

Relevant for -

CA Inter, CS Executive & CMA Inter

Income Tax

Handwritten Notes

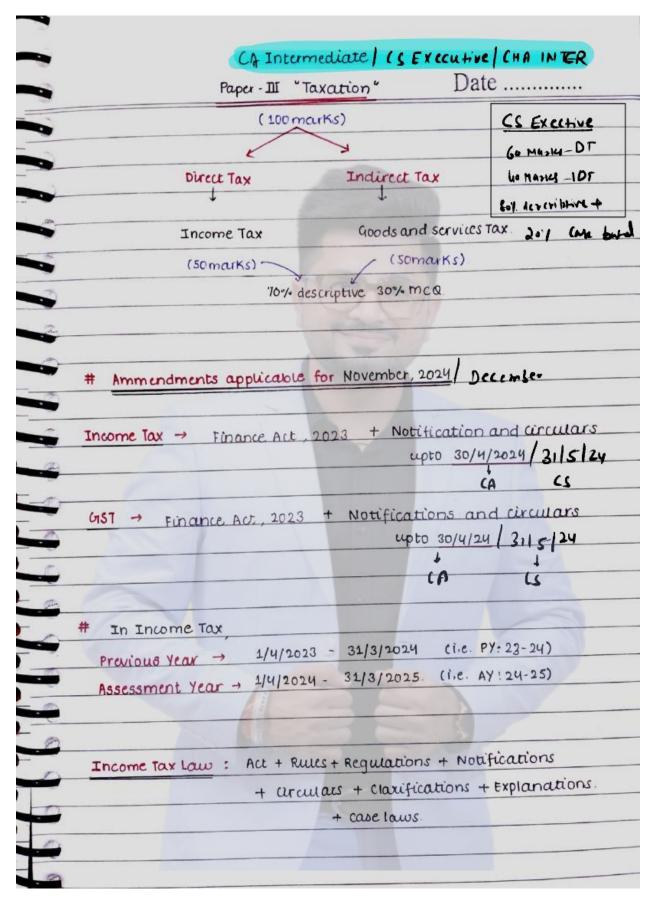


FULLY AMENDED

2024 Edition

Handwriting -Manya Jain (Regular Class Student)

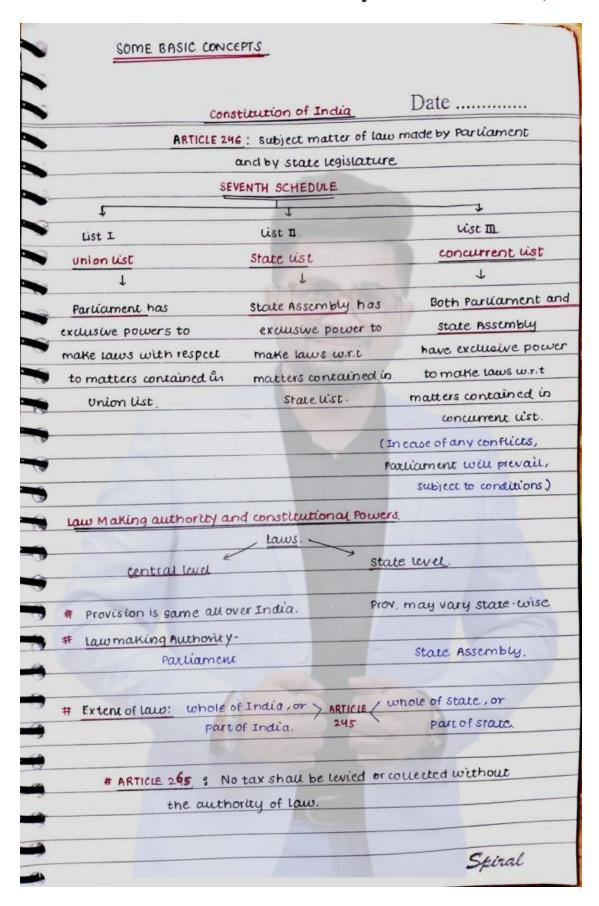
CA Vivek Gaba



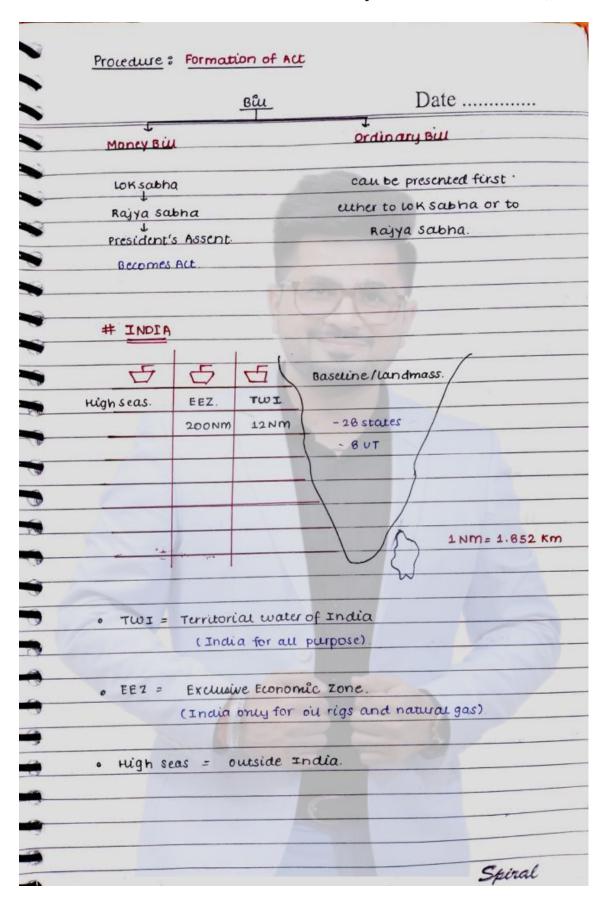
Date
Meaning of Tax
compulsory payment levied by govt.
Tax is a mandatory fee or financial charge collected by government
under an Act.
FOR EXAMPLE -1. Thomas Tay is lavied by anything the Thomas Tay Art 1964
For example -1. Income Tax is uvied by govt under Income Tax Act, 1961
2. GST is uvied by govt. under vaccious. GST Aus:-
· CGST Act, 2017 (1) · SGST Act, 2017 (31)
• IGST Act, 2017 (1) • GST compensation Act, 2017 (1)
· UTGST Act, 2017 (1)
* CGST Act, 2017 (1) • SGST Act, 2017 (31) • IGST Act, 2017 (1) • GST compensation Act, 2017 (1) • UTGST Act, 2017 (1) * ORIGIN OF TAX - Latin word "Taxo"
· Types of Taxes.
Two types of taxes in India
1. Direct Tax
2. Indirect Tax
Meaning of Direct Tax
Direct Tax is a tax which is levied on a person and the burden of
the same falls on the same person
Example - Income tax, corporate Tax, Gift tax etc.
Meaning of Indirect Tax
Indirect Tax is a tax which is tevied on a person and the burden
of the same falls on different person (like customer).
Example 95T, custom, excise duty etc.

