

## Instructions for filling out FORM ITR-2

### 1. Legal status of instructions

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. Assessment Year for which this Form is applicable

This Form is applicable for assessment year 2008-2009 only.

### 3. Who can use this Form

This Form can be used by an individual or a Hindu Undivided family whose total income does not include any income chargeable to income-tax under the head "Profits or gains of business or profession". It may please be noted that a person who is entitled to use Form ITR-1 shall not use this form. Further, a person who is partner in a firm is required to use Form ITR-3. In case a partner in the firm does not have any income from the firm by way of interest, salary, etc. and has only exempt income by way of share in the profit of the firm shall not use Form ITR-2.

### 4. Annexure-less Form

No document (including TDS certificate) should be attached to this form. Official receiving the return has been instructed to detach all documents enclosed with this form and return the same to the assessee.

### 5. Manner of filing this Form

This Form can be submitted to the Income Tax Department in any of the following manners, -

- (i) by furnishing the return in a paper form;
- (ii) by furnishing the return electronically under digital signature;
- (iii) by transmitting the data in the return electronically and thereafter submitting the verification of the return in Form ITR-V;
- (iv) by furnishing a bar-coded paper return.

Where the form is furnished in the manner mentioned at 5(iii), you need to print out two copies of Form ITR-V. Both copies should be verified by the assessee and submitted to the Income-tax Department. The receiving official shall return one copy after affixing the stamp and seal.

### 6. Filing out the acknowledgement

Where the form is furnished in the manner mentioned at 5(i) or 5(iv), acknowledgement slip attached with this Form should be duly filled out.

### 7. Form not to be filed in duplicate

This form is not required to be filed in duplicate.

### 8. Intimation of processing under section 143(1)

The acknowledgement of the return is deemed to be the intimation of processing under section 143(1). No separate intimation will be sent to the taxpayer unless there is a demand or refund.

### 9. Codes for filling out this Form

Some of the details in this form have to be filled out on the basis of the relevant codes. These are as under:-

- (i) The code (to be filled in the section "Filing Status" on first page) for sections under which the return is filed are as under:-

Sl.No.	How the return is filed	Code
i.	Voluntarily before the due date	11
ii.	Voluntarily after the due date	12
iii.	In response to notice under section 142(1)	13
iv.	In response to notice under section 148	14
v.	In response to notice under section 153A	15

- (ii) In **Schedule AIR**, the details of following transactions, if any, entered by you during the financial year 2007-08 are to be entered. (If a transaction is not entered, please leave blank the relevant column in this item).

Sl.No.	Code	Nature of transaction
1.	001	Cash deposits aggregating to ten lakh rupees or more in a year in any savings account by you maintained in a banking company to which the Banking Regulation Act, 1949 (10 of 1949), applied (including any bank or banking institution referred to in section 51 of that Act)
2.	002	Payment made by you against bills raised in respect of a credit card aggregating to two lakh rupees or more in a year.
3.	003	Payment made by you of an amount of two lakh rupees or more for purchase of units of Mutual Fund.
4.	004	Payment made by you of an amount of five lakh rupees or more for acquiring bonds or debentures issued by a company or institution.
5.	005	Payment made by you of an amount of one lakh rupees or more for acquiring shares issued by a company.
6.	006	Purchase by you of any immovable property valued at thirty lakh rupees or more.
7.	007	Sale by you of any immovable property valued at thirty lakh rupees or more.
8.	008	Payment made by you of an amount of five lakh rupees or more in a year for investment in bonds issued by Reserve Bank of India.

