UNIVERSITY OF DELHI

INCOME TAX

LAW AND PRACTICE

DSC 5.1

B.Com (Hons.) | B.Com (Prog.) — Third Year, Semester V

FILLING FORM ITR-1

SAHAJ

STUDY NOTES FOR THE COMPUTER LABORATORY

For the one-hour practical · fill the form, and generate the JSON

Written for a student who has never seen a return of income before

Every field explained · a specimen typed along · two cases to work yourself

Governed by the INCOME-TAX ACT, 2025

(Act No. 30 of 2025, as amended by the Finance Act, 2026, with the Income-tax Rules, 2026)

TAX YEAR 2026-27

1 April 2026 to 31 March 2027 · Academic Year 2026-27

For academic purposes only — this is not a form notified by the Central Board of Direct Taxes

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CONTENTS

How to Use These Notes

You are about to do something no B.Com student in this University has been asked to do before. Until this year the paper ended at the computation of tax liability on a sheet of ruled paper. From this session it goes one step further: you will sit at a computer for one hour, you will be handed the facts of one assessee, and you will put those facts on a return of income and produce the file that a return of income is actually made of. Nobody in your class has done it before, and nobody in the class above you has done it either. That is the whole difficulty, and it is a much smaller one than it looks.

These notes are written on that assumption — that you have never seen a return of income, that you may never have opened a macro-enabled Excel workbook, and that the word JSON means nothing to you at all. Nothing is assumed except the tax law you have already been taught in Units 1 to 5. Where a provision is mentioned it is named in full, so that you can turn to the unit booklet and read it there.

What you need in front of you

These notes, and three other things.

- **The workbook.** "DSC-5.1 Form ITR-1 SAHAJ Excel Practice (TY 2026-27)", in either the .xlsm or the .xlsx form. Open it now and leave it open. Everything in Chapters 4 to 9 is written to be read with the sheet **ITR-1 Blank** on the screen beside you.
- **The printed form.** "DSC-5.1 Form ITR-1 SAHAJ Proposed (TY 2026-27)". You do not need it to fill the workbook, but Part III of it — the concordance — answers the question "which section of the 2025 Act replaced section 80C?" faster than any search.
- **The five unit booklets.** The workbook computes; it does not teach. When it allows you ₹75,000 and you wanted ₹1,50,000, the reason is in Unit 5 Part A, not on the screen.

The three kinds of paragraph in these notes

Ordinary prose explains. Read it once. Beyond that there are three coloured boxes, and each means a different thing.

A blue box carries the law

It gives you the section, and what the section does to the field you are filling. Every section number in these notes is a section of the Income-tax Act, 2025. Where the old number is worth knowing it is given in brackets afterwards — "section 123 (the old section 80C)" — and never the other way round.

A red box is a trap

It marks something that will cost you marks, or will stop the JSON from being written at all. There are thirty of them, collected again in Chapter 12. If you read nothing else the night before, read the red boxes.

A gold box is a shortcut

A keystroke, an order of working, a way of checking an answer in ten seconds. These are what turn a ninety-minute job into a forty-minute one.

The one thing to understand before Chapter 1

The workbook is not a calculator with a form drawn on it. It is the form, and it computes. You will type perhaps forty figures into it; it will produce about eighty more. Every figure it produces is locked, and you cannot type over it — which means that in this examination you cannot lose a mark by arithmetic. You can only lose marks by putting a figure in the wrong box, or by answering a question about the assessee wrongly. Almost everything in these notes is therefore about
which box, and not about how much.

The caution that must be repeated

This is a teaching document, and so is the workbook. Neither is a form notified by the Central Board of Direct Taxes. Neither can be filed. No utility on the e-filing portal will accept the JSON that this workbook writes, and the JSON is not to be uploaded anywhere.

The trap that will catch someone in your class in August: the e-filing portal is open today and its ITR-1 utility works perfectly. That utility is for Assessment Year 2026-27 — the income of the financial year 2025-26, under the Income-tax Act, 1961. Open it and learn how the process feels. Do not carry a single figure, and not one section number, from it into the examination hall.

When the Board notifies the return for Tax Year 2026-27 the field numbering it adopts may differ from the numbering used here, and the notified form will then govern. Until that day this is the only ITR-1 that speaks the language of the Act you are being examined on.

Where this sits in the paper

The syllabus places the filing of returns in Unit 5. The guidelines settled at the Department–College meeting of 4 August 2026 add the sentence that matters to you: ITR-1 will be done in the academic session 2026-27.

Unit	Prescribed content	Where dealt with
Unit 1	Introduction — basic concepts: income, agricultural income, person, assessee, tax year; residential status and scope of total income; incomes exempt from tax	Unit 1 booklet (Introduction)
Unit 2	Computation of Income under Different Heads-1 — income from salaries; income from house property	Unit 2 Part A (Salaries); Unit 2 Part B (House Property)
Unit 3	Computation of Income under Different Heads-2 — profits and gains of business or profession; capital gains	Unit 3 Part A (Business or Profession); Unit 3 Part B (Capital Gains)
Unit 4	Income from other sources; income of other persons included in the assessee's total income; set-off and carry forward of losses	Unit 4 Part A (Other Sources); Unit 4 Part B (Clubbing and Set-off)
Unit 5 (A)	Deductions from gross total income; rebates and reliefs	Unit 5 Part A (Deductions, Rebates and Reliefs)
Unit 5 (B)	Computation of total income and tax liability of individuals; filing of returns of income on-line and TDS	Unit 5 Part B (Total Income and Tax Liability) — this booklet

About these notes, and a request

This booklet has been prepared by Artificial Intelligence — Claude Opus 5.0 (Anthropic) — under the guidance and supervision of Advocate Dr. S. B. Rathore in the first week of August 2026, from the bare text of the Income-tax Act, 2025 and the Income-tax Rules, 2026 as downloaded from incometaxindia.gov.in.

Suggestions on presentation, and reports of any discrepancy, are warmly invited.

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Chapter 1

What You Are Being Asked to Do

A return of income · the tax year · the due date
Who must file · how a return is filed · why ITR-1

1.1 A return of income is not a form

Begin with the word itself. A return is a rendering of account. The assessee earns during the twelve months of the tax year; at the end of it he tells the Department what he earned, under which head, what the Act allows him to deduct, what tax that leaves, and what he has already paid towards it. The form is only the shape in which he is required to say it. The obligation is to say it; the form is the Department's convenience, and yours.

This matters for the examination because it tells you what you are being marked on. You are not being marked on your ability to find cells in a spreadsheet. You are being marked on whether you have understood a set of facts well enough to place each fact where the Act says it belongs. The spreadsheet does the arithmetic precisely so that the marks can be given for judgment.

> **The obligation to furnish a return**
> **Section 263(1)** of the Income-tax Act, 2025 requires an individual to furnish a return of income for a tax year if his total income, **before giving effect to Chapter VIII and to the exemptions of sections 82 to 86**, exceeds the maximum amount not chargeable to tax.
>
> That last phrase is the one students misread. A man whose gross total income is ₹9,00,000 and who claims ₹1,50,000 under section 123 has a total income of ₹7,50,000 — but he must still file, because the test is applied **before** the deduction. The deduction is the very thing he is filing to claim.

1.2 The tax year, and why it is not the previous year

The Income-tax Act, 2025 came into force on 1 April 2026. It did away with the pair of expressions that every book written on the 1961 Act uses — previous year and assessment year — and put a single expression in their place.

> **Tax year · section 3**
> The tax year is the twelve months of the financial year. For this paper the tax year is **2026-27**, running from 1 April 2026 to 31 March 2027. Income earned in those twelve months is charged in those twelve months' return.
>
> **There is no assessment year.** Do not write one — not on the return, not in the answer book, not on the JSON. A script that reads your answers will look for it.

> **Trap 1 · the year on the form**
> The heading of the form reads TAX YEAR 2026-27. Every date you will enter — the date of furnishing, the date of a challan, the date of a notice — falls in 2027, because the return for a tax year is furnished after the tax year has ended. A student who writes 20/07/2026 as the date of furnishing has filed a return before the income was earned.

1.3 The due date, and the two dates after it

Three dates govern the whole of Part D of the form, and you should know them before you sit down.

Date	What it is	Authority
31 July 2027	The due date for an individual who is not required to get his accounts audited. A return furnished on or before it is a return furnished in time, and nothing is charged for lateness.	Section 263(1)(c), Table: Sl. No. 5
31 December 2027	The last day for a belated return, or the completion of the assessment, whichever is earlier. Also nine months from the end of the tax year — the date beyond which a revised return attracts its own fee.	Sections 263(4) and 428(b)
31 March 2028	Twelve months from the end of the tax year: the last day on which a return may be revised at all.	Section 263(5)

Between the first and the second of these, three charges begin to run at once — interest under section 423 for furnishing the return late, interest under section 424 for having paid too little advance tax, and a fee under section 428 which is not interest at all but a flat penalty for the delay. The workbook computes all three from the single date you type at (A15a). Chapter 7 takes them one at a time.

1.4 The four ways a return is filed, and where the JSON fits

On the e-filing portal a return may be furnished in four ways. Knowing all four takes a minute and explains why your practical ends in a file rather than in a printout.

Way	What the assessee does	Who uses it
Online, on the portal itself	Logs in, and types into a web form that the portal renders. Nothing is downloaded.	Most salaried individuals filing ITR-1
The Excel utility	Downloads a macro-enabled workbook from the portal, fills it offline, presses a button which writes a JSON file, and uploads that file.	Anyone with a slow or intermittent connection. This is what you are learning.
The JSON utility	The same idea in a small desktop program instead of in Excel. It, too, ends in a JSON file.	Practitioners filing many returns
Through software	Accounting or tax software prepares the JSON from its own records and files it through the Department's interface.	Chartered accountants and firms

Why the practical ends in a file and not a printout

Three of those four ways end in a JSON file. The file, not the printed form, is the return as the Department receives it. Asking you to produce one is asking you to complete the act of filing rather than to describe it — which is what the word

Practice in the title of this paper has always meant.

