

Instructions for filling out FORM No. ITR-7

(to be detached before filing the return)

1. Legal status of instructions

These instructions though stated to be non-statutory, may be taken as guidelines for filling the particulars in this Form. In case of any doubt, please refer to relevant provisions of the Income-tax Act, 1961 and the Income-tax Rules, 1962.

2. Assessment Year for which this Form is applicable

This Form is applicable for assessment year 2010-2011 only.

3. Who can use this Form

This Form can be used by persons including companies who are required to furnish return under section 139(4A) or under section 139(4B) or under section 139(4C) or under section 139(4D).

4. Manner of filing this Form

This Form has to be filed in a paper form

5. Filling out the acknowledgement

Acknowledgement slip attached with this Form should be duly filled out.

6. Form not to be filled in duplicate

This form is not required to be filed in duplicate.

7. Intimation of processing under section 143(1)

The acknowledgement of the return is deemed to be the intimation of processing under section 143(1). No separate intimation will be sent to the taxpayer unless there is a demand or refund.

8. BRIEF SCHEME OF THE LAW

(1) Computation of total income

- (a) "Previous year" is the financial year (1st April to the following 31st March) during which the income in question has been earned. "Assessment Year" is the financial year immediately following the previous year.
- (b) Tax is chargeable on what is called '**total income**'; it has a definite technical meaning.
- (c) Total income is to be computed as follows, in the following order:
 - (i) Classify all items of income under the following **heads of income**: (A) "Income from house property"; (B) "Profits and gains of business or profession"; (C) "Capital gains"; and (D) "Income from other sources". (There may be no income under one or more of these heads of income).
 - (ii) Compute taxable income of the current year (i.e., the previous year) under each head of income separately in the Schedules which have been structured so as to help you in making these computations. The headwise computation in the Schedules has been devised on the basis of actual income earned in the commercial sense as against computation as per statutory provisions applicable in case of other categories of taxpayers.
 - (iii) Set off current year's headwise loss(es) against current year's headwise income(s) as per procedures prescribed by the law. A separate Schedule is provided for such set-off.
 - (iv) Aggregate the headwise end-results as available after (iii) above; this will give you "gross income".
 - (v) Deduct from the gross income, amounts exempt under sections 10 and 11, to arrive at gross total income.
 - (vi) From gross total income, subtract, as per procedures prescribed by the law, "deductions" mentioned in Chapter VIA of the Income-tax Act. The result will be the total income. Besides, calculate agricultural income for rate purposes.

(2) Computation of income-tax, surcharge, education cess and interest in respect of income chargeable to tax

- (a) Compute income-tax payable on the total income after allowing rebate, if applicable. Special rates of tax are applicable to some *specified* items. Include agricultural income, as prescribed, for rate purposes, in the tax computation procedure.
- (b) Add surcharge as prescribed by the law on the above tax payable (after rebate).
- (c) Add Education Cess including secondary and higher education cess as prescribed on tax payable (after rebate) plus surcharge.
- (d) Add interest payable as prescribed by the law to reach total tax, surcharge and interest payable.
- (e) Deduct the amount of prepaid taxes, if any, like "tax deducted at source", "tax collected at source", "advance-tax" and "self-assessment-tax". The result will be the tax payable (or refundable).

(3) Filing of return

- (a) A return of income can be filed in any of the following manners:
 - (i) U/s (under section) 139(1): i.e., within the “due date” prescribed by the law; or
 - (ii) U/s 139(3) r/w (read with) s 139(1) only where a loss is to be carried forward: i.e., within the “due date” prescribed by the law;
 - (iii) U/s 139(4); i.e., after the expiry of the “due date” but before the expiry of one year from the end of the relevant assessment year;
 - (iv) U/s 142(1): i.e, pursuant to a statutory notice calling for the return;
 - (v) U/s 148: i.e., pursuant to a statutory notice u/s 149 for assessing or reassessing total income that has been either not assessed or under-assessed earlier;
 - (vi) U/s 153A/153C: pursuant to a notice u/s 153A(a);
 - (vii) A return filed u/s 139(1) or 139(3) or 142(1) can be revised by filing a fresh return within one year from the end of the relevant assessment year or before the completion of assessment, whichever is earlier;
 - (viii) Incomplete or erroneous returns are liable to be held defective [s 139(9)] or even invalid. If held defective, time (usually 15 days, extendable in some circumstances) will be allowed to rectify the defect(s).
- (b) Incomplete or erroneous returns are liable to be held defective [s 139(9)] or even invalid. If held defective, time (usually 15 days, extendable in some circumstances) will be allowed to rectify the defect(s).