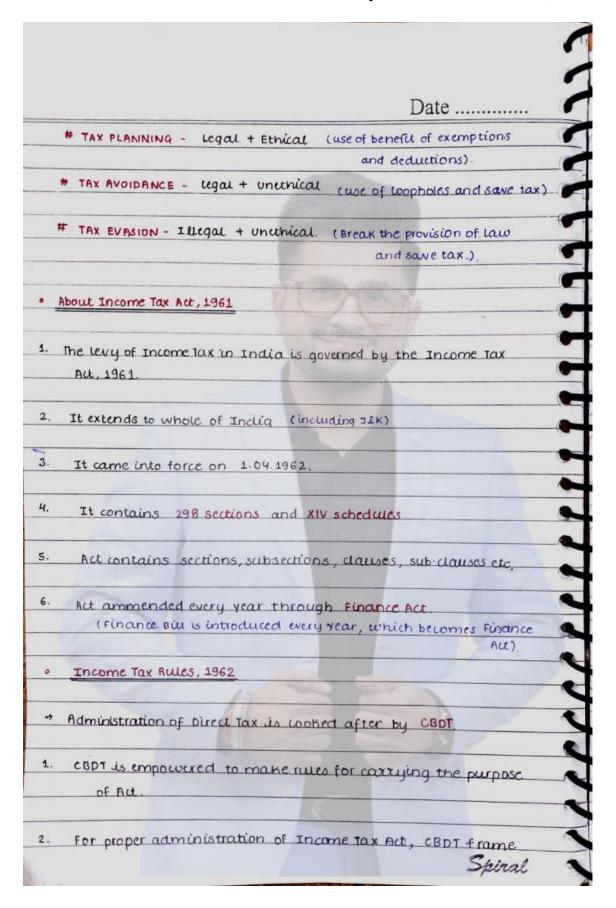
		Date
Particulars	Direct Tax_	Indirect Tax
NATURE OF TAX	• Progressive nature • Linked with paying	• Regressive nature. (Flx nature)
	capacity, rich person will pay more tax in comparison to poor. (Jaise-2 income badhegi vaise-2 tax badhega)	Not winked with paying capacity, it is uniform, whether goods / services are purchased by rich or poor
DEPARTMENT	Central Board of Direct Tax	central Board of Indirce
	(CBDT).	Tax and custom (CBIC)
DISTRIBUTION OR PAYMENT OF REVENUE	central Government.	central Govt. or state Govt (as the case may be)
CONCEPT OF PY and AY	Previous Year income,	No concept of P.Y. or A.Y. (only financial year).

	Basics of Income Tax / Tax Rates	
	Basics of Income Tax / Tax Rates	
.,	Residential Status	
-	5 Heads of Income. Salary House property Capital gains	
-	Profits and gains from Business and other sources.	1 Profession
	cubbing of Income, set off of losses from Gross Total Income.	and Deductions
	Return of Income, TDS, TCS, Advan	се тах
3.	computation of Total Income	



centralieved	Statelevel
# Entry no. and list no.	
list I- Unionlist	ust II- stall ate
Entry No. Name	Entry No. Name.
82 Taxes on Income other	46 Taxes on agricultural
than Agricultural Incom	c. income.
83 custom duty	
84 Excise duty.	
85. corporate tax.	ing authority-
	Kara /
Imp. Note: 1. Two law make	ing authority -
a) Particiment	
b) State Assemble	
2. Executive authority: - a) b)	
	Supereme court (2) pistrict court.
• Parliament = loksabha +Ro	ajya Sabha + President
• State Assembly = vidhan sabb	na + Vidhan Parishad + Governer
	(optional).
• central 4 ovt = ministers + Pm =	cabinet + President.
• State Govt = Ministers + CM =	eabinet + Governer
# ARTICLE 246 A - CIST .	



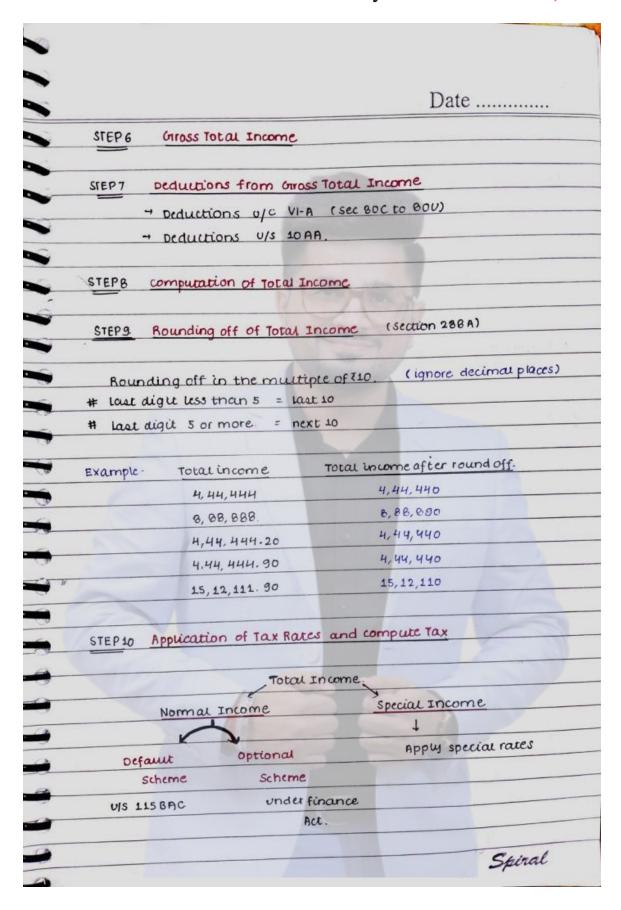


	Date
rules from time to time	. These rules are wuectively
caued as Income Tax A	
3. Rules are supporting sy	stem of Act. Rules cannot override.
Act. Generally, proce	edd to die drints
4. Sec-295 of Income Tax	Act, gives power to frame rules.
ACT	RULES
CRUX · Icus what to	Teus how to
do and what not	do.
todo	4
contains provision	s contains procedures
a Natifications	
• Notifications	
1 Issuing Authority - Centr	algore or CBDI to give effect to
provisions of Act.	al govt. or CBDT to give effect to
provisions of Act. 2. why? - To bring chang	e in middle of the year
provisions of Act. 2. why? - To bring chang	
provisions of Act. 2. why? - To bring chang To add or rem	e in middle of the year
provisions of Act. 2. why? - To bring chang	e in middle of the year
provisions of Act. 2. why? - To bring chang To add or rem	e in middle of the year move the provisions of Act. ment and assessee.
provisions of Act. 2. why? - · To bring chang • To add or rem 3. Binding on both depart • Circulars. (aarification, o	ment and assessee. explanation)
provisions of Act. 2. why? - · To bring chang • To add or rem 3. Binding on both depart • Circulars. (acrification, action) 1. Issuing Authority - CBDT	e in middle of the year nove the provisions of Act. ment and assessee. explanation) from time to time to deal with
provisions of Act. 2. why? - · To bring chang • To add or rem 3. Binding on both depart • Circulars. (aarification, o	e in middle of the year nove the provisions of Act. ment and assessee. explanation) from time to time to deal with
provisions of Act. 2. why? - · To bring chang • To add or rem 3. Binding on both depart • Circulars. (uarification, of the company) 1. Issuing Authority - CBDT certain specific problems	e in middle of the year nove the provisions of Act. ment and assessee. explanation) from time to time to deal with and to claxify doubts.
provisions of Act. 2. why? - · To bring chang • To add or rem 3. Binding on both depart • Circulars. (uarification, of the certain specific problems 2. why? - clarify doubts	e in middle of the year nove the provisions of Act. ment and assessee. explanation) from time to time to deal with