- (iii) In **Schedule SI**, the codes for the sections which prescribed special rates of tax for the income mentioned therein are as under:-

Sl. No.	Nature of income	Section	Rate of tax	Section code
1.	Tax on accumulated balance of recognised provident fund	111	To be computed in accordance with rule 9(1) of Part A of fourth Schedule	1
2.	Short term capital gains	111A	10	1A
3.	Long term capital gains (with indexing)	112	20	21
4.	Long term capital gains (without indexing)	112	10	22

5.	Dividends, interest and income from units purchase in foreign currency	115A(1)(a)	20	5A1a
6.	Income from royalty or technical services where agreement entered between 31.3.1961 to 31.3.1976 in case of royalty and between 29.2.1964 and 31.3.1976, and agreement is approved by the Central Government.	Paragraph EII of Part I of first schedule of Finance Act	50	FA
7.	Income from royalty & technical services	115A(1)(b) if agreement is entered on or before 31.5.1997	30	5A1b1
8.	Income from royalty & technical services	115A(1)(b) if agreement is entered on or after 31.5.1997 but before 1.6.2005	20	5A1b2
9.	Income from royalty & technical services	115A(1)(b) if agreement is on or after 1.6.2005	10	5A1b3
10.	Income received in respect of units purchase in foreign currency by a off-shore fund	115AB(1)(a)	10	5AB1a
11.	Income by way of long-term capital gains arising from the transfer of units purchase in foreign currency by a off-shore fund	115AB(1)(b)	10	5AB1b
12.	Income from bonds or GDR purchases in foreign currency or capital gains arising from their transfer in case of a non-resident	115AC(1)	10	5AC
13.	Income from GDR purchased in foreign currency or capital gains arising from their transfer in case of a resident	115ACA(1)	10	5ACA
14.	Profits and gains of life insurance business	115B	12.5	5B
15.	Winnings from lotteries, crosswords puzzles, races including horse races, card games and other games of any sort or gambling or betting of any form or nature whatsoever	115BB	30	5BB
16.	Tax on non-residents sportsmen or sports associations	115BBA	10	5BBA
17.	Tax on income from units of an open – ended equity oriented fund of the Unit Trust of India or of Mutual Funds	115BBB	10	5BBB
18.	Anonymous donations	115BBC	30	5BBC
19.	Investment income	115E(a)	20	5Ea
20.	Income by way of long term capital gains	115E(b)	10	5Eb

**10. SCHEME OF THE LAW-** Before filling out the form, you are advised to read the following-

**(1) Computation of total income**

- (a) “Previous year” is the financial year (1<sup>st</sup> April to the following 31<sup>st</sup> 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) “Capital gains”; and (D) “Income from other sources”. (There may be no income under one or more of these heads of income).
  - (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. Besides, calculate agricultural income for rate purposes.

**(2) Computation of income-tax, surcharge, education cess including secondary and higher 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) Add surcharge as prescribed by the law on the above tax payable.

- (c) Add Education cess including secondary and higher education cess as prescribed on the tax payable plus surcharge.
- (d) Claim relief(s) as prescribed by the law, on account of arrears or advances of salary received during the year or of double taxation and calculate balance tax and surcharge payable.
- (e) 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”, “advance-tax” and “self-assessment-tax”. The result will be the tax payable (or refundable).

**(3) Obligation to file return**

- (a) Every individual and HUF has to furnish the return of his income if his total income before allowing deduction under Chapter VI-A (i.e., if his gross total income referred to in item 9 of Part B-TI of this Form) exceeds the maximum amount which is not chargeable to income tax [Rs. 1,10,000/- in case of individuals below the age of 65 years (other than women) and HUF, Rs. 1,45,000/- in case of women below the age of 65 years, and Rs. 1,95,000/- in case of individuals who are of the age of 65 years or more at any time during the financial year 2007-08] .
- (b) The losses, if any, (item-14 of Part B-TI of this Form) shall not be allowed to be carried forward unless the return has been filed on or before the due date.