(4) Obligation to file return of income

- (a) Return under section 139(4A) is required to be filed by every person in receipt of income derived from property held under trust or other legal obligation wholly for charitable or religious purposes or in part only for such purposes, or of income being voluntary contributions referred to in sub-section (iia) of clause (24) of section 2, shall, if the total income in respect of which he is assessable as a representative assessee (the total income for this purpose being computed under this Act without giving effect to the provisions of sections 11 and 12) exceeds the maximum amount which is not chargeable to income-tax.
- (b) Return under section 139(4B) is required to be filed by a political party if the total income without giving effect to the provisions of section 139A exceeds the maximum amount which is not chargeable to income-tax.
- (c) Return under section 139(4C) is required to be filed by every –
 - (i) scientific research association referred to in section 10(21);
 - (ii) news agency referred to in section 10(22B);
 - (iii) association or institution referred to in section 10(23A);
 - (iv) institution referred to in section 10(23B);
 - (v) fund or institution or university or other educational institution or any hospital or other medical institution referred to in section 10(23C)(iv)/ (v)/ (vi)If the conditions mentioned in section 139(4C) are satisfied.
- (d) Return under section 139(4D) is required to be filed by every university, college or other institution referred to in clause (ii) and clause (iii) of sub-section (1) of section 35, which is not required to furnish return of income or loss under any other provision of this section.
- (e) Return of income is also required to be filed by a person if his total income before allowing deductions under section 10A or section 10B or section 10BA or Chapter VI-A exceeds the maximum amount which is not chargeable to income tax.
- (f) The losses, shall not be allowed to be carried forward unless the return has been filed on or before the due date.
- (g) The deduction under sections 10A, 10B, 80-IA, 80-IAB, 80-IB and 80-IC shall not be allowed unless the return has been filed on or before the due date.

9. SCHEME OF THE FORM

The Scheme of this form follows the scheme of the law as outlined above in its basic form. The Form has been divided into three parts. It also has seventeen schedules. The details of these parts and the schedules are as under:-

- (i) The first part, i.e., Part-A is spread over the first page of the return. It seeks general information requiring identificatory data.
- (ii) The second part, i.e, Part-B on page 2 is regarding an outline of the total income and tax computation in respect of income chargeable to tax.
- (iii) The third part, i.e, Part-C on pages 3&4 is regarding an outline of the value of fringe benefits and tax computation in respect of fringe benefits chargeable to tax.

- (iv) After Part-C, on page 4, there is a Table requiring to fill out the number of documents/ statements attached with this Form. After this table, there is a space for a statutory verification
- (v) Schedule-A: Computation of income under the head Income from House Property.
- (vi) Schedule-B: Computation of income under the head Profits and gains of business or profession.
- (vii) Schedule-C: Computation of income under the head Capital gains.
- (viii) Schedule-D: Computation of income under the head Income from other sources.
- (ix) Schedule-E: Statement of set-off of current year's losses under section 71.
- (x) Schedule-F: Statement of total income.
- (xi) Schedule-G: Statement of taxes on total income.
- (xii) Schedule-H: General Information and details of exempt income.
- (xiii) Schedule-I: Details of amounts accumulated/ set apart within the meaning of section 11(2) in the last eleven years, viz., previous years relevant to the current assessment year and the ten preceding assessment years.
- (xiv) Schedule-J: Book profits under section 115JB.
- (xv) Schedule-JA: Tax credit under section 115JAA;
- (xvi) Schedule-K: Statement showing the investment of all funds of the Trust or Institution as on the last day of the previous year.
- (xvii) Schedule-L: Statement of particulars regarding the Author(s)/ Founder(s)/ Trustee(s)/ Manager(s), etc., of the Trust or Institution.
- (xviii) Schedule-LA: Details in case of a political party

10. GUIDANCE FOR FILLING OUT PARTS AND SCHEDULES

(1) General

- (i) All items must be filled in the manner indicated therein; otherwise the return maybe liable to be held defective or even invalid.
- (ii) If any schedule is not applicable score across as “---NA---”.
- (iii) If any item is inapplicable, write “NA” against that item.
- (iv) Write “Nil” to denote nil figures.
- (v) Except as provided in the form, for a negative figure/ figure of loss, write “-” before such figure.
- (vi) All figures should be rounded off to the nearest one rupee. However, the figures for total income/ loss and tax payable be finally rounded off to the nearest multiple of ten rupees.