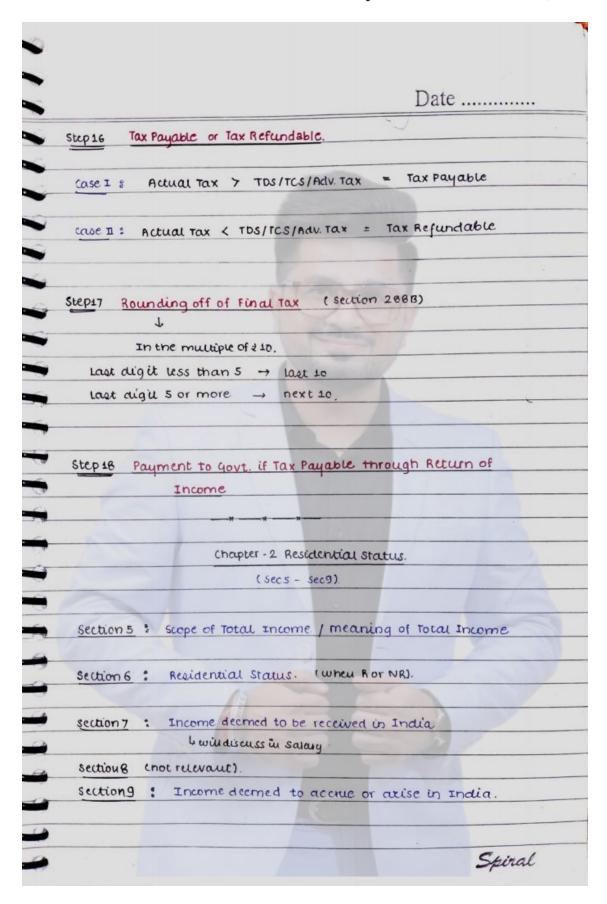
	_
	does not overrede Act. Date
. Department is bound by the cu	rcular while circulars are not
binding on assessee and cour	ts.
· Case Laws (High court and Sup	creme court Judgements)
supereme court and High court	can give judgements only on the
question of law. (Not	on question of fact)
's interpretation of 1	Act. Gevidences.
Supereme court is "apex court" of is law of land.	f the country and clearsions of SC
	a la
Decision of High court will app jurisdiction.	ly in respective states within its
# SECTION-1 Short title, exte	ent and commencement
(1) This Act may be called I	income Tax Act 1961
(2) It extends to whole of Inc	tia. whole of India. (inc. JLK).
(3) save as otherwise provide	ed in this Act, it shall come into
force on 1st day of April	, 1969

Chapter-1 and 2 Basics of Income Tax and Residence and Scope of Total Income. Date # SECTIONY Charging Section of Income lax · Every person · whose total income · of the previous year · exceeds the maximum amount which is not chargeable to Income Tax. · ais an assessee and · chargeable to Income Tax at rates or rates prescribed in the Finance Act, for the relevant previous year. # SECTION 2(31) Person as defined in Section 2(31) of Income Tax Act, 1961 "Person" includes (au types of individual) (a) an individual , (muslim and christian families (b) Hindu undivided family cannot create HUF) (Indianco. , Foreign co.). (c) company (includes LLP). (d) Furm (e) an association of persons or Body of Individuals, whether incorporated or not. (f) local authority, cooperative society (g) every artificial judicial person, not falling within any of the preceeding sub-clauses.

How to compute Total Income and Final Tax liab. Date	
Income Tax liab. = Total Income x Tax Rates	
Income Tax is levied on an assessee's total income.	
Income tax Act, 1961.	
let's understand in Brief steps how to compute Total Income and Final Tax liability:-	
STEP1. Determination of Residential Status	
Total income of an assessee is based on residential status of assessee.	
Residential Status. Resident RNOR:	
→ Non-Resident	
STEP2 classification of Income under Different Heads	
Income axises from untimited socurces but distributed into	
5 heads of Income:-	
a) salary (sec 15 to 17)	
b) House Property (sec 22 to 27)	
c) Profit and gains from Bussiness and Profession (Sec 28 to 44 DB)	
d) capital gains (sec 45 to 55A)	
e) other sources (sec 56 to 59)	
STEP3 computation of Income under each Heads of Income	
STEPY clubbing of Income of Spouse, son's wife, minor child etc.	
STEPS set off or carry forward of wasses	
Spiral	