1.5 Why ITR-1, and the seven gates it must pass

The Department publishes seven return forms. ITR-1 SAHAJ is the shortest, and it is meant for the simplest case: an individual, resident and ordinarily resident, with a total income up to ₹50,00,000, made up of salary or pension, at most two house properties, income from other sources, and a small long-term capital gain. Nothing else.

Before you fill a single field the workbook asks you five questions, and it works out two more for itself. All seven must be passed. They sit at the very top of the sheet, above Part A, and the verdict beneath them is red until they are answered.

Ref.	The gate	ITR-1 may be used only if
E1	Is the assessee a director in any company?	No
E2	Has he held any unlisted equity share?	No
E3	Has tax been deducted under section 393(3) — the old section 194N, cash withdrawn from a bank?	No
E4 / E4a	Has he any agricultural income?	Either no, or not more than ₹5,000
E5	Has he any asset outside India, or signing authority in any account outside India?	No
—	Total income (computed by the sheet at C2)	Not more than ₹50,00,000
—	Long-term capital gains under section 198 (computed at C3(a)(iii))	Not more than ₹1,25,000

Trap 2 · the verdict is not decoration
If the verdict turns red, the assessee cannot use ITR-1 at all and the right answer is to say so. In an examination that is a complete answer and carries full marks; filling in the rest of a form that may not be used carries none. Read the reason the check column gives, name the form that should be used instead — ITR-2 in every one of the seven cases — and say why.

The two computed gates are the ones that catch people, because they turn red only after a good deal of typing. A long-term capital gain of ₹1,50,000 is perfectly ordinary and perfectly outside ITR-1. Glance at the running summary at the head of the sheet every few minutes; it is there for exactly this.

1.6 What ITR-1 cannot carry

Four things that you have been taught in this paper have no box on this form. If the facts you are given contain one of them, either you have misread the facts or you are being tested on whether you will notice.

- **A third house property.** There are two, and the form provides for two.
- **A loss carried forward.** A house-property loss above ₹2,00,000 may be set off only to that extent under section 109(1)(b); to carry the balance forward under section 110 you need ITR-2.
- **Business or professional income.** Anything under sections 26 to 63 requires ITR-3 or ITR-4.
- **Short-term capital gains, or long-term gains other than those under section 198.** The single pair of boxes at C3(a) takes the sale consideration and the cost of listed equity shares and equity-oriented funds, and nothing else.

Chapter 2

The Workbook on Your Screen

Five sheets · three columns · four colours
Eight buttons, and the one thing that stops them working

2.1 The five sheets

Open the workbook. Along the bottom of the Excel window are the sheet tabs. Four are visible and one is hidden.

Sheet	What it is	In the examination
Read Me First	The basis of preparation, the caution, the colour key and the six laboratory exercises.	Read it once, at home. Not needed in the hour.
Rates and Rebate	The slab table of section 202(1); Paragraph A of the Finance Act, 2026 in all three age columns; section 156 in its three limbs; what the default regime takes away and gives; twenty monetary limits; the due dates and fees.	Keep it one click away. It answers almost every "why has it allowed me only that much?"
ITR-1 Blank	The form. This is where you work.	The whole hour is spent here.
ITR-1 Filled Specimen	The same form carrying the facts of Shri Aditya Verma, worked through in Chapter 9.	Your answer key while you practise. It is removed from the examination workbook.
Lists	Hidden. It holds every drop-down — the thirty-six States, the countries, the sections, the bank codes.	Never touched. Deleting it destroys every drop-down on the form.

The examination workbook is a different file

You will practise on **"DSC-5.1 Form ITR-1 SAHAJ Excel Practice (TY 2026-27)"**. You will be examined on **"DSC-5.1 Form ITR-1 SAHAJ Excel Exam (TY 2026-27)"**. The form is identical, field for field. Three things differ: the filled specimen is gone, the Rates and Rebate sheet is hidden, and a small panel at the top right asks for your roll number, your name and your laboratory system number before anything else. Fill that panel first. A JSON file with no roll number on it cannot be marked.

2.2 The three columns, and the fourth

Every row of the form is laid out the same way, and once you have seen it once you will not need to look at the headings again.

Column	Heading	What it holds
A	Ref.	The number of the field — A1, B1(iv)(a), C3(a)(iii), D10. Quote this number if you are asked where a figure came from.
B	Particulars	What the field is, in the words of the form.
C	Authority	The provision of the Income-tax Act, 2025 that governs the field. This column is the reason these notes are shorter than they would otherwise be.
D	Entered (₹)	Where you type. Pale gold. Nothing else on the sheet accepts an entry.
E	Allowed / computed (₹)	What the Act permits, after the statutory ceiling and the regime restriction have been applied. This is the figure carried forward — not yours.
F	Check	A sentence, in words, telling you whether the entry was accepted, or why it was cut down, and which provision cut it.

Column E is the whole lesson

Type ₹1,50,000 at section 123 under the default regime and column D will show ₹1,50,000, because that is what you claimed. Column E will show nil, and column F will say that section 202(2)(a)(xii) closes Chapter VIII. The difference between those two columns is the difference between what a taxpayer wants and what the Act allows him, and it is the thing this paper is about.

2.3 The four colours

Colour	Meaning
Pale gold	You type here. These are the only cells that accept an entry.
Light blue	A formula, locked. Chiefly column E and the computed cells of column D.
Blue	A sub-total, locked.
Peach	A figure that goes on the face of the return — B1, B2, B3, B4, C1, C2, D1, D11, D13 and D14. Locked. These ten are the figures an examiner reads first.

The colour tells you, without your having to click, whether a cell is your business or the workbook's. If you find yourself trying to type into a cell that is not pale gold, stop: either the figure is computed for you, or you are in the wrong row.

2.4 The eight buttons

The macro-enabled workbook carries eight buttons. They sit in a panel at the right of the form — rows 1 to 4 are frozen, so the panel stays on the screen however far down you scroll — and again on a ribbon tab of their own, named ITR-1 SAHAJ, beside Home and Insert.

Button	What it does
CALCULATE TAX	Forces a full recalculation. Excel normally does this by itself; press it if a figure looks stale.
VALIDATE	Walks every mandatory field and lists what is missing or malformed. Press it before you press GENERATE JSON, and press it twice.
SAVE DRAFT	Saves the workbook under a new name, so that you keep a copy of the state you were in.
GENERATE JSON	The one that matters. Chapter 10.
LOAD SPECIMEN	Fills the sheet with the facts of Shri Aditya Verma. Absent from the examination workbook.
RESET FORM	Empties every gold cell. There is no undo.
PRINT	Prints the form alone. The button panel is outside the print area and does not appear.
HELP	A short reminder of the colour key and the order of filling.

Trap 3 · the button that does nothing

If a button does nothing at all, the file has come down from the internet and Windows has marked it as blocked, so Excel refuses to run its macros. The cure takes ten seconds and is needed only once.

- Close the workbook.
- Right-click the file in File Explorer and choose Properties.
- At the foot of the General tab tick **Unblock**, and press OK.
- Open the workbook again, and press **Enable Content** on the yellow bar across the top.

Do this on the laboratory machine during the practice session, not during the examination.

A student who cannot do this, or who is working in Excel on the web, in Google Sheets or on a telephone, may still use the whole of the workbook. Every formula, every drop-down and every check goes on working, because none of them is a macro. Only the eight buttons need Excel on a computer — and of the eight, only GENERATE JSON cannot be done without.

2.5 What is locked, and why you should be glad

Both form sheets are protected without a password. Only the pale gold cells accept an entry. To alter a formula go to Review ▸ Unprotect Sheet and leave the password blank; to put the protection back, Review ▸ Protect Sheet ▸ OK.

Trap 4 · do not unprotect the sheet in the examination

There is no legitimate reason to. If a computed figure looks wrong to you, the fault is in what you typed, not in the formula — and an invigilator who finds an unprotected sheet is entitled to conclude something else. Leave it locked, and find your own error.

Chapter 3

The Order of Filling, and the Clock

The golden rule · twelve steps · sixty minutes

3.1 The golden rule

Answer A20 before you type a single rupee

Field (A20) asks whether the assessee wishes to exercise the option under **section 202(4)** of opting out of the default regime. Everything else on the form depends on the answer.

This is not a matter of tidiness. Nine separate computations change when (A20) changes, and if you fill the form first and answer (A20) afterwards you will watch nine figures move at once and have no idea which of them was right. Answer it first, and every figure that follows settles into place as you type it.

What moves when (A20) changes	Default — "No"	Optional — "Yes"
Standard deduction from salary [section 19(1), Sl. No. 2]	₹75,000	₹50,000
Tax on employment, or professional tax [Sl. No. 1]	Nil, forced	As paid
House rent allowance [Schedule III, Sl. Nos. 12 and 13]	Not excludible	Excludible
Interest on a self-occupied house [section 22(1)(b)]	Nil	Up to ₹2,00,000 for both houses together
Set-off of a house-property loss against other heads	Not allowed at all [section 202(2)(b)]	Up to ₹2,00,000 [section 109(1)(b)]
Family pension deduction [section 93(1)(d)]	One-third, ceiling ₹25,000	One-third, ceiling ₹15,000
Chapter VIII [sections 122 to 154]	Closed, except 124(1), 124(2), 125(2) and 146	Open
The slab rates	Table to section 202(1) — seven slabs, no age distinction	Paragraph A, Finance Act, 2026 — five slabs, three age columns
The rebate [section 156]	₹60,000, up to a total income of ₹12,00,000, with marginal relief	₹12,500, up to a total income of ₹5,00,000

Trap 5 · the default is the one you do nothing to get

Under the 2025 Act the regime of section 202(1) applies unless the assessee opts out. So the answer "No" at (A20) gives you the default regime, and "Yes" gives you the old one. Every year students read the question the wrong way round, because the word "No" feels as though it should mean "no special treatment". Read the field aloud once:

"Do you wish to exercise the option of opting out of the default tax regime?" No means you stay in the default.

3.2 The twelve steps

Fill the form in this order and nothing will have to be revisited.