(2) Sequence for filling out parts and schedules

You are advised to follow the following sequence in filling in the sheets;

- (i) Part A;
- (ii) Schedule-A to Schedule-D;
- (iii) Schedule-E: relating to set-off of losses, etc.;
- (iv) Schedule-F: Statement of total income;
- (v) Schedule-G: Statement of taxes on total income;
- (vi) Schedule-H: General Information;
- (vii) Schedule-I: Details of amounts accumulated/ set apart within the meaning of section 11(2) in the last 11 years;
- (viii) Schedule-J: Book profit under section 115JB;
- (ix) Schedule-JA: Tax credit under section 115JAA;
- (x) Schedule-K: Statement showing the investment of all funds of the Trust or Institution as on the last day of the previous year.
- (xi) Schedule-L: Statement of particulars regarding the Author(s)/ Founder(s)/ Trustee(s)/ Manager(s), etc., of the Trust or Institution;
- (xii) Schedule-LA: Details in case of a political party
- (xiii) Part B: Computation of total income and tax thereon;
- (xiv) Verification;

(3) Necessary instructions to fill the Parts and Schedules are as under-

(A) Part-A: All items are self explanatory

- (a) It is compulsory to quote PAN.
- (b) Use block letters only throughout to fill in this form.
- (c) Codes for residence and status:

Residence in India	Code
Resident	01
Non-resident	02
Resident but not ordinarily resident	03

Status	Code	Status	Code
(a) Individual	01	(g) Association of persons (AOP)	07
(b) Hindu Undivided Family(other than that mentioned below)	02	(h) Association of persons (Trust)	08
(c) Hindu Undivided Family which has at least one member with total income of the previous year exceeding the maximum amount not chargeable to tax	03	(i) Body of individuals (BOI)	09
(d) Unregistered firm	04	(j) Artificial juridical person	10
(e) Registered firm/ firm (other than the one engaged in profession)	05	(k) Co-operative society	11
(f) Registered firm/ firm engaged in profession	06	(l) Local authority	16

- (d) Items 15: State the section under which the return is filed and also whether the return is an original return or a revised return: See "Brief scheme of the law" above.
- (e) Item 17: This asks whether you are filing your return *for the first time ever*.

(B) Schedule-A: Income from house property

- (i) If there are more than one house properties, the computation should be first done for each house property separately, and then aggregated. Use photocopies of the page for additional house properties.
- (ii) Item 1: Mention (a) total number of sheets used (=total number of separate house properties); and (b) individual sheet number on each sheet).
- (iii) Items 2 to 15: These are to be filled for each house property separately:
- ☐ Item 4: Built-up area: Inclusive of walls and common areas.
Land appurtenant: Attached to, and forming an integral part of, the property.
Annual lettable value: Amount for which the house property may reasonably be expected to let from year to year, on a notional basis.
 - ☐ Item 5: Indicate here the annual lettable value or the rent received / receivable for the whole year, whichever is higher. In respect of one self-occupied house used for your own residence, or which is vacant and cannot be used due to your place of employment being different, the value to be mentioned in this item may be taken as "nil" and items 6 and 7 need not be filled in.
 - ☐ Item 6: The deductions admissible u/s 23 should be claimed here, such as:-
 - (a) Municipal Taxes: an assessee can claim deduction only if the property is in the occupation of a tenant, and such taxes are borne by the assessee and not by the tenant and have actually been paid during the year. Please attach proof of such payment.
 - (b) Unrealised rent in view of Explanation below section 23(i) subject to Rule 4.
 - ☐ Item 8: This figure represents the annual value.
 - ☐ Item 9: Indicate here the deductions claimed under section 24.
 - (a) 30% of the annual value
 - (b) Interest on capital borrowed.
 - ☐ Item 12: Deduction is available for unrealized rent in the case of a let-out property. If such a deduction has been taken in an earlier assessment year, and such unrealized rent is actually received in the assessment year in question, the unrealized rent so received is to be shown against this item.
 - ☐ Item 13: This relates to enhancement of rent with retrospective effect. Here mention back years' extra rent received thereon, and claim deduction @ 30% of such arrear rent received.
 - ☐ Items 16 to 17: Aggregation of individual property-wise computations as per items 2 to 15.