**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 two parts. It also has fifteen work tables (referred to as “schedules”). The parts and the schedules are described below:-

- (i) The first part, i.e., Part-A is spread over half of the first page of the return. It mainly seeks general information requiring identificatory and other data.
- (ii) The second part, i.e, Part-B on page 1 and page 2 is regarding an outline of the total income and tax computation in respect of income chargeable to tax.
- (iii) on page 2, there is a space for furnishing details of the transmission of the data of the form if the form has been furnished in the manner mentioned at instruction No.5(iii).
- (iv) After Part-B, on page 2, there is a space for a statutory verification.,
- (v) On top of page 3, there are details to be filled if the return has been prepared by a Tax Return Preparer.
- (vi) On pages 3 to 6, there are 15 Schedules details of which are as under-
  - (a) Schedule-S: Computation of income under the head Salaries.
  - (b) Schedule-HP: Computation of income under the head Income from House Property
  - (c) Schedule-CG: Computation of income under the head Capital gains.
  - (d) Schedule-OS: Computation of income under the head Income from other sources.
  - (e) Schedule-CYLA: Statement of income after set off of current year’s losses
  - (f) Schedule-BFLA: Statement of income after set off of unabsorbed loss brought forward from earlier years.
  - (g) Schedule- CFL: Statement of losses to be carried forward to future years.
  - (h) Schedule-VIA: Statement of deductions (from total income) under Chapter VIA.
  - (i) Schedule SPI: Statement of income arising to spouse/ minor child/ son’s wife or any other person or association of persons to be included in the income of assessee in Schedules-HP, CG and OS.
  - (j) Schedule-SI: Statement of income which is chargeable to tax at special rates
  - (k) Schedule-EI: Statement of Income not included in total income (exempt incomes)
  - (l) Schedule-AIR: Information regarding transactions which are reported through Annual Information Return under section 285BA.
  - (m) Schedule-IT: Statement of payment of advance-tax and tax on self-assessment.
  - (n) Schedule-TDS1: Statement of tax deducted at source on salary.
  - (o) Schedule-TDS2: Statement of tax deducted at source on income other than salary.

**12. GUIDANCE FOR FILLING OUT PARTS AND SCHEDULES**

**(1) General**

- (i) All items must be filled in the manner indicated therein; otherwise the return maybe liable to be held defective or even invalid.
- (ii) If any schedule is not applicable score across as “---NA---“.
- (iii) If any item is inapplicable, write “NA” against that item.
- (iv) Write “Nil” to denote nil figures.
- (v) Except as provided in the form, for a negative figure/ figure of loss, write “-” before such figure.
- (vi) All figures should be rounded off to the nearest one rupee. However, the figures for total income/ loss and tax payable be finally rounded off to the nearest multiple of ten rupees.

**(2) Sequence for filling out parts and schedules**

You are advised to follow the following sequence while filling out the form;

- (i) Part A- General on page 1.
- (ii) Schedules
- (iii) Part B-TI and Part B-TTI
- (iv) Verification
- (v) Details relating to TRP and counter signature of TRP if return is prepared by him.

**13. PART-GEN**

Most of the details to be filled out in Part-Gen of this form are self-explanatory. However, some of the details mentioned below are to be filled out as explained hereunder:-

- (a) e-mail address and phone number are **optional**;
- (b) In case of an individual, for “**employer category**”, Government category will include Central Government/ State Governments employees. PSU category will include public sector companies of Central Government and State Government;

- (c) The **code for sections** under which the return is filed be filled as per code given in instruction No.9(i).
- (d) In case the return is being filed by you in a representative capacity, please ensure to quote your PAN in item "PAN of the representative assessee". In case the PAN of the person being represented is not known or he has not got a PAN in India, the item for PAN in the first line of the return may be left blank. It may please be noted that in the first line of this form, the name of the person being represented be filled.

#### 14. SCHEDULES

- (a) **Schedule-S-** In case there were more than one employer during the year, please give the details of the last employer. Further, in case, there were more than one employer simultaneously during the year, please furnish the details of the employer you have got more salary. Fill the details of salary as given in TDS certificate(s) (Form 16) issued by the employer(s). However, if the income has not been computed correctly in Form No. 16, please make the correct computation and fill the same in this item. Further, in case there were more than one employer during the year, please furnish in this item the details in respect of total salaries from various employers.
- (b) **Schedule-HP,-** In case, a single house property is owned by the assessee which is self-occupied and interest paid on the loan taken for the house property is to be claimed as a deduction. This schedule needs to be filled up. If there are two or more than two house properties, the details of remaining properties may 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 have to be filled in last row of this Schedule. Following points also need to be clarified,-
- 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.
  - 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 3a of this Schedule.
  - Item 3b** of this Schedule 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.

