

Form 81 – Frequently Asked Questions

Audit Report under section 232(21) of the Act

Name of form as per I.T. Rules, 1962	Form 66	Name of form as per I.T. Rules, 2026	81
Corresponding section of I.T. Act, 1961	115VW	Corresponding section of I.T. Act, 2025	232
Corresponding Rule of I.T. Rules, 1962	11T	Corresponding Rule of I.T. Rules, 2026	146

1. What is Form 81?

Answer:

Form 81 is a report to be furnished by an accountant certifying the correctness of particulars relating to:

- Maintenance of books of account, and
- Computation of income under the Tonnage Tax Scheme, by a company engaged in the business of operating qualifying ships.

2. Who is required to furnish Form 81?

Answer:

Form 81 is required to be furnished by a company which has opted for taxation under the Tonnage Tax Scheme, in respect of the relevant tax year.

3. Who is authorised to furnish and sign Form 81?

Answer:

Form 81 is required to be prepared, signed, and verified by an accountant as defined under section 515(3)(b) of the Income-tax Act, 2025.

4. What are the main parts of Form 81?

Answer:

Form 81 consists of the following parts:

- **Part A** – Particulars of the company
- **Part B** – Particulars of books of account and computation details
- **Verification** – Certification by the accountant
- **Annexures** – Supporting notes and documents, wherever applicable

5. What details are required to be furnished in Part A of Form 81?

Answer:

Part A requires basic particulars of the company, including:

- Name and address,
- Permanent Account Number (PAN),
- Contact details, and
- Relevant tax year.

6. What information relating to books of account is required in Part B?

Answer:

Part B requires disclosure of:

- The tax year from which the option for tonnage tax is effective,
- Whether separate books of account are maintained for the tonnage tax business,
- The list of books of account maintained and examined, and
- The addresses at which such books are kept.
- Confirmation with regard to the Charter-in limit, computation of relevant shipping income, details of tonnage tax reserve account, computation of tonnage tax income, details of related party transactions, computation of depreciation as per Section 229(1) to (7), details of assets (other than ships) not used exclusively for the tonnage tax business and details of losses relating to the business of operating qualifying ships, if any.

7. Is maintenance of separate books of account mandatory?

Answer:

Yes. The company is required to maintain separate books of account in respect of the business of operating qualifying ships, as mandated under the Tonnage Tax Scheme.

8. What is meant by “limit for charter-in” and how is it reported in Form 81?

Answer:

The limit for charter-in refers to the restriction prescribed under section 232(15) of the Act, whereby the tonnage of chartered-in ships should not exceed 49% of the total tonnage.

The accountant is required to certify whether this limit has been correctly computed and complied with.

9. What details of shipping income are required to be furnished?

Answer:

The company is required to furnish:

- Profits from core activities referred to in section 235(1)(a), and
- Whether profits from incidental activities exceed 0.25% of the turnover from core activities.

10. What is the Tonnage Tax Reserve Account and what details are required?

Answer:

The Tonnage Tax Reserve Account is a statutory reserve required under the Act. Form 81 requires disclosure of:

- Book profits,
- Minimum reserve required to be created, and
- Whether the reserve has been utilised strictly in accordance with section 232(6).

11. How is computation of tonnage income reported in Form 81?

Answer:

The computation of tonnage income under sections 227(1) to 227(6) is to be reported ship-wise, including:

- Net or deemed tonnage,
- Ownership or charter status,
- Kind of charter,
- Daily tonnage income,
- Number of days operated, and
- Total tonnage income.

12. Is it mandatory to mention the name of the ship in all cases?

Answer:

No. As per Note 3, there is no requirement to mention the name of the ship where income is computed on a deemed tonnage basis.

13. Are related party transactions required to be reported?

Answer:

Yes. Details of transactions with related parties are required to be furnished along with a separate explanatory note as Annexure A-2.

14. What depreciation details are required to be reported in Form 81?

Answer:

Form 81 requires:

- Computation of depreciation in accordance with section 229(1) to (7), and
- Asset-wise or block-wise details including rate of depreciation, actual cost or WDV, and adjustments on account of tax credit, exchange variation, subsidies, or grants.

15. Are details of assets not used exclusively for tonnage tax business required?

Answer:

Yes. Details of assets other than ships not used exclusively for the tonnage tax business are required to be furnished along with a supporting note as Annexure A-3.

16. Are losses relating to the tonnage tax business required to be reported?

Answer:

Yes. Any losses relating to the business of operating qualifying ships are required to be disclosed along with a separate explanatory note as Annexure A-4.

17. Are annexures mandatory where applicable?

Answer:

Yes. Wherever a matter is required to be explained through an annexure as per the Notes, such annexure is mandatory.

18. What should be done if any information is reported in the negative or with qualification?

Answer:

Where any matter is answered in the negative or with qualification, the accountant must clearly state the reasons in the report.

19. Is any information in Form 81 pre-filled?

Answer:

Yes. Certain information may be pre-filled based on data available with the Income-tax Department. However, responsibility for correctness remains with the assessee and the reporting accountant.

20. In what currency should amounts be reported in Form 81?

Answer:

All amounts should be reported in Indian Rupees (₹) unless otherwise specified.

21. Why is Form 81 important?

Answer:

Form 81 ensures:

- Independent verification of tonnage tax computations,
- Compliance with statutory limits and conditions, and
- Integrity and audit reliability of income declared under the Tonnage Tax Scheme.