(C): Schedule B: Profits and gains of business or profession.

(I) General

- (a) Item 1: Tick one or more box(es), as applicable.
- (b) Item 3: Tick any one box. The law permits use of only one of the two methods.
- (c) Items 4 to 5: This relates to change in the method of accounting in the assessment year in question compared to the immediately preceding assessment year.
- (d) Items 7 to 8: This relates to change in the method of valuing stock in the assessment year in question compared to the immediately preceding assessment year.
- (e) Item 9: Sec 44AA prescribes compulsory maintenance of accounts for some businesses and professions.
- (f) Item 10: Sec 44AB(a) and (b) prescribe compulsory tax audit for business and profession where the sales, turnover, or gross receipts exceed prescribed amounts.
- (g) Item 11: Sec 44AB (c) prescribes compulsory tax audit where profits and gains of business or profession are shown not as per accounts maintained, but at presumptive figures prescribed u/ss 44AD, or 44AE, or 44AF.
- (h) Items 12 to 13: Sec 44AB prescribes that (a) the tax audit be got done by a certain "specified date", and (b) the tax audit report be furnished within the "due date" for filing the return of income as defined in sec 139(1).

(II) Computation of income from business or profession *other than speculation business*.

- (a) Computation of income from business is required to be made in accordance with the statutory provisions under the head "profits and gains of business or profession", in view of section 11(4), which provides that if the income so computed exceeds the income shown in the accounts, such excess is chargeable to tax.
- (b) If accounts have been maintained separately for each business, business-wise computations may be carried out on separate sheet(s) and the *consolidated* figures be given in items 14 to 26.
- (c) Item 14: This item relates to the *consolidated* P&L A/c. If separate P&L A/cs are maintained for separate businesses, all such a/cs are to be combined to form the consolidated P&L A/c.
- (d) Item 15: Any change in method of accounting and/ or valuation of stock may necessitate an adjustment in the current year's profits as reflected in the accounts, Here mention such adjustment.
- (e) Item 16, (i) to (iv): Sections 44AD, 44AE and 44AF permit computation of profits of some specified businesses at presumptive figures in some prescribed circumstances. These items provide the mechanism for that: 16(i) is meant to first remove from the P&L A/c the profit(s)/loss(es) of such specified business(es), and 16(ii), (iii) and (iv) are meant to then substitute the aforesaid profit(s)/ loss(es) by the presumptive figure(s) in prescribed circumstances.
- (f) Item 17: This item is meant to remove from the P&L A/c amounts of income that are exempt from chargeability. Amount deductible will be net of expenses incurred for earning the exempt income – section 14A.
- (g) Item 18: Sections 10A, 10B and 10C permit the claiming of exemption from tax of incomes of some specified businesses. This item is meant to eliminate such income(s) from the computation of profits / gains.
- (h) Item 19: Section 28 defines certain incomes as *deemed business profits*. Here include such item(s) *if not already included in item 14*.
- (i) Item 20: Some sections such as s.33AB define certain amounts to be *deemed incomes* in some circumstances. Here mention such amount(s) along with the corresponding section (s).
- (j) Item 21: Some sections such as s.35A provide for the allowance of some expenses in *annual installments over a number of years*. Here mention such amount(s) along with the corresponding section(s).
- (k) Item 22: Sections 44B, 44BB and 44BBA provide for the computation of profits of some businesses at presumptive figures, which necessitate an adjustment to the profit(s)/loss(es) of such business(es) reflected in the P&L A/c. This item is meant for such adjustment.
- (l) Item 23: This item is for other statutory adjustments necessary that are not specifically mentioned above or in items 24 and 25. Here mention the section(s) and the amount(s) of adjustment(s), positive or negative, and the net adjustment.
- (m) Item 24: The calculation of depreciation, including the calculation of WDV's, as adopted in the a/cs may, and often does, differ from that prescribed by the income-tax law, and this may necessitate an adjustment. Here mention such adjustment.
- (n) Item 25: Section 35(1)(iv) prescribes a procedure for allowing scientific research expenses, and this may necessitate an adjustment. Here mention such adjustment.
- (o) Item 26: *This is the end-result of the computation involved in items 14 to 25 for the current year*. This result can be positive or negative. In sub item (i) mention profits and gains of business and profession other than speculation business. In sub item (ii) mention profits and gains from transactions chargeable to securities transaction tax.

