

Know about changes introduced in the new ITR-6 released for Assessment Year 2024-25

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The Central Board of Direct Taxes (CBDT) has notified Income-tax Return Form 6 for the Assessment Year 2024-25, vide *Notification No. 16/2024, dated 24-01-2024*. The new ITR-6 Form will be applicable for filing income-tax returns by the companies with respect to income earned during the previous year 2023-24 (between 01-04-2023 and 31-03-2024).

The board has earlier notified the Income-tax Return (ITR) Forms 1 & 4 for the Assessment Year 2024-25, vide *Notification no. 105/2023, dated 22-12-2023*. For the analysis of changes in ITR 1 and 4, see the article [\[2024\] 158 taxmann.com 313 \(Article\)](#).

We have scrutinized the new ITR-6 Form and have identified the key changes in the new form viz-a-viz last year's ITR-6 Form. These changes have been explained below.

1. Details of Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) is a 20-character unique alpha-numeric code used to identify parties to financial transactions worldwide. It has been implemented to improve the quality and accuracy of financial data reporting systems for better risk management.

As per the RBI Regulations, all single payment transactions of Rs. 50 crores and above undertaken by entities (non-individuals) should include remitter and beneficiary LEI information. This applies to transactions undertaken through the NEFT and RTGS payment systems.

In order to be in line with the RBI regulations, the new ITR-6 has incorporated a column for furnishing details of the LEI number. The company is required to furnish the LEI details if it is seeking a refund of Rs. 50 crores or more.

2. New 'Schedule 115TD' inserted for reporting of tax payable on accreted income

Any fund or institution approved under Section 10(23C) or registered under Section 12AB is liable to pay additional income tax on the accreted income, which arises on its conversion into a non-charitable form, failure to apply for renewal of registration, or on the transfer of assets on its dissolution to a non-charitable institution.

If an entity, such as a Section 8 company, gets converted into a form that is not eligible for registration under Section 12AB or approval under Section 10(23C), it will be ineligible to file its income tax return in ITR-7. It shall pay tax as per the normal provisions and report such income in ITR-6. Additionally, it will be liable to pay tax on its accreted income, which will be levied at the maximum marginal tax rate. This tax is in addition to income tax, which is chargeable in the hands of the specified trust or institution.

Therefore, a new Schedule 115TD has been inserted in Form ITR-6 for the reporting of tax payable on accreted income. This schedule requires various details such as the computation of accreted income (FMV of total assets as reduced by the total liability), tax payable on accreted income and details of challans for deposit of tax on accreted income.

3. Disclosure of information pertaining to the Capital Gains Accounts Scheme

The Schedule-CG of ITR forms seeks information about the capital gains earned by the taxpayer. This schedule requires various details, including information about the capital asset sold, the particulars of the buyer, and specifics regarding the amount spent for claiming exemptions.

In the newly notified ITR-6, Schedule-CG has been modified to gather more information pertaining to sums deposited in the Capital Gains Accounts scheme (CGAS). The revised schedule now requires the inclusion of the following additional details towards CGAS:

- Date of deposit
- Account number
- IFS code

Until the previous Assessment Year, taxpayers were only required to provide details pertaining to the sum deposited in CGAS.

4. New Schedule 80GGC seeks details of contributions made to political parties

Section 80GGC allows for a deduction for contributions to a political party or electoral trust. The new ITR-6 includes a new Schedule 80GGC, which requires the furnishing of the following details:

- Date of Contribution
- Contribution Amount (with a breakdown of contributions made in cash and other modes)
- Eligible Contribution Amount
- Transaction Reference Number for UPI transfer or Cheque Number/IMPS/NEFT/RTGS

- IFS Code of the Bank

Unlike the previous ITR-6, the new ITR form requires the disclosure of additional information beyond just the amount eligible for deduction under Section 80GGC.

5. New Schedule 80-IAC seeks details in respect of eligible start-up

Deduction under Section 80-IAC is available to an eligible start-up for 3 consecutive assessment years out of 10 years at the option of such a start-up. These deductions are allowed subject to the fulfilment of certain conditions.