#	Step	Fields
1	The candidate panel — roll number, name, system number. Examination workbook only.	Top right
2	The five eligibility questions, and the agricultural income if any.	E1 to E5
3	The regime.	A20
4	Identity — PAN, name, date of birth, Aadhaar, mobile, e-mail.	A1 to A7
5	Address. Area/Locality and Town/City are mandatory.	A8 to A14
6	The filing — under which section, and on what date.	A15 to A19
7	The remaining questions of Part A.	A21, A22
8	Salary.	B1
9	House property — occupancy first, then the figures.	B2
10	Other sources; then the Chapter VIII claims; then the long-term capital gain.	B3, Part C
11	Bank account, challans, tax deducted at source.	Part E, Schedules IT and TDS
12	Verification — capacity, place, father's name.	Foot of the form

Part D is not in the list. You do not fill Part D: the workbook computes the whole of it, except the two figures at D6 and D9 which no ITR-1 can produce. Chapter 7 explains why those two are left blank and what to write if the facts mention them.

3.3 Sixty minutes, divided

Minutes	Spent on
0 – 5	Read the facts twice. Not once. Underline the date of furnishing, the regime if it is stated, and anything that smells of an eligibility failure — a directorship, an unlisted share, a foreign asset, agricultural income, a large capital gain.
5 – 8	The candidate panel, the five gates, and (A20). Three minutes, and the shape of the whole answer is settled.
8 – 20	Part A. It is long and it is dull and it carries marks for accuracy alone. Do it steadily; do not come back to it.
20 – 40	Parts B and C — the figures. This is where the tax law is.
40 – 48	Part E, the two Schedules and the Verification.
48 – 53	Press VALIDATE. Fix what it names. Press VALIDATE again.
53 – 57	Press GENERATE JSON. Confirm the file has appeared, with the right name, in the right folder.
57 – 60	Save the workbook itself as well, under your roll number. Hand in both.

> **The five minutes at the start are the cheapest marks in the hour**
> Almost every disaster in a practical of this kind comes from a fact read once. A sentence such as “he also received ₹6,000 from his agricultural land at Karnal” takes four seconds to read and decides whether the form may be used at all. Read the facts twice before you touch the keyboard.

3.4 When you are stuck

Three things go wrong in a laboratory, and each has a fixed remedy.

- **A figure will not go into a cell.** The cell is locked because the figure is computed. Look one column to the left: you are probably trying to type into column E when the entry belongs in column D.
- **A drop-down will not open.** Click the cell once, then the small arrow at its right edge. If there is no arrow you are not in a drop-down cell. Do not type the option by hand — a typed value that differs from the list by one space will fail validation and you will not see why.
- **A computed figure is not what you expected.** Read column F on that row. It will name the provision. If column F says the entry was accepted and you still disagree, the disagreement is with the Act, and the Rates and Rebate sheet will settle it.

Chapter 4

Part A, Field by Field

General information · A1 to A22
The identity · the address · the filing · the regime

Part A carries no arithmetic. It carries marks for accuracy, and it carries the four or five answers on which the rest of the form turns. Twelve minutes, done once and not revisited.

4.1 The identity — A1 to A7

Ref.	Field	What to enter, and what is checked
A1	Permanent Account Number	Ten characters, AAAAA9999A — five capital letters, four digits, one capital letter. Each position is checked separately, so the check column will tell you which position is wrong. Type it in capitals; the sheet does not correct case for you. [section 262 with Rule 159]
A2, A2a, A3	First, middle and last name	Three separate boxes. The sheet joins them and carries the joined name to the Verification, so the two can never differ. Leave the middle name empty if there is none — do not type a hyphen.
A4	Date of birth	DD/MM/YYYY. Everything about age follows from this one entry.
A4a	Age category as on 1 April 2027	Computed, not entered. Below 60; 60 but below 80; or 80 and above.
A5	Aadhaar number	Twelve digits, typed as 1234-5678-9012. The hyphens are stripped before counting. [section 262(6)]
A6(a), A6(b)	Mobile numbers	Exactly ten digits. No country code, no space, no hyphen. +91 will fail.
A7(a), A7(b)	E-mail	One @ with something before it and something after it, a dot, and no space.

Age is attained on the day before the anniversary

A person born on 1 April 1967 is sixty years old on 31 March 2027, and is therefore a senior citizen for tax year 2026-27. The workbook applies this at (A4a) without being told. It matters twice: the three age columns of Paragraph A under the optional regime, and the complete exemption from advance tax — and therefore from the interest under sections 424 and 425 — that section 408 gives a resident senior citizen having no business income.

Trap 6 · the PAN typed in small letters

avgpv3421k and AVGPV3421K are not the same string, and the JSON carries the string. The check column will say so; it says so in red, at the very top of the form, and it is still the single most common thing a first-year practical gets wrong.

4.2 The address — A8 to A14

Two addresses are provided for, primary and secondary. The secondary is filled only if it differs from the primary; if you leave the whole of it empty the sheet excuses it and says so. Fill one box of it and the sheet will begin to demand the rest.

Trap 7 · the two mandatory boxes
Area / Locality and **Town / City / District** are marked ★ MANDATORY on the form. The check column stays red until they are filled, and GENERATE JSON will refuse to write a file while it is red. Flat number, building name and street are not mandatory; these two are.

State and Country are drop-downs — thirty-six entries in the State list, covering the twenty-eight States and the eight Union territories. The PIN code is exactly six digits. A student who types "110091 " with a trailing space has seven characters and will be told so.

4.3 The filing — A15 to A19

Ref.	Field	Note
A15	Filed under section	A drop-down. The ordinary answer is "263(1) — on or before the due date". Choose "263(4) — belated" if the date at (A15a) is after 31 July 2027, and "263(5) — revised" if the facts say the return revises an earlier one.
A15a	Date on which this return is furnished	The most consequential date on the form. Interest under sections 423 and 424, and the fee under section 428, are all computed from it. It also becomes the date of verification at the foot of the form.
A15b	Due date under section 263(1)(c)	Computed: 31 July 2027. Beneath it the sheet says in words whether the return is within time.
A16	Filed in response to a notice under section	"Not applicable" unless the facts mention a notice.
A17	Nature of employment	A drop-down — Central Government, State Government, public sector undertaking, pensioner, others. It carries no consequence in the computation, but it is a field of the notified form and it is marked.
A18, A18a, A18b	Revised return	If Yes, the acknowledgement number of the original return is exactly fifteen digits, and its date is required.
A19	Notice or order, and its date	Only where (A16) is not "Not applicable".

Read the date of furnishing off the question
Examination facts almost always give it, and give it deliberately. "The return was furnished on 20 July 2027" means no interest and no fee, and Part D will be short. "The return was furnished on 5 August 2027" means one month's delay, a fee of ₹1,000 or ₹5,000, and possibly interest — and the examiner has put those five days there on purpose.

4.4 The regime — A20

Chapter 3 dealt with this field at length, because it is the field the whole form turns on. Two things remain to be said about how the facts will express it.

Sometimes the question states the regime outright — "he has opted out of the default regime", or "compute under both regimes and advise". Then there is nothing to decide. Sometimes it does not, and the fact that it does not is itself the answer: the regime of section 202(1) applies unless the assessee opts out, so silence means the default. Answer "No" at (A20), and say in your answer book that you have done so because no option under section 202(4) was exercised.

The field, in its own words

"Do you wish to exercise the option of opting out of the DEFAULT tax regime under section 202(1), as provided under section 202(4)?"

No → the DEFAULT regime. Section 202(1). Seven slabs. Standard deduction ₹75,000. Rebate ₹60,000. Chapter VIII closed.

Yes → the OPTIONAL regime. Paragraph A of Part I-B of the First Schedule to the Finance Act, 2026. Five slabs, three age columns. Standard deduction ₹50,000. Rebate ₹12,500. Chapter VIII open.

4.5 The remaining questions — A21 and A22

Field (A21) asks whether the return is being filed under section 263(1)(a)(x) — that is, by a person whose income is below the threshold but who must file anyway because he has done one of three things: spent more than ₹2,00,000 on foreign travel, spent more than ₹1,00,000 on electricity, or satisfied some other prescribed condition. Three sub-questions follow, each with an amount. In most examination problems every answer is No.

Field (A22) asks whether the return is being filed by a representative assessee under sections 305 to 313 — a guardian for a minor, an agent for a non-resident, an executor. If Yes, three further boxes take his name, his e-mail and his contact number, and the capacity at the foot of the form must agree.

Trap 8 · a Yes/No left blank is not a No

Every Yes/No on this form is a drop-down, and an empty drop-down is not an answer. The eligibility verdict at the head of the sheet will say "Answer the five questions above" until all five are answered, and VALIDATE will list every empty one. Answering No takes two seconds; leaving it empty costs the JSON.

Chapter 5

Part B, Field by Field

Gross total income · B1 to B4
Salary · house property · other sources

Everything in Part B is in whole rupees. Type only in the pale gold cells of the column headed Entered; read the answer in the column headed Allowed / computed, because that is the figure the form carries forward.

5.1 B1 — Salary and pension

Five entries, and the rest is computed. The structure follows sections 15 to 19 exactly, and if you have understood Unit 2 Part A you already know it.

