponding receipt has been offered. In some cases, TDS is deducted by the payer in current year, but corresponding income is to be offered in future years. How to fill up Schedule TDS in such cases?

Answer: In such cases, no TDS credit should be claimed under the column “in own hands” for the current year. If this is done, the column “Corresponding receipt offered” is greyed-off and is not required to be filled up.