

FORM NO. 2C RETURN OF INCOME

ITS-2C

For Persons

[See rule 12(1)(d) of Income-Tax Rules, 1962]

- Not liable to furnish a return of Income u/s 139(1) and
- residing in such areas as are specified in the enclosed instruction, and
- who at any time during the previous year fulfil any one of the conditions specified in proviso 1 of section 139(1) as mentioned in B below:

A. GENERAL INFORMATION

1. PERMANENT ACCOUNT NUMBER
(If not applied for or not allotted, enclose Form 49A)

2. NAME (Last name/Surname, First name, Middle name, in that order)

3. ADDRESS FOR COMMUNICATION
(A. RESIDENCE or B. OFFICE)
Flat No./Door/House No., Premises, Road, Locality/Village, Town/
District, State/Union Territory, in that order)

PIN Telephone
Fax, if any 4. Sex (M/F)

5. Date of Birth -- 6. Status*
(DD-MM-YYYY)

7. Is there any change in Address ? Yes No
If yes, whether A. Residence or B. Office

ACKNOWLEDGEMENT

For Office use only

Receipt No.

Date

Seal and Signature of Receiving Official

8. Ward/Circle/Special Range

9. Previous Year -

10. Assessment Year -

11. Residential Status*

12. Is this your first Return ? Yes No

If no, furnish Receipt Number

Date of filing last Return

-- and

Ward/Circle/Special Range where filed

B. CONDITIONS APPLICABLE AS SPECIFIED IN FIRST PROVISIO TO SECTION 139(1)

Have you at any time during the previous year :-

- (i) been in occupation of an immovable property exceeding the specified floor area, whether by way of ownership, tenancy or otherwise? Yes No
- (ii) been the owner or the lessee of a motor vehicle other than a two-wheeled motor vehicle? Yes No
- (iii) been a subscriber to a Cellular telephone not being a wireless in local loop telephone? Yes No
- (iv) incurred expenditure for your self or for any other person on travel to any foreign country? Yes No
- (v) been a holder of a credit card, not being an "add-on" card, issued by any bank or institution? Yes No
- (vi) been a member of a club where entrance fee charged is twenty-five thousand rupees or more? Yes No

C. INFORMATION IN RESPECT OF CONDITIONS SPECIFIED IN FIRST PROVISIO TO SECTION 139(1)

1. Immovable Property : (furnish this information if you satisfy condition B(i) above)

Address of property	Nature of Occupancy (i.e. owner/tenant/ other)	Floor area (in Square metre)	If owner		If tenant/lessee annual rent payable
			Year of acquisition	Cost of acquisition	

2. Motor Vehicle : (furnish this information if you satisfy condition B(ii) above)

Make of vehicle	Whether owner/ lessee	Registration No.	Year of acquisition	Purchase price, if owned	Annual lease rent, if on lease

* Fill in Code as mentioned in instruction

3. Cellular Telephone : [furnish this if you satisfy condition B(iii) above] :

Cellular Telephone number(s) (not being a wireless in local loop telephone)				
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4. Expenditure on foreign travel : (furnish this information if you satisfy condition B(iv) above)

Name(s) of person travelled (i.e. Self and other(s))	Passport No.	Countries visited	Period of travel	Fare paid

5. Credit Card : (furnish this information if you satisfy condition B(v) above)

Name of credit card held	Issued by

6. Club membership : (furnish this information if you satisfy condition B(vi) above)

Name of club	Nature of Membership	Entrance fee paid

D. STATEMENT OF TOTAL INCOME AND TAXES

STATEMENT OF TOTAL INCOME		(in Rs.)
1. Salaries	101	
2. Income from house property	102	
3. Profits and gains of business or profession	103	
4. Capital gains :		
a. Short term	104	
b. Long term	105	
5. Income from other sources	107	
6. Gross total income (total of 1 to 5)	110	
7. Deductions [Chapter-VIA]	111	
8. TOTAL INCOME (6-7)	123	
in words		
9. Net agricultural income for rate purposes	124	
10. Income claimed exempt	125	

E. NO. OF DOCUMENTS/STATEMENTS ATTACHED							
	Description	In Figures	In words		Description	In Figures	In words
a.				c.			
b.				d.			

