

Form 74 – Statement of income paid or credited by Venture Capital Company or Venture Capital Fund

Name of form as per I.T. Rules, 1962	Form 64	Name of form as per I.T. Rules, 2026	Form 74
Corresponding section of I.T. Act, 1961	115U	Corresponding section of I.T. Act, 2025	222
Corresponding Rule of I.T. Rules, 1962	12C	Corresponding Rule of I.T. Rules, 2026	145

Purpose

Form 74 is a statement filed by Venture Capital Companies (VCC) or Venture Capital Funds (VCF) to report income paid or credited to investors from investments made in Venture Capital Undertakings under Section 222 of the Income Tax Act, 2025. Form 74 is filed under Rule 145 of the Income Tax Rules, 2026. The VCCs and VCFs were defined in section 10(23FB) of Income-tax Act, 1961. The same have been defined in Note-4 below Schedule V of the Income-tax Act, 2025.

Who Should File

Every Venture Capital Company or Venture Capital Fund registered with the Securities and Exchange Board of India (SEBI) that distributes income to unit holders or investors from investments in Venture Capital Undertakings.

Frequency & Due Dates

Filing Type	Period Covered	Due Date for Filing
Annual Statement	Tax year	15 th June of the financial year immediately following the tax year in which income was paid or credited

Structure of Form 74

- Fund/Company Details: Name, registered office address and PAN
- Director/Trustee Details: Name and address of Directors (for VCC) or Trustees (for VCF).
- SEBI Registration Details: Date of registration with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 or (Alternative Investment Funds) Regulations, 2012.
- Compliance Declarations: Declarations regarding investment thresholds, investment restrictions, and listing status.

- Income Breakup: Total income from Venture Capital Undertakings classified by heads of income (Long-term Capital Gains, Short-term Capital Gains, Dividend, and Other Income).
- Proportions: Proportion of each income head to total income.
- Investor-wise Details: Detailed information of persons receiving income including Name, Address, PAN, total amount paid/credited, and income-wise breakup.

What are the documents required to file Form 74

Following documents are required to be in possession of the filer while filing Form 74:

1. Copy of the Certificate of Registration under the Securities and Exchange Board of India Act, 1992.
2. Copy of the Venture Capital Fund deed (in case of VCF registered under the Registration Act, 1908).
3. Audited accounts including balance sheet and annual report, if any.
4. Certified copies of income and appropriation towards distribution or credit of income [including amounts deemed to have been credited].

Filing Count

Form 74 is filed by SEBI-registered Venture Capital Companies and Venture Capital Funds annually. The total filing count of this Form for last five years is 434.

What is the process flow of filing Form 74

The process flow includes following steps:

1. Income generation from investments made by VCC/VCF in Venture Capital Undertakings during the tax year.
2. Payment or crediting of income to unit holders /investors liable to tax by the VCC/VCF.
3. Preparation of Form 74 statement containing fund details, income classification, and investor-wise breakup.
4. Verification of Form 74 by a qualified accountant (Chartered Accountant) in the prescribed manner.
5. Electronic filing of Form 74 under digital signature on the Income Tax e-filing portal by 15th June of the following financial year.
6. The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) specifies the filing procedure and is responsible for security, archival, and retrieval policies.

Outcome of Processed Form 74

For VCC/VCF

Form 74 facilitates pass-through taxation whereby the VCC/VCF itself is exempt from tax under the Act, and the income flows through to investors as per section 222 of Income Tax Act, 2025.

For Investors (Unit Holders)

- Income reported in Form 74 is taxable in the hands of investors as if they had made direct investments in the Venture Capital Undertaking (pass-through status).
- Investors receive income classification (capital gains, dividend, other income) which they must report in their respective Income Tax Returns (ITR-2, ITR-3, ITR-5, ITR-6, or ITR-7) under Schedule PTI (Pass Through Income).
- The income retains its character and tax treatment in the hands of the investor as per Section 222 of the Income-tax Act, 2025.

Brief note on broad or qualitative changes proposed

Key updates in Form 74 under the Income Tax Act, 2025 include the following:

- Addition of "Date of distribution" field: The date of payment/credit column was not present in the existing Form 64. Now the field of date of distribution has been added in the table in field 13 in Form 74.
- There was no child form in the Income Tax Rules, 1962 corresponding to form no 64 unlike other similar provisions, i.e, Form no 64B corresponding to Form no 64A. Now, new child form 75 has been introduced in the Income Tax Rules, 2026 corresponding to Form 74.

Challenges and Solutions

Challenge: Earlier, the mandate of the Income-tax Act, 1961 was to furnish statement to the unit holders in respect of the nature and other details of income paid or credited by VCF or VCC for which they were liable to tax, but the form was not prescribed in rule 12C of Income-tax Rules, 1962.

Solution: Such prescription has been made in rule 145 of the Income-tax Rules, 2026 and format of form 75 has also been prescribed in Income-tax Rules. Thus, now child form of Form 74 finds place in the Rules, which can be generated and downloaded from Form 74 and furnished to the investors.

Challenge: There was no date of payment/ credit of income field in earlier form 64.

Solution: Such field has been provided in the revised form.

Challenge: The due date of filing Form 64 under rule 12C was 30th November, which was after the due date of filing of return of income. Investors were facing hardships in correctly disclosing their incomes under different heads in their returns because of this.

Solution: The due date has been preponed to 15th June in Rule 145 of the Income-tax Rules, 2026.

Challenge: Investors receiving income from VCC/VCF were not reporting pass-through income correctly in their ITR as there was no specific reference to Section 115U in Schedule PTI.

Solution: The new ITR forms for AY 2025-26 have included reference to Section 115U in Schedule PTI, enabling taxpayers to correctly report pass-through income received from venture capital funds/undertakings.

Common Changes made across Forms

1. To make Forms system-friendly and enable e-filing and uploading, certain anomalies found due to grouping of Name, Designation, Address, PAN and Aadhaar number have been separated into different boxes.
2. Assessment / Financial / Previous year or years have been replaced with Tax year or years, wherever appearing in the Form.
3. Sections, Clauses and Schedules changes as per the Income-tax Act, 2025.
4. Currency symbol "Rs." has been replaced with "₹".