Ref.	Field	What goes in it
(i)(a)	Salary as defined in section 16	Basic pay, dearness allowance, bonus, commission, every allowance in its gross amount, leave salary, and the taxable part of gratuity and of commuted pension.
(i)(b)	Value of perquisites as defined in section 17	Rent-free accommodation, the motor car, the chauffeur, the concessional loan — valued under Rule 15, whose figures the 2026 Rules revised sharply upwards.
(i)(c)	Profits in lieu of salary · section 18	Compensation on termination or on modification of the terms of employment, and payments from an unrecognised provident fund.
(i)	GROSS SALARY (a + b + c)	Computed.
(ii)	Less: amounts excluded under Schedule II or Schedule III	The exempt portion of house rent allowance, of the children education and hostel allowances, of gratuity and of leave encashment. Enter the exempt amount here — and make sure the gross of the same allowance is inside (i)(a), or you will have deducted something you never added.
(iii)	NET SALARY (i – ii)	Computed.
(iv)(a)	Standard deduction	Computed. ₹75,000 under the default regime, ₹50,000 under the optional one, and in neither case more than the net salary itself. [section 19(1), Table: Sl. No. 2]
(iv)(b)	Tax on employment (professional tax)	Enter what was paid. Column E forces it to nil where income-tax is computed under section 202(1). [Sl. No. 1, with section 202(2)(a)(iii)]
(iv)(c)	Other deductions from salary	The remaining serial numbers of the Table to section 19(1) — gratuity, commuted pension, retrenchment compensation and the rest, to the extent they are deductions rather than exclusions.
B1	INCOME CHARGEABLE UNDER “SALARIES”	Computed. (iii – iv)

Entertainment allowance has gone

Row B1(iv)(b) of the notified ITR-1 — entertainment allowance under section 16(ii) of the 1961 Act — has no counterpart here. The Table to section 19(1) of the Income-tax Act, 2025 runs to fourteen serial numbers and entertainment allowance is not one of them. If a question offers you one, the answer is that it is not deductible.

Trap 9 · the exclusion claimed but never added
The exempt part of house rent allowance goes at (ii). For it to be an exclusion there must be something to exclude it from, so the whole allowance must already be inside (i)(a). Students who enter only the taxable part at (i)(a) and then the exempt part at (ii) deduct it twice, and their salary comes out low by exactly the exempt amount.

Trap 10 · house rent allowance under the default regime
Under the default regime the exclusion is not available at all — section 202(2)(a)(ii) closes Schedule III, Table: Sl. Nos. 12 and 13. The gross allowance stays in (i)(a) and nothing comes out at (ii). A question that gives you rent paid, salary and the allowance is often testing this, not the Rule 17 computation.

5.2 B2 — Income from house property

Two properties are provided for. Each has an address block, an occupancy question, a co-ownership question, a tenant block and eleven numbered rows — 1a to 1k for the first property, 2a to 2k for the second. The eleven rows are the computation you were taught in Unit 2 Part B, in the same order.

The occupancy comes first

Before any figure, set the occupancy — let out, self-occupied, or deemed let out. Three of the eleven rows behave differently according to what you choose, and if you enter the figures first you will see them change under you.

Row	What it is	Authority
1a	Gross rent received, receivable, or the lettable value	Sections 21(1) to 21(5)
1b	Rent which cannot be realised	Section 21(7)(a) with Rule 19
1c	Tax paid to local authorities during the year	Section 21(7)(b)
1d	Total (b + c). Computed.	—
1e	Annual value (a − d). Nil if self-occupied.	Section 21(6)
1f	Annual value of the share owned (own percentage × e)	Section 24
1g	30% of the annual value. Computed, never entered.	Section 22(1)(a)
1h	Interest payable on borrowed capital	Section 22(1)(b)
1i	Total (g + h). Computed.	—
1j	Arrears or unrealised rent received, less 30%	Section 23
1k	Income from the property (f − i + j). Computed.	Section 20

What the occupancy does to three rows

- **1e, the annual value.** Nil for a self-occupied property, whatever the rent might have been. [section 21(6)]
- **1c, the local taxes.** Deductible only against an annual value, so they achieve nothing on a self-occupied property.
- **1h, the interest.** On a self-occupied property: **nil under the default regime**, because section 202(2)(a)(v) denies it; and under the optional regime subject to an **aggregate** ceiling of ₹2,00,000 for both properties taken together — not ₹2,00,000 each. On a let-out or deemed let-out property the interest is untouched by either regime and goes in at its full amount.

Trap 11 · ₹2,00,000 each

The ceiling of section 22(1)(b) on self-occupied property is ₹2,00,000 for the assessee, not for each house. Two self-occupied houses with interest of ₹1,60,000 and ₹1,40,000 give ₹2,00,000 in all under the optional regime, and nil under the default. The workbook applies the aggregate correctly; a student computing on paper alongside will get ₹3,00,000 and think the sheet is broken.

Co-ownership

Answer the co-ownership question and give the percentage share. Row 1f multiplies the annual value by that percentage — and note where the multiplication happens. It is applied to the annual value at 1e, before the 30% and before the interest. Leave the percentage empty and the sheet treats it as 100.

The tenant, and the tax he deducted

Where a property is let out, the tenant's name goes in, and three separate boxes are provided for his PAN, his Aadhaar number and his TAN. Each is checked for its own format. Where credit is claimed in Schedule TDS for tax deducted from the rent, one of the three must be filled.

Why a tenant may have no TAN

An individual tenant who deducts tax from rent under section 393(3) (Table: Sl. No. 4) — the old section 194-IB — is not required to obtain a tax deduction account number at all. He deducts against his own PAN. That is why the form takes any one of the three, and why Schedule TDS has a column for a tenant's PAN or Aadhaar beside the column for a deductor's TAN.

B2, and the loss

Row 1k and row 2k are added, and the sum passes through one restriction before it becomes B2.

A loss under this head · two different bars

- **Under the optional regime:** a loss may be set off against income under any other head up to ₹2,00,000 [section 109(1)(b)]. Anything beyond that may be carried forward under section 110 — but not on this form. ITR-1 has no box for a carry-forward, and a case requiring one requires ITR-2.
- **Under the default regime:** a loss under this head cannot be set off against any other head at all [section 202(2)(b)]. B2 is shown as nil, not as a negative figure.

5.3 B3 — Income from other sources

Ref.	Field	Note
(a)	Interest from a savings bank account	Gross. Any deduction for it belongs at section 153 in Part C, and is closed under the default regime.
(b)	Interest on deposits — fixed, recurring and the like	Gross, before tax deducted at source. The tax deducted goes in Schedule TDS, not here.
(c)	Interest on an income-tax refund	Gross. The interest a refund carries under section 437 — the old section 244A, at half a per cent a month — is itself income, and it is charged under this head.
(d)	Dividend income (i + ii + iii + iv + v)	COMPUTED. You do not type here: the figure is the total of the five period rows below it.
(i) to (v)	The five advance-tax periods	Up to 15 June 2026; 16 June to 15 September; 16 September to 15 December; 16 December to 15 March 2027; and 16 to 31 March 2027. Put each dividend in the period its date falls in. The notified form asks for this split because the interest under section 425 is worked out instalment by instalment, a dividend being income a person cannot anticipate.
(e)	Family pension received (gross)	Gross. The deduction below is computed from it.

Ref.	Field	Note
(f)	Any other income returnable in ITR-1	An accretion of the kind chargeable under section 92, and so on.
—	Less: deduction in respect of family pension	Computed. One-third of the gross family pension, subject to ₹25,000 under the default regime and ₹15,000 under the optional one. [section 93(1)(d)]
B3	INCOME CHARGEABLE UNDER "OTHER SOURCES"	Computed.

Why the dividend has five rows and nothing else does

Because the Department cannot expect a person to foresee a dividend. Advance tax is payable in four instalments, and a person who receives a dividend in March cannot be blamed for not having paid tax on it in June. Splitting the dividend across the five periods lets the interest under section 425 be charged only from the instalment after the dividend arrived. Since this paper does not compute that interest, the split is a reporting field here — but it is on the notified form, and a student should know why.

Trap 12 · interest entered net of tax deducted

A bank that pays ₹68,000 of interest and deducts ₹6,800 credits ₹61,200 to the account. The figure that goes at (b) is ₹68,000. The ₹6,800 is claimed as a credit in Schedule TDS. Enter ₹61,200 and you have understated the income and will still claim the full credit — which is the one error on this form that produces a refund the assessee is not entitled to.

The family pension deduction is one of the few that survives the default regime

It is not in Chapter VIII. It sits in section 93(1)(d), inside the head itself, and section 202(2)(a) does not touch it — it merely changes the ceiling from ₹15,000 to ₹25,000, in the assessee's favour. Students who have learnt that "the default regime allows nothing" lose this one every time.

5.4 B4 — Gross total income

B4 is B1 plus B2 plus B3 plus the long-term capital gain at C3(a)(iii). It is computed, and it is the first of the ten peach figures on the face of the return.

Trap 13 · the capital gain is entered in Part C but belongs to Part B

The two boxes for the sale consideration and the cost of listed equity shares sit at C3(a)(i) and C3(a)(ii), physically below Part C, because the notified form puts them there among the reporting fields. The gain they produce is nevertheless part of gross total income and is added at B4, before Chapter VIII. Fill Part B, then Part C, then look again at B4 — it will have moved.

Chapter 6

Part C: Deductions and Total Income

Chapter VIII · sections 122 to 154
Exempt income · the long-term capital gain

6.1 Twenty rows, and one question that closes most of them

Part C lists the deductions of Chapter VIII of the Income-tax Act, 2025 — sections 122 to 154, which are the old Chapter VI-A. Against each row the form prints both the new section and the old one, so that a student working from a book written on the 1961 Act can find his way.

Enter what the assessee claims in the column headed Claimed. The column beside it shows what the Act allows him, and the check column says why the two differ. Two quite separate things can cut a claim down: the monetary ceiling in the section itself, and the closure of the whole Chapter by the default regime.

What section 202(2)(a)(xii) does to this Part

Where income-tax is computed under section 202(1) — that is, under the default regime — **nothing in Chapter VIII is allowed** except four provisions:

- **section 124(1)** — the assessee's own contribution to the pension scheme of the Central Government;
- **section 124(2)** — the employer's contribution, at 14% of salary where the employer is the Central or a State Government and 10% otherwise;
- **section 125(2)** — contribution to the Agniveer Corpus Fund under the Agnipath Scheme;
- **section 146** — the deduction for the employment of new employees.

Everything else — sections 123, 126 to 137, 153 and 154 — is closed. The claim may be entered; the allowance will be nil.

