

## Form No. 163 – Frequently Asked Questions

### Information and Documents to be furnished by an Indian concern under section 506 of the Act

<b>Name of form as per I.T. Rules, 1962</b>	<b>Form 49D</b>	<b>Name of form as per I.T. Rules, 2026</b>	<b>163</b>
<b>Corresponding section of I.T. Act, 1961</b>	<b>285A</b>	<b>Corresponding section of I.T. Act, 2025</b>	<b>506</b>
<b>Corresponding Rule of I.T. Rules, 1962</b>	<b>114DB</b>	<b>Corresponding Rule of I.T. Rules, 2026</b>	<b>235</b>

#### **1. What is Form No. 163?**

**Ans:** Form No. 163 is for reporting indirect transfers of assets located in India. It is required under Section 506 of the Income Tax Act, 2025.

#### **2: Who should file Form No. 163?**

**Ans:** Form No. 163 is to be filed by an Indian concern or its representative, whose assets are indirectly transferred by a non-resident.

#### **3: Is Form No. 163 mandatory?**

**Ans:** Yes, Form No. 163 is mandatory.

#### **4: What is the time limit for filing Form No. 163?**

**Ans:** Information shall be furnished in Form No. 163 within a period of ninety days from the end of the financial year in which any transfer of the share of, or interest in, a company or entity incorporated outside India has taken place.

Where the transaction in respect of the share or the interest has the effect of directly or indirectly transferring the rights of management or control in relation to the Indian concern, the information shall be furnished in the said Form within ninety days of the transaction

**5: How many times can Form No. 163 be filed in a year?**

**Ans:** The form no. 163 is to be filed once – within 90 days from end of tax year if the transactions do not transfer the rights of management or control in Indian concern. Otherwise, depending on the number of such transactions, the form is to be filed in 90days of each such transaction.

**6: What documents are required to file Form No. 163?**

**Ans:** The following documents are required to file Form No. 163:

- Structure of the group – holding pattern of entity(ies) in India
- Basis of valuation of assets of the company or entity – valuation reports, annual financial statements, audit reports etc.
- Holding structure in respect of shares of, or interest in the company or entity before and after the transfer
- Documents related to break up of assets

**7: Can I edit Form No. 163 after submission?**

**Ans:** No. Once Form No. 163 is submitted and acknowledgment is generated, it **cannot be edited**. Ensure all details are correct before submission.

**8: Do I need to attach proof of tax payment?**

**Ans:** No. The tax liability does not arise to the Indian concern or its representative filing the Form No. 163. The form is only a reporting requirement. Hence no tax payment proof is required

**9: While filling personal details, can I leave Aadhaar or mobile number blank?**

**Ans:**

- Aadhaar is no longer required in the personal details.
- Mobile number ensures faster communication and verification; it is recommended to provide it.

**10: What if I do not have a PAN?**

**Ans:** Form No. 163 cannot be submitted without a valid PAN.

**11: Can Form No. 163 be filed offline?**

**Ans:** No. It is to be filed through the e-filing portal of the department.

**12. What is the process flow of filing Form No. 163?**

**Ans:** 1) Form No. 163 is to be filed electronically through the e-filing portal of the Income Tax Department

2) The form is to be digitally signed by the authorized person

**13. Why is Form No.163 important?**

**Ans:** Processed Form No. 163 provides information with respect any transfer of the share of, or interest in, a company or entity incorporated outside India and is required to understand capital gains arising for the non-resident.

Failure to file Form No. 163 or adhere to the prescribed timelines can lead to:

- Levy of Penalty under Section 458 of the Income-tax Act, 2025.
- Other appropriate action related to proper assessment of income and other measures under the Income-tax Act, 2025