(c) **Schedule-CG,-**

If more than one short-term capital asset has been transferred, make the combined computation for all the assets. Similarly, make the combined computation for all the assets if more than one long-term capital asset has been transferred.

- For computing long-term capital gain, cost of acquisition and cost of improvement may be indexed, if required, on the basis of following cost inflation index notified by the Central Government for this purpose.

Sl.No.	Financial Year	Cost Inflation Index	Sl.No.	Financial Year	Cost Inflation Index
1.	1981-82	100	15.	1995-96	281
2.	1982-83	109	16.	1996-97	305
3.	1983-84	116	17.	1997-98	331
4.	1984-85	125	18.	1998-99	351
5.	1985-86	133	19.	1999-00	389
6.	1986-87	140	20.	2000-01	406
7.	1987-88	150	21.	2001-02	426
8.	1988-89	161	22.	2002-03	447
9.	1989-90	172	23.	2003-04	463
10.	1990-91	182	24.	2004-05	480
11.	1991-92	199	25.	2005-06	497
12.	1992-93	223	26.	2006-07	519
13.	1993-94	244	27.	<b>2007-08</b>	<b>551</b>
14.	1994-95	259			

- Sections 54/ 54B/ 54D/ 54EC/ 54F mentioned in this schedule provides exemption on capital gains subject to fulfillment of certain conditions. Exemption under some of these sections is available only in respect of long-term capital gains. Therefore, please ensure that you are claiming the benefit of any of these sections correctly in accordance with the provisions of law.
  - Item C** of this Schedule computes the total of short-term capital gain and long-term capital gain (item A4 + item B5). Please note that if balance in item B5 in respect of long-term capital gain is a loss, same shall not be set-off against short-term capital gain. In such situation, the figure of B5 would be entered as 0 and then the figures of item A4 be added in item C.
- (d) **Schedule-OS,-**
- Against item 1a and 1b, enter the details of gross income by way of dividend and interest which is not exempt.
  - Against item 1c, 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".
  - 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.
  - Winnings from lotteries, crossword puzzles, races, etc., are subject to special rates of tax; hence a separate item is provided and the income from these can not be adjusted against the losses arising under the head Income from other sources.
  - Item 5** of this Schedule computes the total income chargeable under the head "Income from other sources" (item 3 + item 4c). If balance in item 4c which shows income from owning and maintaining race horses is a loss, please enter 0 and enter the total of item 3.

(e) **Schedule-SPI,-**

- (i) 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.
- (ii) The income entered into this Schedule has to be included in the respective head.
- (iii) Section 10(32) provides exemption to extent of Rs. 1,500/- in respect of minor's income for the purpose of clubbing. Therefore, exclude Rs. 1,500/- from the income of the minor while clubbing the income of the minor in the respective head. However, if income of the minor is to be clubbed in various heads, total exclusion should not exceed Rs. 1,500/-.

(f) **Schedule-CYLA,-**

- (i) Mention only positive incomes of the current year in column 1, headwise, in the relevant rows.
- (ii) Mention total current year's loss(es), if any, from house property and other sources (other than losses from race horses) in the first row against 'loss to be adjusted'. These losses are to be set off against income under other heads in accordance with the provisions of section 71. The amount set off against the income of respective heads has to be entered into in columns 2 and 3, in the relevant rows.
- (iii) Mention the end-result of the above inter-head set-off(s) in column 4, headwise, in relevant rows.
- (iv) Total of loss set off out of column 2 and column 3 have to be entered into row vi.
- (v) The losses remaining for set off have to be entered in row vii.