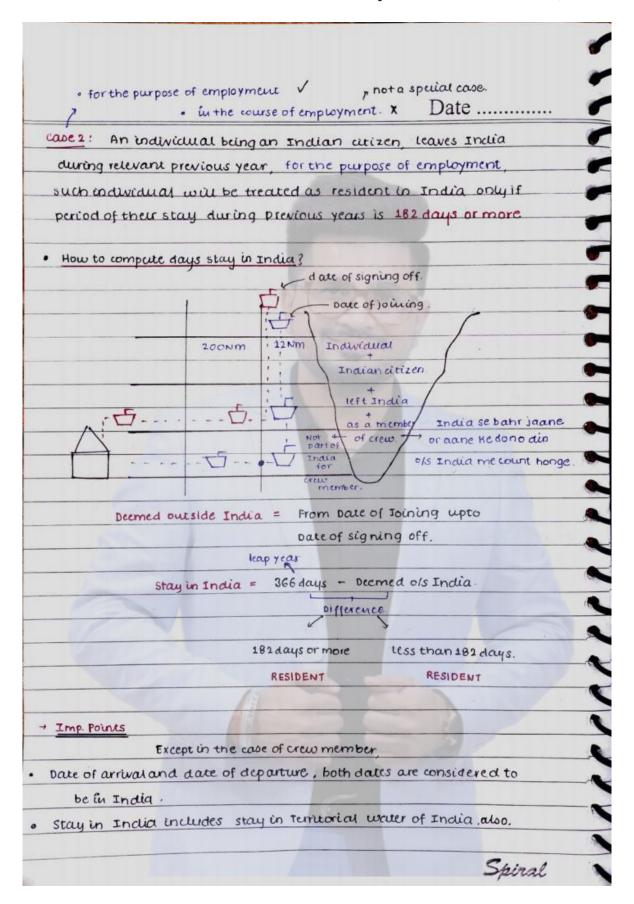


			Data	
			Date	
Step 11	Applicabilu	ty of surcharge o	or Rebate on above Tax Liabili	ty
Step 12	Health and	Education cess	on Income Tax	
		4 Rate - 4%		
Step 13	Alternate	Münümum Tax (1	атт).	
	6 appli	icable only when if	assessee opts for Optional Sch	cme
4		t sebena - First	av (upana)	
		t schome = Final T		
# Tax u	inder option		scheme or, AMT	
		contineverus	higher) = Final Tax	
Sten tu	Evamine wh	ether to pay tax w	nder Default Tax Regime uls 11	15BAC
			nder Default Tax Regime uls 11	
	pay tax un	der Optional Tax	nder Default Tax Regime v1s 11 Regime as per regular provision	
		der Optional Tax		
	pay tax un	der Optional Tax		
	pay tax un of the A	der Optional Tax		
or	of the A	der Optional Tax	Regime as per regular provision	
or	of the A	der Optional Tax et	Regime as per regular provision Tax under optional	
or	of the A	der Optional Tax et	Regime as per regular provision Tax under optional Tax Regime	
or	of the A	der Optional Tax et	Tax under optional Tax Regime OR AMT	
or	of the A	der Optional Tax et	Tax under optional Tax Regime OR	
or	of the A	der Optional Tax	Tax under optional Tax Regime OR AMT	
or	of the A	der Optional Tax et under Tax Regime	Tax under optional Tax Regime OR AMT. Whichever is HIGHER.	
or	of the A	der Optional Tax	Tax under optional Tax Regime OR AMT. Whichever is HIGHER.	
CRUX:	of the A Tax Default	der Optional Tax ut under Tax Regime LESSER (more beneficia	Tax under optional Tax Regime OR AMT. whichever is HIGHER.	
CRUX:	of the A Tax Default	der Optional Tax et under Tax Regime	Tax under optional Tax Regime OR AMT. whichever is HIGHER.	
CRUX:	of the A Tax Default	der Optional Tax ut under Tax Regime LESSER (more beneficia	Tax under optional Tax Regime OR AMT. whichever is HIGHER.	
CRUX:	pay tax un of the A Tax Default eduction of	der Optional Tax ut under Tax Regime LESSER (more beneficia	Tax under optional Tax Regime OR AMT. whichever is HIGHER.	



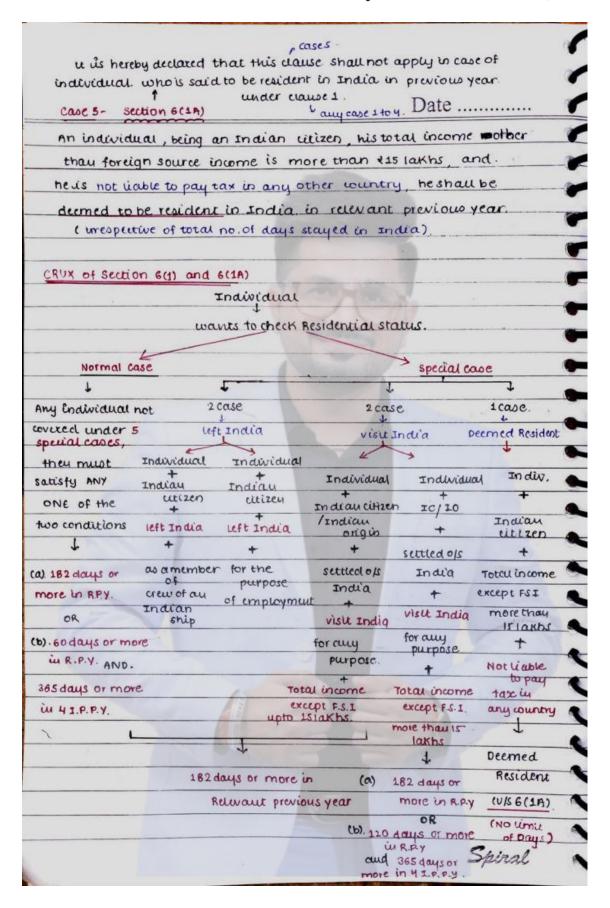
•
Let's understand STEP1 indetail. Date
Basic Rules to be considered while determining Residential status
(1). Residential status is determined for each category of person
seperately.
Ex. seperate rules for individual, HUF, company etc.
(2). Residential status is always determined for previous year because
we have to determine total income of P.V only.
(3). A person may be recident for more than one country for any
previous year.
Ex. If Mr. v9 is resident in India for P.y. 23-24, doesn't mean that
he cannot be a resident of any other country in that P.Y.
(4). Citizenship of a country and Residential status of that country
are seperate concepts.
A person may be an Indian cuizen but may not be a resident
in India, in other words,
A person may be a non-resident but may be an Indian
atiren.
SECTION 6 : Residence in India
*
An individual is said to be resident in India in any previous year
if he satisfies any one of the following 2 Basic conditions -
Conditions: He has been in Inala during relevant previous year for a
total period of 182 days or more, or
conduction 2: He has been in India during relevant previous year for a
total period of 60 days or more, AND. 365 days or more in
4 years immediately preceeding relevant P.y. Spires

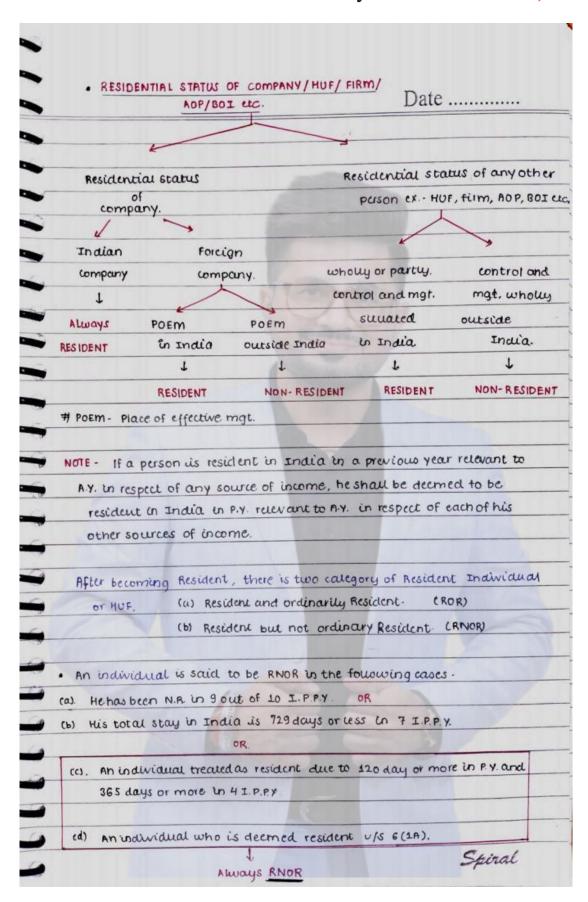
				Date
* Mai	e, female, mir	nor, major, m	arried, unmax	uied, Indian ut
	reign cittzen etc			
**	undition1	Condition2	Res. Status	
	V	×	Resident	
	×	V	Resident	
	✓	V	Resident	
	*	K	Non-Resident	
NOTE - If	then Resident both basic con be deemed as	tho Kaise ie rahaho, bau jayega aditions are r	bhi rana ho agar total days not satisfied, th	complete ho jayeng en such individu
	following case			
in the case1:	reievant previ	ous year as	a member of cro	
in the	reieva <mark>n</mark> t previ ndividual w	ous year as	a member of cro	ew of an Indian India only if
in the	reieva <mark>n</mark> t previ ndividual w	ous year as	a member of cro	ew of an Indian India only if
in the	ndividual world previous of days or more.	ous year as	a member of cro	India only if ous year is.
in the case1: uring ship, such i their t 182 Reason-	ndividual wotal poriod of days or more.	ous year as	as resident in receivant previ	India only if our year is.