VERIFICATION*

I, (Name in full in block letters), son/daughter/wife of Shri..... solemnly declare that to the best of my knowledge and belief, the information given in this return is correct, complete and truly stated and is in accordance with the provisions of Income-tax Act, 1961, in respect of the income on which I am chargeable to income tax for the previous year ended relevant to assessment year..... I further declare that I am making this return in my capacity as.....and I am also competent to make this return and verify it.

Date :
Place : Signature

* Any person making a false statement in the return or accompanying schedules or statement 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.

INSTRUCTIONS FOR FILLING UP FORM NO.2C (To be detached before filing the return)

This new Form No.2C is a simple format for complying with the requirement of filing a return of income under the first proviso to section 139(1) of the Income-tax Act. This form is applicable in respect of Assessment year 2002-03 and onwards, and is meant for the use of persons who are not required to furnish return of income under sub-section (1) of section 139, but who, at any time during the previous year satisfied any one of the six conditions laid down in the first proviso, namely:-

- (i) was in occupation of an immovable property exceeding a specified floor area, whether by way of ownership, tenancy or otherwise;
- (ii) was the owner or the lessee of a motor vehicle other than a two-wheeled motor vehicle;
- (iii) was a subscriber to a Cellular telephone not being a wireless in local loop telephone;
- (iv) incurred expenditure for himself or for any other person on travel to any foreign country;
- (v) held a credit card, not being an 'add-on' card, issued by any bank or institution;
- (vi) was a member of a club where entrance fee charged is twenty-five thousand rupees or more.

However, the above conditions do not apply to any person being a non-resident. Further, the conditions specified in clause (i) or clause (iii) of the first proviso relating to immovable property and telephone do not apply to any person being an individual who has attained 65 years of age during the previous year and is not engaged in any business or profession. (Notification S.O. 507(E) dated 11th June, 2001). Please also note that travel to any foreign country does not include travel to Bangladesh, Bhutan, Maldives, Nepal, Pakistan or Sri Lanka. Similarly, travel to Saudi Arabia on Haj pilgrimage organised by Central Haj Committee, Mumbai constituted under Haj Committee Act, 1959 and that to China on pilgrimage to Kailash Mansarover organised by Ministry of External Affairs, Government of India are not regarded as travel to any foreign country. (Notification Nos.509(E) and S.O. 508(E) dated 11th June, 2001).

Please note that the Form must be filled up and filed in the income-tax office even if your income is below the exemption limit for this year i.e., Rs.50,000/-

- With effect from 01.06.99, the acknowledgement is deemed to be the intimation and no other intimation is required to be sent unless there is a tax demand or refund. **You are therefore, requested to file form of return in duplicate, one copy of which will be returned after being duly acknowledged in the Box provided for this purpose.**

Due Date : The due date for filing the return under proviso to section 139(1) for the assessment year 2004-2005 is 31.10.2004.

Previous Year : This is the financial year in respect of which income is being declared. For the assessment year 2004-05, the previous year is 01.04.2003 to 31.03.2004.

Assessment year : This is the financial year immediately succeeding the previous year.

Occupation of immovable property

This includes occupation by way of ownership, tenancy or otherwise, (say, as a paying guest). Occupation may be either of residential or commercial property. Please tick the "yes" box in Part B only if the property in question has an area equal to or exceeding the floor areas given below :

Specified floor area of immovable property for various urban areas :

Used for Residential Purposes (other than huts and Kutcha dwellings)