(g) **Schedule-BFLA,-**

- (i) Mention only positive incomes of the current year (after set-off of loss in Schedule-CYLA in column 1, headwise in relevant rows.
- (ii) The amount of brought forward losses which may be set off are to be entered in column 2 in respective rows except under the head 'Salary' where no loss could be brought forward.
- (iii) The end result of the set off will be entered in column 3 in respective heads. The total of column 3 shall be entered in row vii which shall give the amount of **gross total income**.
- (iv) The total amount of brought forward losses set off during the year shall be entered in column 2 of row vi.

(h) **Schedule-CFL,-**

- (i) In this Schedule, the summary of losses carried from earlier years, set off during the year and to be carried forward for set off against income of future years is to be entered.
- (ii) The losses under the head "house property", short term capital loss and long term capital loss, losses from other sources (other than losses from race horses) are allowed to be carried forward for 8 years. However, loss from owning and maintaining race horses can be carried forward only for 4 assessment years.

(i) **Schedule-VIA,-**

The total of the deductions allowable is limited to the amount of gross total income. For details of deductions allowable, the provisions of the Chapter VI-A may kindly be referred to. Details of deductions which are available to an individual/ HUF not carrying out any business or profession are as under:-

- (i) Section 80C (Some of the major items for deduction under this section are- amount paid or deposited towards life insurance, contribution to Provident Fund set up by the Government, recognised Provident Fund, contribution by the assessee to an approved superannuation fund, subscription to National Savings Certificates, tuition fees, payment/ repayment for purposes of purchase or construction of a residential house and many other investments)(for full list, please refer to section 80C of the Income-tax Act) (Please note that as provided in section 80CCE, aggregate amount of deduction under section 80C, 80CCC and 80CCD shall not exceed one lakh rupees).
- (ii) Section 80CCC (Deduction in respect of contributions to certain pension funds).
- (iii) Section 80CCD (Deduction in respect of contributions to pension scheme of Central Government)
- (iv) Section 80D (Deduction in respect of Medical Insurance Premium)
- (v) Section 80DD (Deduction in respect of maintenance including medical treatment of dependent who is a person with disability)
- (vi) Section 80DDDB (Deduction in respect of medical treatment, etc.)
- (vii) Section 80E (Deduction in respect of interest on loan taken for higher education)
- (viii) Section 80G (Deduction in respect of donations to certain funds, charitable institutions, etc.)
- (ix) Section 80GG (Deduction in respect of rents paid)
- (x) Section 80GGA (Deduction in respect of certain donations for scientific research or rural development)
- (xi) Section 80GGC (Deduction in respect of contributions given by any person to political parties)
- (xii) Section 80RRB (Deduction in respect of royalty on patents)
- (xiii) Section 80U (Deduction in case of a person with disability)

(j) **Schedule-SI,-**

Mention the income included in Schedule-CG and Schedule-OS which is chargeable to tax at special rates. The codes for relevant section and special rate of taxes are given in Instruction No.9(iii)

(k) **Schedule-EI,-**

- (i) Furnish the details of income like agriculture income, interest, dividend, etc. which is exempt from tax.
- (ii) The details may be filled on cash basis unless there is any provision/ requirement to declare them on accrual basis.

(l) **Schedule-AIR,-**

In this Schedule, please fill out the details as explained in Instruction No.9(ii)

(m) **Schedule-IT,-**

- (i) In this schedule, fill out the details of payment of advance income-tax and income-tax on self-assessment.
- (ii) 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.

(n) **Schedules-TDS1 and TDS2,-**

- (i) In these Schedules fill the details of tax deducted on the basis of TDS certificates( Form 16 or Form No.16A) issued by the deductor(s).
- (ii) 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 table in same format.
- (iii) It may please be noted that the TDS certificates are not to be annexed with the Return Form.

## 15. PART B-TI-COMPUTATION OF TOTAL INCOME

- (i) In this part the summary of income computed under various heads and as set off in Schedule CFLA and Schedule BFLA is to be entered.
- (ii) Every entry which have to be filled on basis of Schedules have been crossed referenced and hence doesn't need any further clarification.

