

Form 78 – Frequently Asked Questions

**Statement of income paid or credited by investment fund to be furnished to the investors
under section 224**

Name of form as per I.T. Rules, 1962	Form 64C	Name of form as per I.T. Rules, 2026	Form 78
Corresponding section of I.T. Act, 1961	115UB	Corresponding section of I.T. Act, 2025	224
Corresponding Rule of I.T. Rules, 1962	12CB	Corresponding Rule of I.T. Rules, 2026	145

1. What is Form 78?

Ans: Form 78 is prescribed for furnishing statement of income distributed by an investment fund to each unitholder u/s 224 of the Act.

2: Who should file Form 78?

Ans: Form 78 is not to be filed separately. It is a child form of Form No. 79, which is the parent Form. The person responsible to pay on behalf of the investment fund has to generate and download this form after filing Form No. 79. The form is to be generated for each unitholder and then it is to be provided to each unitholder.

3: What is the time limit for providing Form 78?

Ans: Form 78 must be furnished by 30th June of the financial year immediately following the tax year in which the income was paid or credited to the unitholder.

4: What documents are required to furnish Form 78?

Ans: This Form is generated from the parent Form 79, so no separate document is required.

5: Can Form 78 be filed offline?

Ans: No. Form 78 is automatically generated from the data filed in Form 79 through the e-filing portal specified by the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems). No separate documents need to be attached to Form 78 as it is a statement derived from the parent Form 79.

6: Why is Form 78 important?

Ans: Furnishing Form 78 is important for investment funds to ensure mandatory compliance mentioned in section 224 of the Act.

It is important for the person liable to tax in respect of the income paid or credited by the investment fund for the following reasons-

- **Tax Return Filing:** Unit holders use Form 78 to accurately report pass-through income in their Income Tax Returns (ITR-2, ITR-3, ITR-5, ITR-6, or ITR-7) under Schedule PTI (Pass Through Income).
- **Income Classification:** Form 78 provides clear classification of income under different heads - Business/Profession, Long Term Capital Gains, Short Term Capital Gains, and Other Sources (Dividend and Others) - enabling unit holders to report each category appropriately.
- **Special Tax Rates:** The form specifies codes for different capital gains tax rates (12.5%, 10%, 15%, 20%, 30%) allowing unit holders to compute tax liability accurately.
- **Loss Carry Forward:** Details of deemed loss as on 31st March, 2019 [section 224(3)] enables eligible unit holders to claim carry forward of losses in their ITR.