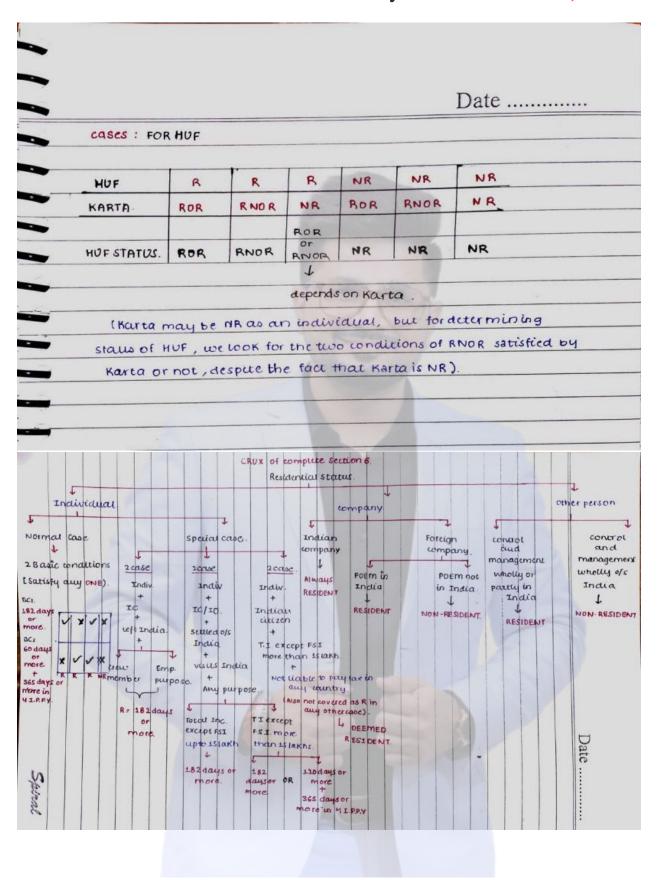
Case 3 -	Date
	citizen or a purson of Indian origin
	visus a India, and his total
	ce in come is upto ±15,00,000
	ent only if his total stay in
India during the suwant	
	NT TOWN
Casey -	un citizen or person of Indian origin,
	its in India, and his total income
	come ex is more than is,00,000
he shall be treated do res	sident in India if any one of
Martalla des constitutas de	conscient to
a) 182 days or more in Relev	
	aut py OR
a) 182 days or more in Releve	ant p.y OR uni p.y and 365 days or move
a) 182 days or more in Relevant	ant p.y OR uni p.y and 365 days or move
a) 182 days or more in Releve	ant py OR unt p.y and 365 days or more lu 4 I.p.p.y.
a) 182 days or more in Relevant b). 120 days or more in Relevant * Indian atizen a) Person born on or after 26.01.	ant py OR unt p.y and 365 days or more lu 4 I.p.p.y.
a) 182 days or more in Relevant b). 120 days or more in Relevant * Indian atizen a) Person born on or after 26.01.	aut p.y OR unl p.y and 365 days or more lu 4 I.p.p.y.
a) 182 days or more in Relevant b). 120 days or more in Relevant * Indian atizen a) Person born on or after 26.01. titizen of Inclia by birth in	aut p.y OR unl p.y and 365 days or more lu 4 I.p.p.y.
a) 182 days or more in Relevant b). 120 days or more in Relevant * Indian atizen a) Person born on or after 26.01. titizen of Inclia by birth in	ant py OR unt p.y and 365 days or more bu 4 I.p.p.y. 1950 but before 1.07.1987 crespective of citizenship of
* Indian atizen a) person born on or after 26.01. titizen of Inclia by birth a his/her parents. b). Born w.e.f. 1.07.1987 but befo	aut py OR unt p.y. and 365 days or move in 4 I.p.p.y. 1950 but before 1.07.1987 respective of citizenship of re 3.12.2004 of his/her parents is a citizen of
* Indian atizen a) Person born on or after 26.01. titizen of Inclia by birth a his/her parents. b). Born w.e.f. 1.07.1987 but befor	aut py OR unt p.y. and 365 days or move in 4 I.p.p.y. 1950 but before 1.07.1987 respective of citizenship of re 3.12.2004 of his/her parents is a citizen of
* Indian atizen a) Person born on or after 26.01. titizen of India by birth a his/her parents. b) Born w.e.f. 1.07.1987 but befor attizen of India, if etther India at the time of his/her	ant p.y and 365 days or more in 4 I.p.p.y. 1950 but before 1.07.1987 rrespective of citizenship of re 3.12.2004 of his/her parents is a citizen of er buth.
* Indian atizen * Indian atizen a) Person born on or after 26.01. titizen of India by birth a his/her parents. b). Born w.e.f. 1.07.1987 but befor attizen of India, if ettner India at the time of his/her c) Born w.e.f. 3.12.2004 upto ti	aut p.y and 365 days or move fur 4 I.p.p.y. 1950 but before 1.07.1987 rrespective of citizenship of re 3.12.2004 of his/her parents is a citizen of er birth.
* Indian atizen * Indian atizen a) Person born on or after 26.01. titizen of India by birth a his/her parents. b). Born w.e.f. 1.07.1987 but befor attizen of India, if ettner India at the time of his/her c) Born w.e.f. 3.12.2004 upto ti	ant py and 365 days or move in 4 I.p.p.y. 1950 but before 1.07.1987 respective of citizenship of re 3.12.2004 of his/her parents is a citizen of er birth. u date their parents are citizen of India