## 16. PART B-TI-COMPUTATION OF TAX LIABILITY ON TOTAL INCOME

- (a) in **item 1a**, fill the details of gross tax liability to be computed at the applicable rate. The tax liability has to be computed at the rates given as under:-

(A) In case of **individuals (other than women and individuals who are of the age of 65 years or more at any time during the financial year 2007-08) and HUFs –**

Income (In Rs.)	Tax Liability (In Rs.)
Upto Rs. 1,10,000	Nil
Between Rs. 1,10,000 - Rs. 1,50,000	10% of income in excess of Rs. 1,10,000
Between Rs. 1,50,000 – Rs. 2,50,000	4,000 + 20% of income in excess of Rs. 1,50,000
Above Rs.2,50,000	24,000 + 30% of income in excess of Rs. 2,50,000

(B) In case of **women (other than women who are of the age of 65 years or more at any time during the financial year 2007-08) -**

Income (In Rs.)	Tax Liability (In Rs.)
Upto Rs. 1,45,000	Nil
Between Rs. 1,45,000 - Rs. 1,50,000	10% of income in excess of Rs. 1,45,000
Between Rs. 1,50,000 – Rs. 2,50,000	500 + 20% of income in excess of Rs. 1,50,000
Above Rs.2,50,000	20,500 + 30% of income in excess of Rs. 2,50,000

(C) In case of **individuals who are of the age of 65 years or more at any time during the financial year 2007-08-**

Income (In Rs.)	Tax Liability (In Rs.)
Upto Rs. 1,95,000	Nil
Between Rs. 1,95,000 – Rs. 2,50,000	20% of income in excess of Rs. 1,95,000
Above Rs.2,50,000	11,000 + 30% of income in excess of Rs. 2,50,000

- (b) In **item 2**, fill the details of surcharge at the rate of ten per cent of item No.1c, if the total income as per item No.11 of Part-B-TI exceeds ten lakh rupees. However, such surcharge shall not exceed the amount being the difference of total income and ten lakh rupees.
- (c) In **item No. 3**, calculate the education cess including secondary and higher education cess at the rate of three per cent of [item No.1c + item No. 2]
- (d) In **item No. 5a**, claim the relief if any allowable under section 89 in respect of arrears or advances of salary received during the year.
- (e) In **item 9b**, please furnish the details in accordance with Form 16 issued by the employer(s) in respect of salary income and Form 16A issued by any other person in respect of interest income.
- (f) **item 14-** Please quote the MICR code of the bank if you desire to receive the refund through electronic clearing system (ECS). However, it may not be possible to issue the refund in all cases through ECS since the ECS facility is not available across the country.

## 17. VERIFICATION

- (a) In case the return is to be furnished in a paper format or electronically under digital signature or in a bar coded return format, please 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.
- (b) In case the return is to be furnished electronically in the manner mentioned in instruction no. 5(iii), please fill verification form (Form ITR-V)
- (c) 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.

## 18. DETAILS REGARDING TAX RETURN PREPARER (TRP)

- (a) This return can be prepared by a Tax Return Preparer (TRP) also in accordance with the Tax Return Preparer Scheme, 2006 dated 28<sup>th</sup> November, 2006.
- (b) If the return has been prepared by him, the relevant details have to be filled by him in item No.16 below verification and the return has to be countersigned by him in the space provided in the said item.
- (c) The Tax Return Preparer is entitled to a maximum fees of Rs. 250/- from the taxpayer. TRP is also entitled to a reimbursement from the Government for following three years as under:-
- 3 per cent of the tax paid on the income declared in the return for the first eligible assessment year (first eligible assessment year means the assessment year if no return has been furnished for at least three assessment years preceding to that assessment year);
  - 2 per cent of the tax paid on the income declared in the return for the second eligible assessment year (second eligible assessment year means the assessment year immediately following the first eligible assessment year);
  - 1 per cent of the tax paid on the income declared in the return for the third eligible assessment year (third eligible assessment year means the assessment year immediately following the second eligible assessment year);
- (d) For these three eligible assessment years, the TRP will be eligible for the fee from the taxpayer to the extent of the amount by which Rs. 250/- exceeds the amount of reimbursement receivable by him from the Government.