

## **Form No. 27 – Frequently Asked Questions (FAQs)**

Details of Amount Attributed to Capital Asset Remaining with the Specified Entity

(See Rule 50 of the Income-tax Rules)

### 1. What is Form No. 27?

Form No. 27 is a form prescribed under Rule 50 of the Income-tax Rules to be furnished by a specified entity for reporting the amount attributed to capital assets remaining with the specified entity, in cases where income is taxable under section 67(10) of the Income-tax Act, 2025 (corresponding to section 45(4) of the Income-tax Act, 1961).

### 2. What is the objective of Form No. 27?

The objective of Form No. 27 is to operationalise the method prescribed under Rule 50 for attribution of income taxable under section 67(10) to the capital assets that continue to remain with the specified entity after dissolution or reconstitution.

### 3. Who is required to file Form No. 27?

Form No. 27 is required to be filed by every specified entity from which a specified person receives, during the tax year, any capital asset or stock-in-trade or both, in connection with the dissolution or reconstitution of such specified entity.

### 4. Is Form No. 27 mandatory?

Yes. Furnishing Form No. 27 is mandatory where income becomes taxable under section 67(10) and attribution of such income to capital assets remaining with the specified entity is required under Rule 50.

### 5. When should Form No. 27 be filed?

Form No. 27 must be furnished along with the return of income of the specified entity for the tax year in which the specified person receives the capital asset or stock-in-trade or both upon dissolution or reconstitution.

6. How many times is Form No. 27 required to be filed?

Form No. 27 is event-specific and is required to be filed for each tax year in which a dissolution or reconstitution event occurs giving rise to taxation under section 67(10).

7. What information is required to be furnished in Form No. 27?

The form requires details of the specified entity, tax year, amount taxable under section 67(10), asset-wise attribution of such amount, book value and revalued value of assets, classification of assets as short-term or long-term, details of the registered valuer, and upload of valuation report.

8. Is valuation of capital assets mandatory?

Yes. Attribution under Rule 50 must be based on a valuation report issued by a registered valuer, and a copy of such report is required to be uploaded.

9. Who is required to verify and sign Form No. 27?

Form No. 27 must be verified and signed by the authorised person or principal officer of the specified entity.

10. Can Form No. 27 report more than one capital asset?

Yes. The form allows reporting of multiple capital assets with asset-wise attribution and reporting of the aggregate total.

11. Can Form No. 27 be filed offline?

No. Form No. 27 is required to be furnished electronically.

12. Is revision of Form No. 27 permitted?

Revision may not be permitted unless specifically enabled by the electronic filing system. Care should therefore be taken to ensure correctness before filing.

13. What are the consequences of non-filing or incorrect filing of Form No. 27?

Non-filing or incorrect filing may lead to disputes in computation of capital gains, denial of deductions under section 72(5), and initiation of proceedings under the Income-tax Act.

14. Why is Form No. 27 important?

Form No. 27 ensures correct implementation of Rule 50, provides transparency in valuation-based attribution, and reduces litigation in cases of dissolution and reconstitution.