6.2 The rows worth knowing by their new numbers

New	Old	Deduction, and its ceiling
123	80C, 80CCC, 80CCD(1)	Life insurance premia, provident fund, tuition fees, repayment of housing loan and the rest of Schedule XV — ₹1,50,000
124(1)	80CCD(1)	Own contribution to the Central Government pension scheme
124(2)	80CCD(2)	Employer's contribution — 14% of salary for a Government employer, 10% otherwise
124(3)	80CCD(1B)	Additional own contribution — ₹50,000
125(2)	80CCH	Agniveer Corpus Fund
126	80D	Health insurance and preventive check-up — ₹25,000, or ₹50,000 for a senior citizen, for the family, and again for parents
127	80DD	Maintenance of a dependant with disability — ₹75,000, or ₹1,25,000 for severe disability
128	80DDB	Medical treatment of a specified disease — ₹40,000, or ₹1,00,000 for a senior citizen
129	80E	Interest on an education loan — no ceiling, for eight tax years
130	80EE	Interest on a housing loan — ₹50,000
131	80EEA	Interest on a loan for certain house property — ₹1,50,000
132	80EEB	Interest on a loan for an electric vehicle — ₹1,50,000

New	Old	Deduction, and its ceiling
133	80G	Donations — at 50% or 100%, with or without the qualifying limit of 10% of adjusted total income
134	80GG	Rent paid where no house rent allowance is received — the least of ₹60,000, 25% of total income, and rent less 10% of total income
135	80GGA	Donations for scientific research or rural development
137	80GGC	Contributions to a political party, otherwise than in cash
146	80JJAA	Employment of new employees
153	80TTA, 80TTB	Interest on deposits — ₹10,000 on a savings account, and ₹50,000 on any deposit for a senior citizen
154	80U	The assessee himself being a person with disability — ₹75,000, or ₹1,25,000 for severe disability

Section 153 replaces two sections at once

Under the 1961 Act a person below sixty claimed ₹10,000 on savings interest under section 80TTA, and a senior citizen claimed ₹50,000 on any deposit under section 80TTB. Section 153 of the 2025 Act carries both, and the workbook chooses between them from the age at (A4a). You do not have to decide which limb applies; you have only to know that both are closed under the default regime.

Trap 14 · the claim entered in the allowed column

Column D is what the assessee claims. Column E is what the Act allows. Column E is locked, and if you cannot type your ₹1,50,000 into it that is the workbook working correctly. Put the claim in column D and let the sheet answer.

6.3 C1 and C2

C1 is the sum of the allowed column, and C2 is B4 less C1, rounded off under section 516 to the nearest multiple of ₹10. Both are peach — both go on the face of the return.

Rounding off · section 516

The total income, and every amount payable or refundable, is rounded to the nearest multiple of ten rupees. Fifty paise and above goes up. The workbook applies it at C2, D11, D13 and D14 and nowhere else — which is exactly where the old sections 288A and 288B applied it. Tax computed at the slab rates is not rounded; only the total income and the final figures are.

6.4 C3 — exempt income, and the capital gain

Two quite different things share this heading.

Exempt income, for reporting

The nature of the exempt income is chosen from a drop-down and its amount entered beside it. This is a reporting field: it does not enter the computation anywhere. Agricultural income entered at the eligibility gate (E4a) is carried here automatically, so do not type it twice.

The long-term capital gain under section 198

Three rows. You enter the total sale consideration at C3(a)(i) and the total cost of acquisition at C3(a)(ii); the gain at C3(a)(iii) is the difference, and it is that figure which is added into B4.

Section 198 — the old section 112A

- Long-term capital gains on listed equity shares and equity-oriented funds on which securities transaction tax has been paid.
- The first **₹1,25,000** is not chargeable to tax; the balance is charged at 12.5%. [section 198(2)(a)]
- ITR-1 may be used only where the gain does **not exceed ₹1,25,000**. Above that figure the form may not be used at all, and the eligibility verdict turns red.
- The gain carries no rebate of its own. Under section 198(7) the rebate under section 156 is allowed from the tax on the total income **as reduced by** these gains.

Trap 15 · entering the gain instead of the two figures

The form does not ask for the gain. It asks for the sale consideration and the cost, and computes the gain. A student who puts ₹80,000 into C3(a)(i) and leaves C3(a)(ii) empty has told the Department that he sold shares for ₹80,000 that cost him nothing. The gain will come out right; the reporting will be false, and the JSON carries both figures.

Chapter 7

Part D: The Computation of Tax

D1 to D14 · the slabs, the rebate, the cess
Three interests, two fees, and the two boxes you fill by hand

Part D is the part you do not fill. Sixteen of its eighteen rows are computed from what you have already entered — from the total income at C2, from the age at (A4a), from the regime at (A20), from the date of furnishing at (A15a), and from the challans and credits in the two Schedules. Read it; do not type in it.

7.1 D1 — the tax on the total income

Two tables exist, and the answer at (A20) chooses between them. Both are printed in full on the sheet Rates and Rebate.

The default regime — the Table to section 202(1)

Total income	Rate
Up to ₹4,00,000	Nil
₹4,00,001 to ₹8,00,000	5%
₹8,00,001 to ₹12,00,000	10%
₹12,00,001 to ₹16,00,000	15%
₹16,00,001 to ₹20,00,000	20%
₹20,00,001 to ₹24,00,000	25%
Above ₹24,00,000	30%

Seven slabs, and no distinction of age. A man of ninety pays the same as a man of thirty under this regime — which is one reason a very old assessee with a modest income is sometimes better off opting out.

The optional regime — Paragraph A, Finance Act, 2026

Total income	Below 60	60 but below 80	80 or more
Up to ₹2,50,000	Nil	Nil	Nil
₹2,50,001 to ₹3,00,000	5%	Nil	Nil
₹3,00,001 to ₹5,00,000	5%	5%	Nil
₹5,00,001 to ₹10,00,000	20%	20%	20%
Above ₹10,00,000	30%	30%	30%

The gain under section 198 is not taxed at the slabs

Before the slab rates are applied the workbook subtracts the long-term capital gain at C3(a)(iii) from the total income, and shows the balance in a memorandum row above D1. The gain is charged separately — the first ₹1,25,000 at nil and the balance at 12.5% under section 198(2)(a). Since ITR-1 may be used only where the gain does not exceed ₹1,25,000, in every case that reaches this form the gain bears no tax at all. It still has to be taken out of the slab computation, and section 198(2)(b) is the authority.

7.2 D2 — the rebate under section 156

Section 156 has three limbs and the workbook applies whichever fits. This is the provision that decides whether a middle-income assessee pays anything at all, and it is the most likely single topic for the theory question that accompanies the practical.

Limb	Applies where	The rebate
156(1)	The option under section 202(4) has been exercised — the optional regime — and the total income does not exceed ₹5,00,000.	100% of the income-tax, or ₹12,500, whichever is less. The old section 87A.
156(2)(a)	Income-tax is chargeable under section 202(1) — the default regime — and the total income does not exceed ₹12,00,000.	100% of the income-tax, or ₹60,000, whichever is less. At a total income of exactly ₹12,00,000 the tax is ₹60,000, so the rebate wipes it out entirely.
156(2)(b)	The default regime, and the total income exceeds ₹12,00,000 but the tax exceeds the excess over ₹12,00,000.	Tax − (total income − ₹12,00,000). Marginal relief, written into the rebate. It is exhausted at a total income of ₹12,70,588.
156(3)	Always.	A ceiling: the deduction under sub-section (2) shall not exceed the income-tax. It restrains; it never enlarges.

The marginal band, in one sentence

Between ₹12,00,000 and ₹12,70,588 of total income under the default regime, the tax after rebate is exactly the excess of the total income over ₹12,00,000. Total income ₹12,40,000 → tax after rebate ₹40,000. Total income ₹12,10,000 → tax after rebate ₹10,000. You can check the workbook's answer in your head anywhere inside that band, and it is worth doing once to convince yourself the sheet is right.

7.3 D3 to D5 — cess, and the total

D3 is the tax after rebate. D4 adds health and education cess at 4% under section 2 of the Finance Act, 2026 — on the tax after rebate, never on the tax before it. D5 is the two together.

7.4 D6 and D9 — the two you fill by hand, and usually do not

Why exactly two rows are left to you

- **D6 · relief under section 157** — the old section 89, for salary received in arrears or in advance. It needs the income of the earlier years and Form No. 39 under Rule 73, and ITR-1 collects neither. The guidelines of 4 August 2026 say relief under section 157 need not be covered, so in this paper you will leave it empty.
- **D9 · interest under section 425** — the old section 234C, for deferment of advance tax. It is charged instalment by instalment on the four dates of 15 June, 15 September, 15 December and 15 March. ITR-1 does not collect those four figures, so no form can compute it. If a question gives you the amount, type it; otherwise leave it empty and say in your answer book that ITR-1 does not carry the quarterly break-up.

The interest is on the form, but not in the total

For this paper the interest under sections 423, 424 and 425 is NOT computed. The three rows stay on the form — they are on the notified return and a student should see them — but the workbook shows nil against each and the check column says so. Read what follows to understand the charges; do not expect the sheet to add them in.

In practical life they are charged, and a real return carries them. Nothing is worked out against those three rows here, and no figure is printed against them in the five case studies either — read sections 423 to 425 to know what they do, and leave the arithmetic alone.

7.5 D7, D8 and D10 — what lateness costs

Three charges follow from the date at (A15a), and students confuse them constantly because two are interest and one is not.

Row	Charge	How it is computed
D7	Interest for default in furnishing the return [section 423, the old 234A]	1% for every month or part of a month from 1 August 2027 to the date of furnishing, on the tax remaining unpaid. A part of a month counts as a whole month, so a return furnished on 2 August bears a full month's interest.
D8	Interest for default in payment of advance tax [section 424, the old 234B]	1% for every month or part of a month from 1 April 2027, where the advance tax paid falls short of 90% of the assessed tax. Assessed tax is the total tax and cess, less the relief under section 157 and less the credit for tax deducted at source.
D10	Fee for default in furnishing the return [section 428(a), the old 234F]	A flat ₹1,000 where the total income does not exceed ₹5,00,000, and ₹5,000 in any other case. It is not interest: it does not depend on how late, nor on how much tax is due, and it is charged even where no tax at all is payable.
D10(a)	Fee for a revised return furnished beyond nine months [section 428(b)]	New this year. It bites where a revised return is furnished after 31 December 2027 — nine months from the end of the tax year.