(III) Computation of income from speculation business.

- (a) Item 28: Here mention the net result of all adjustments.
- (b) Item 29: *This is the end-result of the computations involved in items 27 and 28.* This figure can be positive or negative.
- (c) Item 30: *If item 26 is negative*, mention that (negative) figure here, *to the extent of the positive figure at item 29.*
- (d) Item 31: This is the result of deducting item 30 from item 29. *It can be positive or zero; it cannot be negative.* Current year's speculation loss cannot be adjusted against profit from any other business or profession. Loss from business or profession (other than from speculation business) can, however, be set-off against income from speculation (remaining after adjustment of brought forward speculation loss).
- (e) Item 32: Mention the total income chargeable under the head Profits and Gains.

(IV) Computation of income chargeable to tax u/s 11(4).

- (a) Item 33: Here mention the income as shown in the accounts of the business undertaking. For the purposes of section 11(4), "property held under trust" includes a business undertaking.
- (b) Item 34: Here mention the income chargeable to tax u/s 11(4), being the amount by which the amount in item 32 exceeds that in item 33.

(D): Schedule C: Capital gains.

- (a) This schedule requires computation of capital gains on commercial principles, i.e., by deducting the cost of acquisition, cost of improvement and expenditure on transfer from the sale consideration, and then reducing the exemption u/s 11(1A), if any.
- (b) If there are more than one transfer of a capital asset, the computation of capital gains be first done separately for each transfer, and then aggregated. Use photocopies of the page for additional capital gains.
- (c) Item 1: Mention (a) total no. of sheets used, and (b) individual sheet no. on each sheet. (For example, if 5 sheets are used, number of sheets will be 5, and Sheet no. will be from 1 to 5.)
- (d) Items 2 to 13: These are for computing capital gain for each transfer:
 - ☐ Item 2: Here give a brief description of the asset.
 - ☐ Item 5: Here give a brief description of the mode of transfer, such as:-
 - (i) sale, exchange or relinquishment of right; or
 - (ii) extinguishment of any rights therein; or
 - (iii) compulsory acquisition thereof under any law; or
 - (iv) in a case where the asset is converted by the owner thereof into; or is treated by him as, stock-in-trade of a business carried on by him, such, conversion or treatment; or
 - (v) any transaction involving the allowing of the possession of any immovable property to be taken or retained in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882; or
 - (vi) any transaction (whether by way of becoming a member of, or acquiring shares in, a cooperative society, company or other association of persons or byway of any agreement or any arrangement or in any other manner whatsoever) which has the effect of transferring, or enabling the enjoyment of, any immovable property. In case of compulsory acquisition, please mention on a separate sheet the law under which the said acquisition has been made as also the dates of notification and possession of the property by the concerned authority.
- (e) Item 10: Section 11(1A) provides for exemption from tax of certain capital gains which are utilized for another capital asset to be held as property under the trust.
- (f) Item 11 : Here mention short term/ long term capital gains arising from the concerned asset. Also specify whether the short term gains is u/s 111A (capital gains from transactions in securities chargeable to securities transaction tax) or otherwise.
- (g) Item 14 : This represents (A) total short term capital gains from all assets, (B) total long term capital gains, (C) short term capital gains u/s 111A and (D) short term capital gains from other assets.

(E): Schedule D: Income from other sources.

- (a) Items 1: Income from owning and maintaining race horses is to be computed separately, in items 6 and 7. Mention gross figures against (a), (b), (c), (d) and (e). Against (b), mention the gross amount of interest(s) received/receivable. Attach a separate sheet giving information regarding each item of interest received /receivable

and attach supporting evidence. Against (c), indicate the gross income from machinery, plant or furniture let on hire and also such income from building where its letting is inseparable from the letting of the said machinery, plant or furniture, if it is not chargeable to income-tax under the head "Profits and gains of business or profession". Against (d), indicate the gross amount of voluntary Contribution/ Donations including donation for the corpus.