Area in (Sq. Ft.)	Name of the Cities/Towns/Urban areas
600	Delhi (including Gurgaon, Faridabad, Gaziabad & Noida), Mumbai
800	Ahmedabad, Bangalore, Ludhiana, Pune
1000	Calcutta, Chennai
1100	Agra, Allahabad, Amritsar, Asansol, Aurangabad, Bareilly, Bhopal, Chandigarh, Coimbatore, Dhanbad, Durg-Bhillai, Gorakhpur, Guwahati, Gwalior, Hubli-Dharwad, Hyderabad, Indore, Jaipur, Jabalpur, Jalandhar, Jamshedpur, Jodhpur, Kalyan, Kanpur, Kochi, Kota, Kozhikode, Madurai, Meerut, Mysore, Nagpur, Nasik, Lucknow, Patna, Rajkot, Ranchi, Salem, Surat, Solapur, Trivandrum, Tiruchirapalli, Thane, Vadodara, Varanasi, Vijayawada, Visakhapatnam.
1500	Bhavnagar, Jamnagar, Belgaum, Bellary, Devangere, Gulbarga, Mangalore, Bilaspur, Raipur, Sagar, Ujain, Brahmapur, Bhubaneshwar, Cuttack, Rourkela, Barddhaman (Burdwan), Durgapur, Kharaghpur, Ondal, Siliguri, Patiala, Pondicherry, Erode, Thanjavur, Tirunelveli, Tiruppur, Tuticorin, Vellore, Allapuzha, Kollam, Kannur (Cannanore), Trissur (Trichur), Imphal, Shillong, Cuddapah, Ellore, Guntur, Kakinada, Kurnool, Nellore, Nizamabad, Rajamundry, Ramagundam, Warangal, Ajmer, Alwar, Bikaner, Udaipur, Aligarh, Dehradun, Farrukhabad-cum-Fatehgarh, Ferozabad, Jhansi, Mathura, Muzaffarnagar, Saharanpur, Moradabad, Shahjahanpur, Rampur, Rohtak, Yamunagar, Bhagalpur, Bihar (Sharif), Bokara Steel City, Darbanga, Gaya, Muzaffarpur, Ahmadnagar, Akola, Bhiwandi, Chandrapur, Dhule, Ichalkaranji, Kolhapur, Malegaon, Nanded, Jalgaon, Sangli, Amravati.
2000	In all other urban areas in the country defined by 1991 census which are included in table A-4 of the second part of Part-II-A of Series-I of the Census of India, 1991.

Used for Commercial Purposes

Area in (Sq. Ft.)	Name of the Cities/Towns/Urban areas
100	Delhi (including Gurgaon, Faridabad, Gaziabad & Noida), Mumbai
125	Ahmedabad, Bangalore, Calcutta, Chennai, Chandigarh, Coimbatore, Hyderabad, jaipur, Kochi, Nagpur, Ludhiana, Pune, Surat.
175	Agra, Allahabad, Amritsar, Asansol, Aurangabad, Bareilly, Bhopal, Dhanbad, Durg-Bhillai, Gorakhpur, Guwahati, Gwalior, Hubli-Dharwad, Indore, Jabalpur, Jalandhar, Jamshedpur, Jodhpur, Kalyan, Kanpur, Kota, Kozhikode, Madurai, Meerut, Mysore, Nasik, Lucknow, Patna, Rajkot, Ranchi, Salem, Surat, Solapur, Trivandrum, Tiruchirapalli, Thane, Vadodara, Varanasi, Vijayawada, Visakhapatnam.
225	Bhavnagar, Jamnagar, Belgaum, Bellary, Devangere, Gulbarga, Mangalore, Bilaspur, Raipur, Sagar, Ujjain, Brahmapur, Bhubaneshwar, Cuttack, Rourkela, Barddhaman (Burdwan), Durgapur, Kharaghpur, Ondal, Silliguri, Patiala, Pondicherry, Erode, Thanjavur, Tirunelveli, Tiruppur, Tuticorin, Vellore, Allapuzha, Kollam, Kannur (Cannanore), Trissur (Trichur), Imphal, Shillong, Cuddapah, Ellore, Guntur, Kakinada, Kurnool, Nellore, Nizamabad, Rajamundry, Ramagundam, Warangal, Ajmer, Alwar, Bikaner, Udaipur, Aligarh, Dehradun, Farrukhabad-cum-Fatehgarh, Ferozabad, Jhansi, Mathura, Muzaffarnagar, Saharanpur, Moradabad, Shahjahanpur, Rampur, Rohtak, Yamunagar, Bhagalpur, Bihar (Sharif), Bokara Steel City, Darbhanga, Gaya, Muzaffarpur, Ahmadnagar, Akola, Bhiwandi, Chandrapur, Dhule, Ichalkaranji, Kolhapur, Malegaon, Nanded, Jalgaon, Sangli, Amravati.