A senior citizen and the advance tax

Neither section 424 nor section 425 is computed where the assessee is a resident senior citizen having no income under the head profits and gains of business or profession: such a person is not liable to pay advance tax at all. The workbook reads the age category at (A4a) and suppresses both rows without being told. If a question gives you a senior citizen who has paid no advance tax and asks what interest is chargeable, the answer is none — and the reason is the reason, not the arithmetic.

Trap 16 · the fee that is charged on a refund

A student whose employer deducted more tax than was due, who files one week late, expects nothing to happen. A fee of ₹1,000 or ₹5,000 is charged all the same under section 428(a), and it comes out of the refund. Interest under sections 423 and 424 will correctly be nil, because there is no tax remaining unpaid — but the fee is not interest and does not care. Chapter 11, Case B is built on exactly this.

7.6 D11 to D14 — the end of the form

Row	What it is
D11	Total tax, fee and interest. D5 + D7 + D8 + D9 + D10 + D10(a) − D6, rounded off under section 516.
D12	Total taxes paid — the total of Schedule IT and the total of Schedule TDS.
D13	AMOUNT PAYABLE, if D11 exceeds D12. [section 266]
D14	REFUND, if D12 exceeds D11. [sections 431 and 437]

Only one of D13 and D14 can carry a figure. The other is nil. Both are rounded to the nearest ₹10, and both are peach — an examiner glancing at a finished form looks at C2, at D11 and at whichever of D13 and D14 is not nil, and can tell in five seconds whether the case has been understood.

Chapter 8

Part E, the Two Schedules and the Verification

Bank accounts · challans · tax deducted at source
And the declaration at the foot of the form

8.1 Part E — the bank accounts

Three rows, each taking an IFS code, an account number, the type of account, and a Yes or No to whether the account is selected for the credit of a refund. The name of the bank is not entered: the workbook looks it up from the first four letters of the IFS code.

> **What an IFS code encodes**
> **Eleven characters.** The first four are the bank — SBIN for the State Bank of India, HDFC, ICIC, PUNB. The fifth is always the digit **0**, reserved for future use. The last six identify the branch. SBIN0000691 is the pattern. Type the code and watch the bank's name appear beside it; if it does not appear, the first four letters are wrong.

All accounts held in India at any time during the tax year are to be reported, except a dormant account. At least one must be selected for the credit of a refund. Where more than one is selected the refund goes to one of the validated accounts, chosen by the Centralised Processing Centre.

8.2 Schedule IT — advance tax and self-assessment tax

Six rows, each taking a BSR code of exactly seven digits, the date of deposit, a challan serial number of exactly five digits, and the amount. The date does more work than it looks.

> **One date, two different taxes**
> - **Deposited on or before 31 March 2027** — it is **advance tax**, paid during the tax year under sections 404 to 408.
> - **Deposited after 31 March 2027** — it is **self-assessment tax**, paid under section 266 at the time of furnishing the return.
>
> The workbook splits the four challans on that date by itself and shows the two totals in memorandum rows in Part D. The split matters because only advance tax counts when the interest under section 424 is worked out. Self-assessment tax, paid after the year has closed, does not save the assessee from that interest — which is precisely the point of the section.

8.3 Schedule TDS — tax deducted or collected at source

Six rows. Each takes the TAN of the deductor, or in place of it the PAN or Aadhaar number of an individual tenant; the name of the deductor; the section under which the deduction was made, chosen from a drop-down; the amount deducted; and the credit claimed this year.

Column	Note
TAN of the deductor	Ten characters, AAAA99999A — four capital letters, five digits, one capital letter. Note that it differs from a PAN in shape: four letters and five digits, not five and four.
PAN / Aadhaar of the tenant	For an individual tenant deducting under section 393(3) (Table: Sl. No. 4), who is not required to obtain a TAN.
Section under which deducted	A drop-down. Section 392 for salary; section 393(1) with the relevant serial number for interest, rent, dividend and the rest.

Column	Note
Tax deducted, and credit claimed	Usually the same figure. They differ only where the income is spread over more than one year, which does not arise in ITR-1.

Trap 17 · the credit claimed without the income

Credit for tax deducted from bank interest can be claimed only if the interest itself has been shown at B3(b). Credit for tax deducted from rent can be claimed only if the rent is at 1a or 2a and the tenant is identified. A JSON in which a credit stands against no income is the single thing the Department's processing system rejects most often, and it is worth a mark in any examination.

8.4 The Verification

Seven boxes, of which the workbook fills three.

Box	Filled by
Name of the person verifying	The workbook, from A2, A2a and A3, so the two can never differ.
Son / daughter of	You.
Capacity in which the return is made	You, from a drop-down. "Self" in the ordinary case; otherwise the capacity of the representative assessee named at (A22).
Permanent Account Number of the person verifying	The workbook, from A1.
Place	You.
Date of verification	The workbook, from the date of furnishing at (A15a).
Tax Return Preparer's identification number and name	You, only if the facts mention one.

Who may verify · section 265

The declaration is that the information given is correct and complete and is in accordance with the provisions of the Income-tax Act, 2025, and that the person making it is competent to make and verify the return. For an individual, section 265 requires the individual himself — or, where he is absent from India or mentally incapacitated, a person duly authorised, whose authority must be attached.

Chapter 9

A Specimen Typed Along, Line by Line

Shri Aditya Verma · tax year 2026-27

Every entry, in the order you should make it

This is the case carried on the sheet ITR-1 Filled Specimen, so that when you have finished you can compare cell against cell. Work it once with these notes open beside the screen. Then press RESET FORM and work it again from the facts alone, and time yourself.

9.1 The facts

Shri Aditya Verma · tax year 2026-27

Identity. PAN AVGPV3421K. Aadhaar 4321-8765-2109. Born 12 June 1984. Son of Shri Ramesh Chandra Verma. Mobile 9810012345; e-mail aditya.verma@example.in. Resident and ordinarily resident.

Address. B-702, Amrapali Residency, Post Office Mayur Vihar, Mayur Vihar Phase-I, New Delhi, Delhi, India — 110091.

Employment. Salary from Meridian Systems (India) Private Limited, ₹13,44,000 for the year. No perquisites and no profits in lieu of salary. Nothing excludible under Schedule II or Schedule III. The employer deducted tax of ₹85,640 under section 392, against TAN DELM12345A.

House property. House No. 44, Vasundhara Enclave, Sector 5 Road, Vasundhara, Ghaziabad, Uttar Pradesh — 201012. Let out to Shri Mohan Lal Sharma (PAN BXYPS4512M) for ₹20,000 a month. Municipal taxes of ₹12,000 were paid during the year. Interest of ₹1,50,000 was payable on the loan taken to buy it. He owns it wholly.

Other sources. Savings bank interest ₹12,000. Interest on fixed deposits with the State Bank of India ₹68,000, from which the bank deducted ₹6,800 against TAN DELS54321B.

Shares. Listed equity shares held for four years were sold for ₹3,80,000; they had cost ₹3,00,000. Securities transaction tax was paid on both the purchase and the sale.

Bank account. State Bank of India, IFS code SBIN0000691, savings account 31234567890, selected for the credit of any refund.

The filing. He has **not** exercised the option under section 202(4). The return was furnished at New Delhi on 20 July 2027. He is not a director, holds no unlisted share, has no foreign asset and no agricultural income, and no tax was deducted from him under section 393(3).

9.2 The entries, in order

Forty-four entries. Everything else on the form is computed. The reference in the first column is the one printed in column A of the sheet, so you can find each row without counting.

Step	Ref.	Type this
1	E1 to E5	No, No, No, No, No
2	A20	No — the DEFAULT regime under section 202(1)
3	A1	AVGPV3421K
4	A2 / A3	Aditya / Verma (no middle name)
5	A4	12/06/1984 → (A4a) shows "Below 60 years"
6	A5	4321-8765-2109
7	A6(a)	9810012345
8	A7(a)	aditya.verma@example.in
9	A8(a) to A14(a)	B-702 · Amrapali Residency · Post Office Mayur Vihar · Mayur Vihar Phase-I · New Delhi · Delhi · India · 110091

Step	Ref.	Type this
10	A15	263(1) — on or before the due date
11	A15a	20/07/2027 → the sheet answers "Within time"
12	A16 / A17	Not applicable / Others
13	A18, A21, A22	No to each, and No to the three limbs of A21
14	B1(i)(a)	1344000
15	B1(i)(b), (i)(c), (ii)	0, 0, 0
16	B1(iv)(b), (iv)(c)	0, 0
17	Property 1 address	House No. 44 · Vasundhara Enclave · Sector 5 Road · Vasundhara · Ghaziabad · Uttar Pradesh · India · 201012
18	Occupancy	Let out
19	Co-owned / share	No / 100
20	Tenant	Shri Mohan Lal Sharma · PAN BXYPS4512M
21	1a	240000 (₹20,000 × 12)
22	1b, 1c	0, 12000
23	1h	150000
24	1j	0
25	Property 2 · occupancy	Not applicable
26	B3(a), (b)	12000, 68000
27	B3(c) refund interest	0
28	The five dividend periods (i) to (v)	0, 0, 0, 0, 0. (d) totals them for you.
29	B3(e), (f)	0, 0
30	Part C	Nothing. Leave every row empty.
31	C3(a)(i), (ii)	380000, 300000
32	Part E · B1	SBIN0000691 · 31234567890 · Savings · Yes
33	Schedule IT	Nothing. No advance tax was paid.
34	Schedule TDS · T1	DELM12345A · Meridian Systems (India) Private Limited · 392 — tax deducted from salary · 85640 · 85640
35	Schedule TDS · T2	DELS54321B · State Bank of India · 393(1) Sl. No. 5(ii) — interest other than on securities · 6800 · 6800
36	Verification	Ramesh Chandra Verma · Self · New Delhi

9.3 What the workbook then shows

Gross total income

Gross salary [B1(i)]	**₹13,44,000**	
Less: standard deduction [section 19(1), Sl. No. 2]	₹75,000	
Less: tax on employment — nil under section 202(2)(a)(iii)	₹0	

B1 Income from salaries		₹12,69,000
Gross rent [1a]	₹2,40,000	
Less: taxes paid to local authorities [1c]	₹12,000	
Annual value [1e = 1f]	**₹2,28,000**	
Less: 30% of the annual value [section 22(1)(a)]	₹68,400	
Less: interest on borrowed capital [section 22(1)(b)]	₹1,50,000	
B2 Income from house property		₹9,600
Interest from a savings bank account	₹12,000	
Interest on fixed deposits	₹68,000	
B3 Income from other sources		₹80,000
Long-term capital gains [C3(a)(iii); ₹3,80,000 – ₹3,00,000]		₹80,000
B4 GROSS TOTAL INCOME		**₹14,38,600**

Every figure above is produced by the workbook. Only the four figures in the first column of each block were typed.