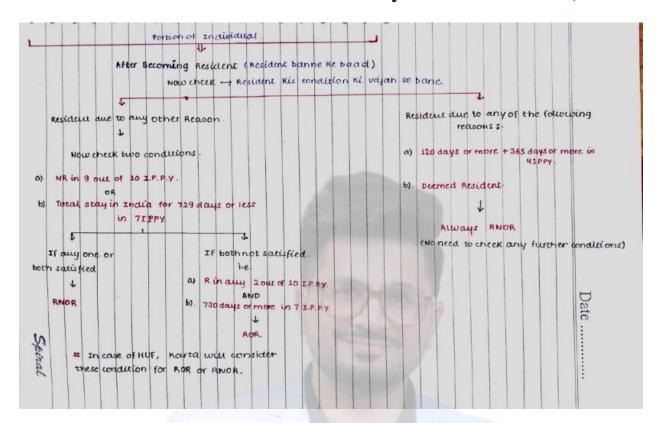
	Date
** Indiau origin	
If he, either of his parents, either of his c	grandparents are born
in undivided India. (i.e before 1947).	No. of the second
# undivided India includes India, Pakist	an and Bangladesh.
# Granparents include both paternal and n	
The state of the s	
*** How to compute Total income other than	r Foreign source in come
upto 15,00,000 or more	1
	whether induded or no
Particulars	
1.) Income axise in India.	✓ /
2) Income deemed to be arise in India.	✓ /
3) Income received in India	
	,
4) Income deemed to be received in India.	
5) Income axise outside India, and receiv	ed
outside India but business controlled in	<u></u>
ALLEGATE ADDITED BUT DURING A CONTINUE OF	
	- 50
India and profession set up in India.	
	×
India and profession set up in India.	X -{ Foreign source





					Date	
Note - a) In case	of HUF,	Karta w	iu saus	fy the ab	ove conditio	n.
					(only condition	n 1 and 2)
b) Au other person	other th	nan ind	ividual	or HUF	may by Ro	or '
NR.		-			-	
# ROR - Resid # RNOR - Resid	eni and i					
# NION NESC	acru bu	חטנ סומנ	maray	nestaene.	2	
Conditions of Ros	2		65			
				-77		-
An individual	or Karta	(FOR HUF)	satisfie	BOTH of	the follows	ing
two conditions	1-					
	1			-//		
(a) Resident in a		01 10 I	.P.P.Y			
	AND					
to tou stay in	india is	730 day	s or moi	re aurus	7 T.P.P.Y.	
	-		× —		-	
Examples						
· Assume mr. va	is Resider	nt of Ind	lia.			/31
Determine whether	her he is	ROR or R	NOR.			
cases :-		100		-		
		The second secon	BNR	10NR	6NR	
In last 10 I.P.Py	9 NR	BNR	2000			
In last 10 I.P.Py	18	2 R	2R		4R	
		A 10	2000	720 days	750 days.	
In last 10 I.P.Py	18	2 R	2R	720 days		



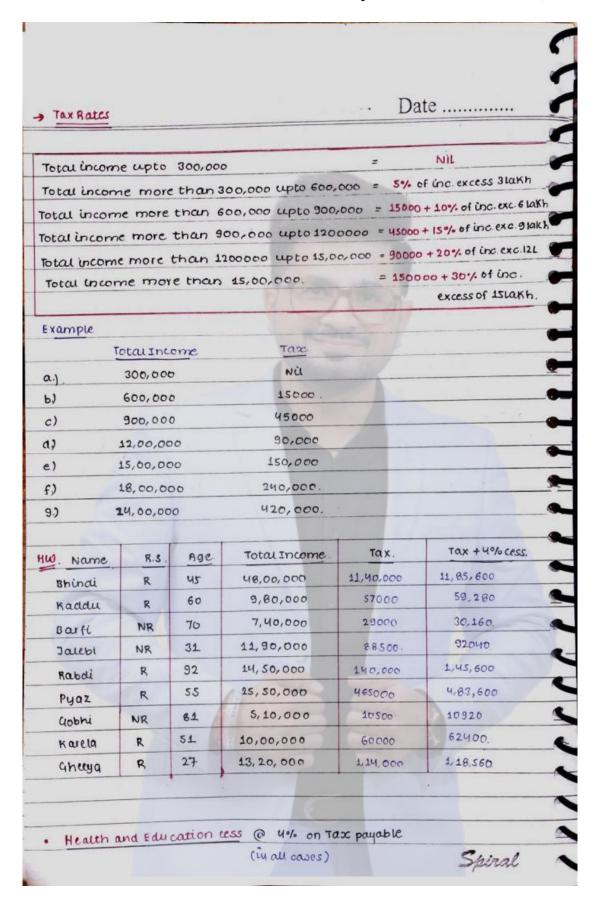




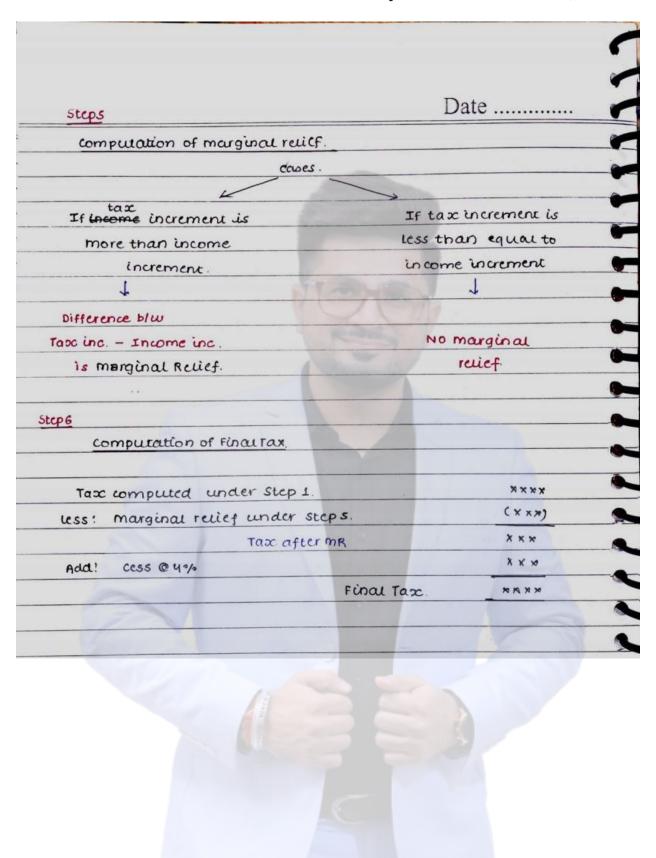
of Total income.	Da	ate	
Particulars.	R/ROR	RNOR	NR.
		*	
(a). Inome received in India (whether	TAXED	TAXED	TAXED
arise in India or not).	11100		-
(b). Income deemed to be received in India	TAXED	TAXED	TAXED
(whether accrue or arise in India or not).			
	-7/1		
(c). Income accrue or arise in India	TAXED	TAXED	TAXE
(whether received in India or ols India)	K		
			1
(d). Income deemed to accrue or arise in			
India (whether received in India or	TAXED	TAXED	TAXED
ols India).			
			•
(c). Income accrue or arise outside India,			NOT
from business controlled or profession	TAXED	TAXED	TAXED
setup in India			
	-		
(f). Income accrue or axisc outside		NOT	NOT
India and received of India, from	TAXED	TAXED	TAXED
business controlled or prof. set up of India			7
(g). Income exempt under any provision	NOT	NOT	NOT
of Income Tax Act, 1961.	TAXED	TAXED	TAXED
(h). Past untaxed profits	NOT TAXED	NOT TAXED	NOTTAXE