New ITR-6 includes a new Schedule seeking the following details with respect to the deductions claimed by companies under Section 80-IAC:

- Date of incorporation of the Startup
- Nature of business
- Certificate number as obtained from Inter-Ministerial Board of Certification
- First AY in which deduction was claimed
- Amount of deduction claimed for current AY

Until the year 2023-24, ITR-6 only asked for information about the amount eligible for deduction under Section 80-IAC.

6. New Schedule 80LA seeks details about the offshore banking unit or IFSC

Section 80LA provides deductions with respect to certain incomes of Offshore Banking Units and the International Financial Services Centre (IFSC). A Schedule Bank, a foreign Bank or a unit of IFSC is eligible to claim a deduction under this provision. In the case of a bank, 100% of the income is deductible for 10 consecutive assessment years. In the case of a unit of an IFSC, 100% of income is deductible for 10 consecutive assessment years out of 15 years.

A new Schedule 80LA has been inserted in the ITR-6 seeking the following details from the company:

- Type of entity
- Type of income of the unit
- Authority granting registration
- Date of registration
- Registration number
- First AY during which deduction is claimed
- Amount of deduction claimed for current AY

7. Disclosure of the sum payable to MSME beyond the prescribed time limit

Section 43B deals with specified deductions which are to be allowed on a payment basis. Thus, even if an assessee follows the mercantile method of accounting, deduction pertaining to the specified expenses shall be allowed only when payment has been made.

Part A-OI (Other Information) consists of information wherein the assessee is required to furnish the details of any amounts disallowed under Section 43B in any previous year but allowable during the year.

The Finance Act 2023 has inserted a new clause (h) in Section 43B to provide that any sum payable to a micro or small enterprise beyond the time limit specified in Section 15 of the Micro, Small and Medium Enterprises Development Act 2006 (MSME Act) shall not be allowed as a deduction. Accordingly, a new column is inserted under Part A-OI (Other Information) to disclose the sum payable to Micro or small enterprises beyond the specified time limit per the MSME Act.

8. Disclosure of winnings from online games chargeable under Section 115BBJ

The Finance Act 2023 has inserted a new Section 115BBJ to tax winnings from online games, w.e.f. Assessment year 2024-25. A corresponding Section 194BA has also been inserted with effect from 01-04-2023 for the deduction of tax from the net winnings from online games. Thus, all winnings from online games on or after 1-4-2023 shall be taxable under Section 115BBJ and subject to TDS under Section 194BA.

To report such income in ITR-6, Schedule OS has been amended to disclose income by way of winning from online games chargeable under Section 115BBJ.

9. Reporting of dividend income derived from a unit located in IFSC

The Finance Act, 2023 has amended the provisions of Section 115A by inserting a *proviso* to Section 115A(1)(a)(A) to provide that the dividend income received from a unit in an IFSC, as referred to in Section 80LA(1A) shall be taxed at a reduced tax rate of 10% instead of 20%. Schedule OS in ITR-6 has been amended to incorporate such change.

10. Company to provide due date for filing of return

A new column has been inserted in ITR-6 seeking information on the deadline for submitting the income tax return. The taxpayer is required to select the applicable due date for filing the return from the provided dropdown options, namely, either October 31st or November 30th.

11. Furnishing of acknowledgement number of the Audit Report and UDIN

When providing information about audits conducted under Section 44AB, including audits under Section 92E, companies are now required to furnish the acknowledgement number of the audit report and the UDIN.

12. Company recognized as Micro or Small Enterprise

The new ITR-6 mandates that a company furnish information regarding its recognition status as a Micro, Small or Medium Enterprises. The company is also required to provide the registration number allotted as per the Micro, Small and Medium Enterprises Development Act, 2006.

13. Furnishing of the reason for tax audit under Section 44AB

New ITR-6 seeks additional details from companies subject to audit under Section 44AB. The additional information pertains to the circumstances under which the company is obligated to undergo an audit, such as:

- Sales, turnover or gross receipts exceed the limits specified under Section 44AB;
- Assessee falling under Section 44BB but not offering income on a presumptive basis;
- Assessee falling under Section 44BBB but not offering income on a presumptive basis; or
- Others.