In all other urban areas in the country defined by 1991 census which are included in table A-4 of the second part of Part-II-A of Series-I of the Census of India, 1991.

Steps for filling up the Return

Please fill up Part A carefully, leaving one box blank between words/lines. Individuals should give their date, month and year of birth. In the case of firms and trusts, the date of partnership deed or date of trust deed, are to be mentioned. The status may be mentioned as per the codes given in these instructions. Part B and C must be carefully filled giving the details of information in respect of conditions specified in first proviso to section 139(1).

In Part D, the gross total income consists of income from the following heads/sources :-

(A) Salaries

Salaries includes arrears or advance of salary, payment received in lieu of leave not availed of, bonus, wages, fees, pension (including commuted value of pension), any annuity or gratuity and profits in lieu of salary, perquisites and all other cash allowances. Salary received/receivable from more than one employer should be included in the gross salary. Relevant provisions are in section 15 and 17 of the Income-tax Act, 1961. Income of the nature exempt u/s 10, is not to be included in this figure. Normally, all cash allowances are taxable. However, travelling and conveyance allowances, and house rent upto a specified extent, are exempt. Perquisites provided by an employer are taxable under section 17(2). It is advisable to obtain a certificate from the employer certifying the details of the salary.

Standard deductions for assessment year, 2004-05 is a sum equal to 40% of the salary, or rupees thirty thousand, whichever is less, for taxpayer whose income from salary does not exceed five lakh rupees. For employees whose salary exceed five lakh rupees, the standard deduction is limited to Rs. 20,000/-.

Entertainment allowance, to the extent provided in section 16(ii), and tax on employment levied by a State Government, are also deductible.

After deduction of these amounts from gross salary, you arrive at the income chargeable under the head "salaries".

(B) House Property

For assessment year 2004-05, the annual value (before deductions mentioned in item 6) will be taken to be one of the following :-

- (a) In case of let out property, the actual rent received or receivable even if it is in excess of the annual letting value (ALV), this will be the case even if the property or part of the property was vacant for a part of a year, but the actual rent received or receivable during the year is still higher than the ALV;
- (b) Where the property or any part of the property is let and was vacant during whole or any part of the year and owing to such vacancy, the actual rent received or receivable, even if it is less than the ALV;
- (c) In case the actual rent received or receivable during the year is less than the ALV but not because of vacancy, it is the ALV which shall be taken to be the annual value.

In respect of one self-occupied house used for your own residence, or which is vacant and cannot be used due to your place of employment being different, the value to be mentioned in this item may be taken as "nil". From this, municipal taxes, either current or arrears paid during the previous year are to be deducted (where the property is let) and unrealized rent which the

assessee cannot realize, can be deducted. From this amount, which is called the annual value, deductions under section 24 can be claimed, namely, 30% of the annual value and interest paid on money borrowed for investment in the property.

In respect of self occupied property, deduction for interest on borrowed capital is allowable upto Rs. 30,000/-. This limit is Rs. 1,50,000/- in respect of interest on capital borrowed on or after 01.04.1999 for construction or acquisition of self occupied property where such constructions or acquisition is completed within three years from the end of the financial year in which capital was borrowed. In such cases, the net result of computation could be a loss upto Rs. 30,000/- or Rs. 1,50,000/- as the case may be.

Carry forward and set-off of loss from house property : Where net result of computation under the head 'Income from House Property' is a loss to the assessee and such loss cannot be or is not wholly set-off against income from any other head of income during the year in accordance with provisions of section 71, so much of loss as has not been so set-off is allowed to be carried forward and set-off in the subsequent eight assessment years against the income from house property.