- (b) Item 8: Winnings from lotteries, crossword puzzles, races etc., are subject to special rates of tax; hence a separate item is provided.
- (c) Item 9: This is the net result under the head "other sources". Loss from owning and maintaining race horses cannot be adjusted against income from any other source, and can only be carried forward for set off against similar income in subsequent years.

(F): Schedule E: Statement of set-off of current year's loss u/s 71

- (a) Mention only positive incomes of the current year *in column (i)*, headwise, in the relevant rows.
- (b) Mention current year's loss(es) under any head set off u/s 71 against income under any other head, headwise in columns (ii) to (iv), *in the relevant rows*.
- (c) Mention the end-result of the above inter-head set-off(s) in column (v), headwise, in relevant rows.

(G): Schedule F: Statement of total income.

- (a) Item 1: A to D: Transfer figure(s) from the appropriate schedules as indicated.
- (b) Item 3&4: Here make adjustments as provided u/s 11.
- (c) Item 9: Here, mention the details of net agricultural income.

(H): Schedule G: Statement of taxes.

- (a) Item 1: Special rates of tax are applicable to certain types of income such as income from winnings from lottery, crossword puzzle, gambling, betting, horserace, etc @ 40% u/s 115BB; long term capital gains @ 20% (10% where the asset is a listed security), etc.
- (b) Item 7 : Add education cess including secondary and higher education cess levied at the rate of 3% on tax payable inclusive of surcharge.
- (c) Item 12: In sub item A details of advance tax paid should be filled from the counterfoil. In the first table the name of the bank branch, BSR Code of the Bank Branch (7 digit), date of deposit, challan serial no., and amount of tax paid should be filled up. Copy of counterfoil is not required to be attached. In the second table the aggregate advance tax paid for each installment should be filled up. In sub item C for self assessment tax paid, the name of the bank branch, BSR Code of the Bank Branch (7 digit), date of deposit, challan serial no., and amount of tax paid should be filled up from the counterfoil. Copy of counterfoil is not required to be attached.
- (d) Items 14 and 15: Mention payable amount against 14 and refundable amount against 15.

(I): Schedule H: General information.

Item 2: Here, mention the particulars of Bank Account specifying the name of the bank, the 9-digit MICR Code, address of the bank branch, the type of account, along with your account number. In case you want the refund, if any, to be credited directly into your bank account, fill in 'Y' in the box 'ECS (Y/N)', or else fill in 'N'.

(J): Schedule J:

This schedule is applicable only if you are a company. As per section 115JB, the tax payable by a company cannot be less than 10% of the book profits as computed under the section.

(K): Schedule JA:

Credit for MAT paid in assessment year 2009-2010 and earlier years, in excess of the normal tax liability, is allowed to be set off against the normal tax liability of assessment year 2010-2011.

(L): Schedule K:

Here, mention the investment of all funds of the trust or institution as on the last day of the previous year. The table given is self-explanatory.

(M): Schedule L:

Here, mention the particulars regarding the author(s)/ founder(s)/ trustee(s)/ manager(s) etc., of the trust or institution with their names, and date of creation of trust/ institution etc.

(N): Schedule LA:

Section 13A of the Income-tax Act provides exemption to a political party in respect of income chargeable under the head "Income from house property", "Income from other sources" or "capital gains" or Income by way of voluntary contributions received by it, subject to fulfilment of certain conditions mentioned therein. This section seeks to provide the information relating to fulfilment of those conditions.

(O): Part B:

It has been mentioned against various items of this Part as to which figures are to be filled therein. Only following points need to be clarified.

- (i) In item 30, fill the amount of surcharge. In case of every domestic company, having total income exceeding one crore rupees, surcharge is leviable at the rate of 10 per cent of such income tax.
- (ii) In item 31, compute the Education Cess including secondary and higher education cess at the rate of 3%
- (iii) In item 37, compute the interest for defaults in furnishing return of income, the interest for defaults in payment of advance tax and the interest for deferment of advance tax.

Verification

Fill up the required information in the Verification. Strike out whatever is not applicable. Please ensure that the verification has been signed before furnishing the return. Write the designation of the person signing the return. Please note that any person making a false statement in the return or the accompanying schedules shall be liable to be prosecuted under section 277 of the Income-tax Act, 1961 and on conviction be punishable under that section with rigorous imprisonment and with fine.