Chapter-1 Basics of Inc. Step 10, 11,12 and 1	17	Data
Tax Rates, Surcharge, Rebate, Margir	a Relief,	Date
Health and Fdu. cess and Row	nding off	
		* * * * * * * * * * * * * * * * * * *
· Mecuning of Previous Year and Assessm	ient year under 1	income tax
Year und	er Income Tax.	
\$		1
Previous Year	The state of	Assessment Year
(sec 3)		[sec 2(9)]
(1) P.Y means the year in which		eans the year in
income is earned.	which incon	ne is chargeable total
(2.) It may be of 12 months or less	(2). Umai	s be always of
thau 12 months.		onths.
(3.). P.y. starting from the date of buss.		ways states from
setup and ending to 31 march.	1 April and	ending to 31 march.
For Nov 24, P.y. 23-24 is recevant.		1 y 24-25 is relevant.
i.e. (1/4/2023 - 31/3/2024).	i.e. (1/4	1/2024 - 81/3/2025)
Examples -	Deres	mine Py for Mr. Va
1. Mr. VQ starts business on 25.	12.2023, Data	
25.12.23 - 31.3.24		
2. what if buss. setup on 18.09.23	and buss comm	nence on 15.12.23.
→ 18.9.23 - 31.3.24		
3. Mr. va setup. business on 31.3.	24 and commer	nce business on
31.3.24 - 31.3.24.	-	
7 31.3.14 5 515.17		

Tax Rates un	aer Date
Income To	×.
ţ	Ţ
Normal Rates of Tax	Special Rates of Tax
	—
Auternative 1	Atternative 2.
• Section 115BAC	· optional scheme or
· Default scheme, or	· Normal scheme, or
· concessional scheme, or	· Shifting out / opt out
· New Regime	from Default scheme,
•	· Regular scheme
Individual/HUF/AOP/BOI/AJP	1
can pay tax at concessional	Alternatively they can
rates of tax under perault Scheme	e. exercise the option to shift
However, he has to forego certain	out from default scheme and
exemptions and deductions	pay tax under optional
under thise Regime	tax regime.
· Rates given under Income Tax	• Rates given under
Act, 1961.	Finance Act.
· Default tax regime under section	115BAC of Inc. Tax Act, 1961
consessional Rates of Tax	
13	
Applicability: Individual, HUF,	AOP, BOI, AJP.
(whether R, NR, trees	spective of the age).