(C) Business or Profession

The net income from business or profession is arrived at after deducting expenditure allowable under this head. Depreciation under section 32 is admissible as per Income-tax rules. Loss can be set off against other income.

(D) Capital Gains

Short-term and long-term capital assets. Profits and gains arising from the transfer of a capital asset are included in the taxable income as 'capital gains'. If the asset in question was held by the taxpayer for more than 36 months upto the date of transfer, the asset is regarded as a long term capital asset. In case of shares in a company, units of UTI and Mutual Funds and the securities listed in the stock exchanges, the period of holding is more than 12 months for being considered a long term capital asset. An asset which does not qualify for being considered a long-term asset is considered to be a short term asset. Capital gain arising from the transfer of a long term capital asset gets concessional treatment vis-a-vis capital gains arising from the transfer of a short term capital asset.

a. Computation of short-term capital gain. The short-term capital gain is to be computed by deducting the following from the full value of consideration :

(i) cost of acquisition (ii) cost of improvement (iii) cost of transfer.

b. Computation of long-term capital gain. The long-term capital gain is to be computed by deducting the following from the full value of consideration.

(i) Indexed cost of acquisition (ii) indexed cost of improvement (iii) cost of transfer.

The indexed cost of acquisition and indexed cost of improvement are to be computed by indexing the cost of acquisition and cost of improvement using the following cost of inflation index.

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

Exemption : Long term capital gains are exempt from tax to the extent they are invested in a residential house, or in specified bonds, or in acquiring shares through public issue, subject to conditions specified in sections 54, 54EC, 54ED and 54F of the Income-tax Act. Capital gains arising on transfer of land used for agricultural purposes or on compulsory acquisition of land and buildings are also exempt to the extent specified in sections 54B and 54D. The amount exempted is to be reduced from the capital gain computed as above and the balance amount is to be shown in the return.

Short-term capital gains

The sum total of short-term capital gains and long term capital gains after reducing exempted amounts is the income from capital gains. If there is loss on transfer of either short-term or long-term capital asset, it can be set off against income from capital gain arising on transfer of any other asset.

(E) Income from other sources

- a. Gross income** : Income which is not chargeable under any of the above mentioned heads and which is not from business or profession is to be shown here. Examples of such income are interest, winnings from lotteries, crossword puzzles, horse-races, royalty, family pension, rent for plot of land etc.
- b. Deductions** : Deductions are allowable u/s 57. These include expenses laid out for earning the income. In the case of income from family pension, a standard deduction to the extent of 1/3rd of pension or Rs.12,000 whichever is lower is allowed.

Gross total income

This will be the aggregate of the net income from each head/source of income and is to be mentioned in item 6 of Part D of the form.

Deductions

If you are eligible for any deductions under Chapter VI A of the Income-tax Act, please mention the amount in the place provided. You may, for example, be eligible to claim deduction(s) in respect of payment of medical insurance premia, or medical treatment of handicapped dependant(s), or repayment of loan taken for higher education, etc. You may like to contact the Public Relations Officer in the income-tax office for guidance on the deductions available to you. The aggregate amount of the deductions for which you are eligible should be reduced from the gross total income.

Net agricultural income

The net agricultural income is to be computed in accordance with Part IV of the First Schedule to the Finance Act, 2003. This item need not be filled in if there is no income from any of the above sources.

General

- Please satisfy yourself that the return has been correctly filled in and then sign the verification before filing the return.
- Status : For indicating the status, please use the following code numbers :

<u>Status</u>	<u>Code</u>	<u>Status</u>	<u>Code</u>
(a) Individual	01	(g) Association of Persons (AOP)	07
(b) Hindu Undivided Family (other than that mentioned below)	02	(h) Association of Persons (Trusts)	08
(c) Hindu Undivided Family which has at least one member with total income of the previous year exceeding the maximum amount not chargeable to tax	03	(i) Body of individuals (BOI)	09
(d) Unregistered firm	04	(j) Artificial Juridical Person	10
(e) Registered firm/firm (other than the one engaged in profession)	05	(k) Cooperative Society	11
(f) Registered firm/firm engaged in profession	06	(l) Local Authority	16