**Subject: Inputs on draft common income tax return**

**Reference: Letter of CBDT F No. 370133/16/2022-TPL dated 01.11.2022**

1. The format of Balance Sheet and statement of Profit and loss account in ITR – 6 / draft Common ITR is not in line with the format of financial statements prescribed under the Corporate Law. For e.g., ITR – 6 / draft Common ITR requires a company to give Manufacturing, trading and P&L account separately. Such separate accounts are not prepared for financial reporting. In case of large multi divisional and multi-location entities it is huge task to prepare.

CBDT should simplify the common ITR format and keep it in line with format of financial reporting under the corporate law.

1. In respect of certain cost, granule information is required which is not prepared in normal way. For e.g. in financial statements, only insurance cost is reported as against in ITR – 6 / draft Common ITR wherein the break-up of insurance cost into below items needs to be reported (refer INS-PL.6 annexure): -

* Medical Insurance,
* Life Insurance,
* Keyman’s Insurance and
* Other Insurance including factory, office, car, goods, etc.

CBDT should simplify the common ITR format and keep it in line with format of financial reporting under the corporate law.

1. **Schedule GST –** In this schedule it is required to provide Reconciliation of turnover as reported in ITR with turnover reported in GST return. The last date to file Annual GST return is 31st December and last date to file ITR is 31st October / 30th November. Many time rectifications in monthly GST return is carried out at the time of filing of Annual Return. Hence, providing reconciliation without finalising annual GST return may not be appropriate. Further, Annual GST return also require same reconciliation.

Considering this, it is recommended that this reconciliation schedule needs to be removed from common ITR.

1. **Schedule ARCG** – The name of schedule is mentioned as “Information about accrual / receipt of income from other sources” in place of “Information about accrual / receipt of income from capital gains”
2. **Schedule BA** – Bank account details – Additional information like Branch name and Account type to be filled in addition to Bank name, IFSC code and Account number – All the Bank accounts are already linked with PAN / Aadhaar. Hence, requirement of entering details of all the bank account in common ITR should be removed.
3. **Schedule DEP** – Below fields to be part of Schedule DEP in draft common ITR: -
4. Proportionate aggregate depreciation allowable in the event of succession, demerger, etc. – This field was there in ITR – 6 however missing in draft common ITR.
5. WDV of asset transferred in the event of succession, demerger, etc. to be reduced from the block of the asset.
6. In cases where depreciation on straight line method is allowable u/s. 32(1)(i) on assets of power plant, separate depreciation schedule to be provided in common ITR. Presently, the amount of such depreciation allowable u/s. 32(1)(i) is directly inserted in Schedule BP.
7. Where the Assessee is assessed to tax under provisions of MAT, Interest u/s. 234C to be computed after considering realised quarterly capital gain as per statement of P&L account (Proviso to Section 234C) and not after considering quarterly capital gain computed under normal provision of Income Tax Act, 1961.
8. While uploading tax return, there should be facility to upload financial statements and notes to computation of income.

-x-x-x-