Total income and tax

B4 Gross total income		**₹14,38,600**
Less: C1 deductions under Chapter VIII — closed by section 202(2)(a)(xii)		₹0
C2 TOTAL INCOME, rounded off under section 516		**₹14,38,600**
Memorandum: income charged at the slab rates [C2 – the gain under section 198]		**₹13,58,600**
First ₹4,00,000	Nil	
Next ₹4,00,000 @ 5%	₹20,000	
Next ₹4,00,000 @ 10%	₹40,000	
Balance ₹1,58,600 @ 15%	₹23,790	
D1 Tax payable on the total income		₹83,790
D2 Less: rebate — total income exceeds ₹12,70,588		₹0
D3 Tax after rebate		₹83,790
D4 Add: health and education cess @ 4%		₹3,352
D5 TOTAL TAX AND CESS		**₹87,142**
D7, D8, D10 Interest and fee — the return is within time		₹0
D11 TOTAL TAX, FEE AND INTEREST, rounded off under section 516		**₹87,140**
D12 Less: taxes paid — Schedule TDS ₹85,640 + ₹6,800		₹92,440
D14 REFUND [sections 431 and 437]		**₹5,300**

Three figures to check against the specimen sheet

Total income ₹14,38,600 · **Total tax, fee and interest ₹87,140** · **Refund ₹5,300**

If all three agree, every one of your forty-two entries was in the right box. If the first agrees and the second does not, the error is in the regime, the date of furnishing, or Schedule TDS. If the first does not agree, work back through B1, B2 and B3 in that order — the difference will usually name itself.

9.4 Nine things this specimen was built to teach

1. **The standard deduction is ₹75,000, not ₹50,000**
   Because (A20) is No. Had he opted out, ₹25,000 more would have been taxed, and Chapter VIII would have opened.
2. **The municipal tax is deducted, the interest is not deducted twice**
   ₹12,000 comes off the gross rent to give the annual value. The 30% is then taken on the annual value — ₹68,400, not ₹72,000 — and the interest of ₹1,50,000 comes after it.
3. **The house yields ₹9,600, not a loss**
   ₹2,28,000 less ₹68,400 less ₹1,50,000. It is close, and a student who forgets the municipal tax gets ₹4,000 more.
4. **Because it is let out, the interest survives the default regime**
   Section 202(2)(a)(v) denies interest only on a property under section 21(6) — a self-occupied one. Change the occupancy to self-occupied and watch ₹1,50,000 fall to nil.
5. **The bank interest goes in gross**
   ₹68,000 at B3(b), and the ₹6,800 deducted from it is claimed separately in Schedule TDS.
6. **Chapter VIII is empty, and that is the answer**
   Not because he claimed nothing, but because the default regime allows nothing. If the facts had given a life insurance premium of ₹1,50,000, you would enter it, and column E would still read nil.
7. **The capital gain is ₹80,000, below ₹1,25,000**
   So ITR-1 may be used, and so the gain bears no tax. It is still added into gross total income, and it is still taken out again before the slabs are applied.
8. **No rebate, because ₹14,38,600 is past ₹12,70,588**
   The marginal band of section 156(2)(b) is exhausted at ₹12,70,588. Above it the rebate is nil, and the tax is simply the slab tax.
9. **A refund, from a man who paid no advance tax**
   His employer over-deducted. Since the assessed tax comes out at nil, there is no interest under section 424 — the shortfall is measured against the assessed tax, and there is none.

Chapter 10

Generating the JSON

What the file is · what the button does
The name it writes · why it sometimes refuses

10.1 What a JSON file is

JSON stands for JavaScript Object Notation, and the name is worse than the thing. It is a plain text file in which each piece of information is written as a label, a colon and a value. Nothing more. You can open one in Notepad and read it, which is exactly what you should do once, so that it stops being mysterious.

A return of income, in about eight lines

{ — *the file begins*
"PAN": "AVGPV3421K",
"FirstName": "Aditya",
"LastName": "Verma",
"DateOfBirth": "12/06/1984",
"GrossTotalIncome": 1438600,
"TotalIncome": 1438600,
"RefundDue": 5300
} — *and ends*

A label in quotation marks; a colon; a value. A comma between one pair and the next, and none after the last. Text values in quotation marks, numbers without them. That is the whole of the syntax, and the real file has about two hundred such lines instead of eight.

Why does the Department want this rather than a printed form? Because a computer must read it. Three crore returns cannot be read by people. A JSON file can be checked for internal consistency, matched against the tax deducted at source that the deductors have separately reported, and processed to a refund, without a human being opening it at all. The printed form you see on the screen is for you; the JSON is for the machine.

10.2 The button, and what it does first

GENERATE JSON does not simply write a file. It runs the whole of the validation first, and it writes nothing at all until every mandatory field is present and every format is correct. This is a kindness, though it will not feel like one at 11:52 on the morning of the practical.

Press VALIDATE first, and press it twice

VALIDATE lists everything that is missing or malformed, and it lists all of it at once. Fix the list. Press it again — fixing one field sometimes reveals another that was hidden behind it, as filling one box of the secondary address makes the rest of that address mandatory. Only when VALIDATE comes back clean should you press GENERATE JSON. Doing it the other way round wastes the four minutes you have least of.

10.3 The file it writes, and where it goes

The name, and the folder

The file is named on the PAN:

AVGPV3421K_ITR1_TY2026-27.json

and it is written into **the very folder in which the workbook is sitting**. Not into Downloads, not into Documents, not onto the Desktop — into the folder the workbook itself is in. If you cannot find the file, you are looking in the wrong folder; the file is beside the workbook.

Trap 18 · the workbook opened from inside the e-mail

A workbook opened straight out of an e-mail attachment, or out of a browser, is not in a folder at all — Windows has put it in a temporary place that will be swept away. The JSON will be written there and you will never see it again. Before you begin, save the workbook to the Desktop or to the folder the invigilator names, close it, and open it again from there.

10.4 When it refuses

A refusal is information. The message names the field, and the field is on the form with its check column already red. These are the nine refusals that actually happen.

What it says	What it means
Eligibility not established	One of E1 to E5 is unanswered. A blank drop-down is not a No.
This assessee may not use ITR-1	A gate has failed, or the total income has passed ₹50,00,000, or the capital gain has passed ₹1,25,000. Nothing you type will help. Say so in the answer book and name ITR-2.
PAN is not in the form AAAAA9999A	Almost always small letters, or nine characters instead of ten.
Area / Locality is mandatory	The primary address, or a house property you have begun to fill.
Town / City / District is mandatory	The same.
Mobile number must be exactly ten digits	A country code, a space, or a hyphen has crept in.
PIN code must be exactly six digits	Usually a trailing space. Click the cell and look at the formula bar.
A tenant must be identified	Credit for tax deducted from rent is claimed in Schedule TDS but none of the tenant's PAN, Aadhaar or TAN has been given.
The date of furnishing is required	(A15a) is empty. Nothing in Part D can be computed without it, so the file cannot be written.

Trap 19 · hand in the workbook as well

The JSON is the answer, but the workbook is the working. If the JSON is wrong, the workbook is what an examiner reads to see how far you got and to give you part marks. Save the workbook under your roll number as well, and hand in both files.

10.5 Look inside it once

Do this at home, not in the examination. Right-click the JSON file, choose Open with, and choose Notepad. Find the PAN near the top. Find TotalIncome. Find RefundDue. Read three lines you recognise, close it without saving, and the file will never frighten you again.

Trap 20 · do not edit the JSON

It is a text file, so Notepad will let you change it, and a student who has noticed an error at 11:58 will be tempted. Do not. One missing comma makes the whole file unreadable, and an examiner comparing the JSON against the workbook will see at once that the two do not agree. Go back to the workbook, fix the cell, and press the button again.

Chapter 11

Two Cases to Work Yourself

The same man under each regime · and the same man, late
Work them before you read the answers

One set of facts, worked four ways. Between them the four answers contain almost everything this form can teach: the regime, the self-occupied house, the closure of Chapter VIII, the rebate, and what a week's delay costs a man who owes nothing.

Shri Rajat Khanna · tax year 2026-27

Born 15 March 1990. PAN BRKPK7788L. Resident and ordinarily resident. He is not a director, holds no unlisted share, has no foreign asset and no agricultural income.

Salary. ₹9,60,000 for the year. No perquisites, no allowances, nothing excludible. His employer deducted tax of ₹30,000 under section 392.

House. One house at Rohini, New Delhi, which he occupies himself. Interest of ₹1,80,000 was payable during the year on the loan taken to buy it. He owns it wholly.

Other sources. Interest of ₹9,000 on his savings bank account.

Claims. Life insurance premia of ₹1,50,000 under section 123, and the deduction for savings interest under section 153.

No advance tax and no self-assessment tax was paid.

Work them on the workbook, not on paper

Fill Case A under the default regime. Write down the four figures the questions ask for. Then change (A20) to Yes and watch what moves — that single keystroke is Case A(ii). Then change the date of furnishing, and you have Case B. One filling of the form gives you all four cases, which is also the fastest way to revise.

11.1 Case A — the return furnished on 25 July 2027

In time. Compute the total income, the tax, and the refund or the amount payable — first on the footing that he has not exercised the option under section 202(4), and then on the footing that he has. Then say which is better for him, and by how much.

11.2 Case B — the same return furnished on 5 August 2027

Five days late. Everything else is unchanged. Compute again, under both regimes, and state what the delay has cost him in each.

The answers

Case A(i) — the DEFAULT regime · (A20) = No

Gross salary	₹9,60,000	
Less: standard deduction [section 19(1), Sl. No. 2]	₹75,000	
B1 Income from salaries		₹8,85,000
Self-occupied house — annual value nil [section 21(6)]	₹0	
Interest ₹1,80,000, allowed nil [section 202(2)(a)(v)]	₹0	
B2 Income from house property		₹0
B3 Savings bank interest		₹9,000
B4 GROSS TOTAL INCOME		**₹8,94,000**
Less: C1 section 123 ₹1,50,000 and section 153 ₹9,000, both closed by section 202(2)(a)(xii)		₹0
C2 TOTAL INCOME		**₹8,94,000**
Tax at the Table to section 202(1)	₹29,400	
Less: rebate — total income below ₹12,00,000 [section 156(2)(a)]	₹29,400	
D3 Tax after rebate		₹0
D5 Total tax and cess		**₹0**
D11 Total tax, fee and interest		₹0
D12 Less: tax deducted at source		₹30,000
D14 REFUND		**₹30,000**

Case A(ii) — the OPTIONAL regime · (A20) = Yes

Gross salary	₹9,60,000	
Less: standard deduction — now ₹50,000	₹50,000	
B1 Income from salaries		₹9,10,000
Self-occupied house — annual value nil	₹0	
Less: interest, now allowed in full within the ₹2,00,000 ceiling [section 22(1)(b)]	₹1,80,000	
B2 Loss from house property, set off under section 109(1)(b)		(₹1,80,000)
B3 Savings bank interest		₹9,000
B4 GROSS TOTAL INCOME		**₹7,39,000**
Less: C1 section 123 ₹1,50,000 and section 153 ₹9,000, both now allowed		₹1,59,000
C2 TOTAL INCOME		**₹5,80,000**
Tax at Paragraph A, below 60 years	₹28,500	
Less: rebate — total income exceeds ₹5,00,000 [section 156(1)]	₹0	
Add: health and education cess @ 4%	₹1,140	
D5 Total tax and cess		**₹29,640**
D11 Total tax, fee and interest		₹29,640

D12 Less: tax deducted at source		₹30,000
D14 REFUND		**₹360**

Which is better, and by how much

The default regime, by **₹29,640**.

This is the answer students expect to be wrong, and it is worth sitting with. Under the optional regime he gets ₹1,80,000 of interest, ₹1,50,000 under section 123 and ₹9,000 under section 153 — ₹3,39,000 of deductions the default regime refuses him — and his total income falls from ₹8,94,000 to ₹5,80,000. He is nevertheless worse off, because the rebate under section 156(2)(a) wipes out the whole of his tax under the default regime and the rebate under section 156(1) does nothing for him under the optional one. **A lower total income is not the same thing as a lower tax.**

Case B — the same facts, furnished on 5 August 2027

	Default regime	Optional regime
Total income (C2)	₹8,94,000	₹5,80,000
Total tax and cess (D5)	₹0	₹29,640
Interest under section 423 (D7)	₹0	₹0
Interest under section 424 (D8)	₹0	₹0
Fee under section 428(a) (D10)	₹5,000	₹5,000
Total tax, fee and interest (D11)	₹5,000	₹34,640
Tax deducted at source (D12)	₹30,000	₹30,000
REFUND (D14)	₹25,000	Nil
AMOUNT PAYABLE (D13)	Nil	₹4,640

Three things the five days did

- **A fee of ₹5,000 under section 428(a), under both regimes.** It is ₹5,000 and not ₹1,000 because the total income exceeds ₹5,00,000 — and note that under the default regime the fee is charged although the tax itself is nil. The fee does not depend on the tax.
- **No interest under section 423.** That interest runs on the tax remaining unpaid, and the tax deducted at source has already exceeded the tax due. There is nothing for the interest to run on.
- **No interest under section 424.** The assessed tax — total tax and cess less the credit for tax deducted at source — is nil under both regimes, so there is no shortfall of advance tax to measure.

Under the default regime the delay simply reduces his refund from ₹30,000 to ₹25,000. Under the optional regime it turns a refund of ₹360 into a payment of ₹4,640.

Trap 21 · "no tax is payable, so nothing happens if I file late"

It is the commonest thing said in a classroom about section 428, and it is wrong. The fee is charged on the furnishing of a late return, not on the tax. A man with a total income of ₹6,00,000, whose whole tax has been deducted by his employer and who is due a refund, still pays ₹5,000 for filing on 1 August instead of 31 July.

Chapter 12

Thirty Mistakes, and the Checklist for the Hour

What actually goes wrong · and the last five minutes

Read this list the night before. Every entry has cost somebody marks, and twenty-six of the thirty have been marked in a red box somewhere in these notes.

#	The mistake	The correction
1	Answering (A20) last instead of first	Nine computations change with it. Answer it before you type a rupee.
2	Reading “No” at (A20) as “no concession”	No means you stay in the default regime of section 202(1). Yes means you leave it.
3	Typing the PAN in small letters	Ten characters, AAAAA9999A, in capitals. The JSON carries the string as typed.
4	Leaving a Yes/No drop-down empty	An empty drop-down is not a No. The eligibility verdict will not compute and the JSON will not be written.
5	Ignoring the eligibility verdict when it turns red	Naming ITR-2 and saying why is a complete answer worth full marks. Filling in a form that may not be used is worth none.
6	Missing Area / Locality or Town / City	The two ★ mandatory boxes, in the primary address and against any house property you have begun.
7	Writing an assessment year anywhere	The 2025 Act has none. Tax year 2026-27, and every date in 2027.
8	Dating the return in 2026	A return for a tax year is furnished after the tax year has ended.
9	Entering the exempt allowance without the gross	The gross allowance goes at B1(i)(a); the exempt part comes out at B1(ii). Enter only the taxable part and you deduct it twice.
10	Claiming house rent allowance under the default regime	Section 202(2)(a)(ii) closes it. The gross stays in; nothing comes out.
11	Entering the professional tax and expecting it	Forced to nil by section 202(2)(a)(iii) under the default regime.
12	Entering the figures of a house before its occupancy	Set let out, self-occupied or deemed let out first; three rows behave differently.
13	Deducting municipal taxes on a self-occupied house	They are deductible from an annual value, and a self-occupied house has none.
14	Taking 30% of the gross rent	It is 30% of the annual value — gross rent less unrealised rent less local taxes.
15	Allowing ₹2,00,000 of interest on each self-occupied house	The ceiling of section 22(1)(b) is an aggregate for both.
16	Allowing any interest on a self-occupied house under the default regime	Section 202(2)(a)(v) denies it entirely. A let-out house is untouched.
17	Showing a house-property loss under the default regime	Section 202(2)(b) allows no set-off at all; B2 is nil, not negative.
18	Entering bank interest net of the tax deducted	Gross at B3(b); the deduction is claimed in Schedule TDS.
19	Forgetting that the family pension deduction survives	It is in section 93(1)(d), inside the head, not in Chapter VIII.
20	Typing a Chapter VIII claim into the Allowed column	Column D is the claim; column E is what the Act allows, and it is locked.

#	The mistake	The correction
21	Expecting Chapter VIII to work under the default regime	Only sections 124(1), 124(2), 125(2) and 146 survive.
22	Entering the capital gain instead of the consideration and the cost	The form asks for both figures and computes the gain.
23	Forgetting that a gain above ₹1,25,000 bars the form altogether	Watch the running summary at the head of the sheet.
24	Trying to fill Part D	Sixteen of its eighteen rows are computed. Only D6 and D9 accept an entry, and in this paper both are usually left empty.
25	Confusing the fee under section 428 with interest	The fee is flat, and is charged although no tax is due.
26	Computing interest under section 424 for a senior citizen	A resident senior citizen with no business income pays no advance tax, so sections 424 and 425 do not apply.
27	Claiming a credit in Schedule TDS with no matching income	Credit for tax on interest requires the interest at B3; credit for tax on rent requires the rent and the tenant.
28	Selecting no bank account for the refund	At least one must be selected, or a refund has nowhere to go.
29	Pressing GENERATE JSON before VALIDATE	VALIDATE lists everything at once. Press it, fix the list, press it again.
30	Editing the JSON in Notepad	One missing comma destroys the file, and the examiner will see that it no longer agrees with the workbook.

The checklist for the hour

Tear this page out, or copy it onto the inside cover of your answer book.

Before you type anything

- Save the workbook to a real folder, and open it from there.
- Fill the candidate panel — roll number, name, system number.
- Read the facts twice. Underline the date of furnishing.
- Look for an eligibility failure hidden in a sub-clause.
- Decide the regime, and answer (A20).

While you fill

- Glance at the running summary at the head of the sheet every few minutes.
- Read column F on any row where column E surprises you.
- Never type into a cell that is not pale gold.
- Never type a drop-down value by hand.
- Set the occupancy of a house before its figures.
- Enter every income gross, and claim the tax deducted separately.

The last twelve minutes

- **48** Press VALIDATE. Fix the list. Press VALIDATE again.
- **53** Press GENERATE JSON.
- **54** Open the folder. Confirm the file is there and that its name begins with the PAN.
- **56** Save the workbook under your roll number.
- **58** Check three figures against your rough working: C2, D11, and whichever of D13 and D14 is not nil.
- **60** Hand in both files.

A last word

You are the first cohort in this University to be examined on the Income-tax Act, 2025, and the first to be asked to produce a return rather than describe one. Neither the books on the shelf nor the papers of December 2025 can help you, because both were written for an Act that no longer applies. That sounds like a hardship and is in fact an advantage: there is nothing to unlearn. The workbook will do every calculation you have been taught to do by hand, and it will do it faultlessly. What it cannot do is decide which box a fact belongs in. That is what you have been taught for five units, and that is the whole of what is being examined in the hour.