Step2 computation of Tax liability on. Solakh/1cr/2cr. Add: Surcharge (10%/15%). Tax + Surcharge (B). Step3 computation of Tax increment Tax under (A) - Tax under (B) = xxxx Step4 computation of Income Increment Theome given under Step1 xxxx xxx xxx xxx xxx xxx xxx		Date	
2. Marginal Relief 3. Rebate under section 87A → only for individual • Surcharge Rate of surcharge Rate of surcharge Rate of surcharge Rate of surcharge Nit Total income upto so lakhs upto 1 crore 10% of Tax Total income more than 1 crore upto 2 crore 15% of Tax Total income more than 2 crore • How to compute Marginal Relief Step1 computation of Tax wability on given income. Add: Surcharge (10%/15%/25%). Tax + surcharge (A) *** *** *** *** *** *** ***	AOP/BOI/AJP under Defaut Regime	Date.	
2. Marginal Relief 3. Rebate under section 87A → only for individual • Surcharge Rate of surcharge Rate of surcharge Rate of surcharge Rate of surcharge Nit Total income upto so lakhs upto 1 crore 10% of Tax Total income more than 1 crore upto 2 crore 15% of Tax Total income more than 2 crore • How to compute Marginal Relief Step1 computation of Tax wability on given income. Add: Surcharge (10%/15%/25%). Tax + surcharge (A) *** *** *** *** *** *** ***			
* Surcharge Rate of Surcharge Total income cupto so lakhs. Total income more than so lakhs upto 1 crore Total income more than 1 crore upto 2 crore. Total income more than 2 crore * How to compute Marginal Relief Step1 * eomputation of Tax liability on given income. * Add: Surcharge (10%//15%/25%). * Tax + Surcharge. (A) ** Step2 ** computation of Tax liability on. So lakh/1cr/2cr. ** Add: Surcharge (10%//15%). ** Step3 ** Computation of Tax liability on. So lakh/1cr/2cr. ** Tax + Surcharge. (B). ** XXX ** XXX ** Step3 ** Computation of Tax increment ** Tax under (A) — Tax under (B). ** XXX ** XXX ** Step4 ** Computation of Income Increment. ** Theome given under Step1 ** XXX ** X	1. Surcharge		
Total income up to so lakes. Total income more than so lakes up to 1 crore Total income more than 1 crore up to 2 crore Total income more than 2 crore • How to compute Marginal Relief Step1 • computation of Tax liability on given income. Add: Surcharge (10%/15%/25%). Tax + Surcharge. (A) *** *** *** *** *** *** ***		i e	
Total income up to 50 lakhs. Total income more than 50 lakhs up to 1 crore Total income more than 1 crore up to 2 crore Total income more than 2 crore • How to compute Marginal Relief Step1 computation of Tax liability on given income. Add: Surcharge (10%/15%/25%). Tax+Surcharge. (A) *** *** *** *** *** *** ***	3. Rebate under section 87A -> only for individual	1	
Total income up to 50 lakhs. Total income more than 50 lakhs up to 1 crore Total income more than 1 crore up to 2 crore Total income more than 2 crore • How to compute Marginal Relief Step1 computation of Tax liability on given income. Add: Surcharge (10%/15%/25%). Tax+Surcharge. (A) *** *** *** *** *** *** ***		5	
Total income more than SO lakks upto 1 crore Total income more than 1 crore upto 2 crore Total income more than 2 crore * How to compute Marginal Relief * How to compute Marginal Relief * step1 * eomputation of Tax liability on given income. Add: Surcharge (10%/15%/25%). * Taxe + Surcharge (A) * **XXX * **X	• Surcharge	Rate	ofsurcharge
Total income more than solakhs upto 1 crore Total income more than 1 crore upto 2 crore Total income more than 2 crore * How to compute Marginal Relief Step1 * eomputation of Tax liability on given income. Add: Surcharge (10%/15%/25%). **Tax+Surcharge (A) **Tax+Surcharge (B). **Tax** **Tax** **Step3 **computation of Tax liability on. 501akh/1cr/2cr. **Tax** **Tax** **Step3 **computation of Tax** **Tax** **Step4 **Computation of Tax** **Tax** **Ta	The income upto Equation	1	Nü
Total income more than 1 crore upto 2 crore Total income more than 2 crore • How to compute Marginal Relief step1 computation of Tax liability on given income. Add: Surcharge (10%/15%/25%). Tax + Surcharge. (A) *** *** *** *** *** *** ***		10-	of Tax
* How to compute Marginal Relief **Step1 **eomputation of Tax liability on given income. **Add: Surcharge (10%/15%/25%). **Tax + Surcharge. (A) **Tax + Surcharge. (B). **Step2 **Computation of Tax liability on. Solakh/1cr/2cr. **Ada: Surcharge (10%/15%). **Tax + Surcharge. (B). **Tax + Surcharge. (B). **Step3 **Computation of Tax increment **Tax under (A) - Tax under (B) = **X*X* **Step4 **Computation of Income Increment. **Tax under Step1 **Theome given under Step1 **Treeme given under Step1 **Treeme given under Step2 **Treeme given under Step2 **Treeme given under Step1 **Treeme given under Step2 **Treeme given under Step2 **Treeme given under Step2		15%	of Tax
• How to compute Marginal Relief step1 computation of Tax liability on given income. Add: Surcharge (10%/ 15%/25%). Tax + Surcharge (A) *** *** *** *** *** *** ***	A Millian Control of	25%	of Tax
eomputation of Tax liability on given income. Add: Surcharge (10%/ 15%/25%). Tax + Surcharge (A) *** *** *** *** *** *** ***			
eomputation of Tax liability on given income. Add: Surcharge (10%/ 15%/25%). Tax + Surcharge (A) *** *** *** *** *** *** ***	· How to compute Marginal Relief		
eomputation of Tax liability on given income. Add: Surcharge (10%/ 15%/25%). Tax + Surcharge (A) *** *** *** *** *** *** ***		<u> </u>	
step2 computation of Tax liability on given income. Tax + surcharge. (A) *** *** *** *** *** *** ***	Stcp1		~~~
Step2 computation of Tax liability on. Solakh/1cr/2cr. Ada: Surcharge (10°/0/15°/0). Tax + Surcharge (B). Step3 computation of Tax increment Tax under (A) - Tax under (B) = XXXX Step4 computation of Income Increment Income given under Step1 AXXX (XXX)		ome.	×××
Step2 computation of Tax liability on. Solakh/1cr/2cr. Add: Surcharge (10%/ /15%). Tax + Surcharge (8). *** *** *** *** *** *** ***		(1)	XXXX
computation of Tax liability on, SOLAKh/1cr/2cr. Ada: Surcharge (10%/0/15%). Tax + Surcharge (B). *** *** *** *** *** *** ***	Tase + sur charge.	(10 /	
computation of Tax liability on, SOLAKh/1cr/2cr. Ada: Surcharge (10%/0/15%). Tax + Surcharge (B). *** *** *** *** *** *** ***			
Add: Surcharge (10%/ /15%). Tax + Surcharge (B). Stcp3 computation of Tax increment Tax under (A) - Tax under (B) = xxxx Stcp4 computation of Income Increment, Theome given under Step1 Axx Income given under Step2 (xxx)	Step2 Solakh/1cr	12cr.	×××
Step3 computation of Tax increment Tax under (A) - Tax under (B) = xxxx Step4 computation of Income Increment. Income given under Step1 **** *** *** *** *** *** ***			×××
Step3 computation of Tax increment Tax under (A) - Tax under (B) = xxxx Step4 computation of Income Increment Income given under Step1 **** *** *** *** *** *** ***		(B).	×××
computation of Tax increment Tax under (A) - Tax under (B) = xxxx Step4 computation of Income Increment. Income given under Step1 xxxx tess: Income given under Step2 (xxx)			
Step4 computation of Income Increment, Income given under Step1 **** *** *** *** *** *** ***	Step3		
Step4 computation of Income Increment, Income given under Step1 (x x x)		(8) =	xxxx
Income given under Step 1 Income given under Step 2 (x xx)			
Income given under step 1 (x xx)		A 7/1	
tess: Income given un der step 2 (XXX)			
XXX			-



			,	Date	
			-	Date	
· Rebate U/S 87A					
Rebate to Residen	t Individual	pauina tax u	nder Defaul	t Tax Regime	U/S 115 BAC
Rebate allowed for	A Tillorenant i	av pauable il	f all the bo	low mention	ned
		ax pagara .			
conditions ar	e sucception .				
(1) Assessee must 1	be an individu	ial.			
(2) Resident in Inc			1		
(3) Total income	upto ₹ 700,00	0.	Della !		
				an Highle	for
If au the above		actions are s	catisfied, th	nen eugebu	107
Rebate under		-	-		
· Quantum of Reb	ate	no paughte.		~~~	
a) 10	00% Income T	ax pagare	(mc	iximum Rebe	ue
b)	Rs. 250 <i>0</i> 0.		{	upto ₹ 25001	3
		wer is less]			
# Rebate under s	ection 87A is	allowed from	m income	rax comput	ed
before addin	g 4% Health	and Edu. Cess			
# Rebate uls 87A	is however, r	not available	in respect	of Long-tur	n
	UIS 112A @ :				
example -	-	-	-	D	V
	I	П	TIJ CORONO	620000	700,000
Total Income.	500,000	550,000	600000	630000	1-0,000
		10.500	12000	20000	25000
Tax	10,000	12,500	(15000)	(20000)	(25000)
(-) Rebate US 67A	(10,000)	(12,500)			-
(A) REDUCES	Nü	Nù	Nù	Nù	Nu

What if Total In	icome is more	thau 7 lak	hs?	Date	
If total income	of such indiv	idual excec	ds Rs 700, c	oo and i	ncome
tax payable on	such total ir	come excee	cls the arr	nount by u	vnich
the total inco	me is in exce	ess of Rs 700,	,000.,		
Rebate wo	ma be as fol	ws-			
STEP1 Total I	income - 70		(n× (A)	(Income 'un	crement)
SIEFI IOUAL I	income - 10	0,000 = 1	CA)	C ZI KOITIC -	
STEP 2 compute	Income tax w	ab. on Total	income	= xxx (8)
		(Tax Incremon	0 10	700,000 will	be Nil.
STEPS IF BYA	Rebate U/s	37A would	be (B-A)		
		1	and the		
# The amount of	rebate u/s 8	7A shall not	exceed the	amount of	income
tax ad compu	The second second second	and the same of	and the same of th		
an assessee.					
Example -					6
Example - Total Income	705,000	710,000	715,000	725,000	740,000
Total Income		710,000	715,000	725,000	
Total Income Steps - Inc. incremen					40,00
Total Income	F 5000	10000	15000	25000	40,00
Total Income Steps - Inc. incremen	F 5000	10000	15000	25000	40,00
Step 1 - Inc. increments Step 2 Tax on T.I.	25,500	10000	15000 26500	2500 <i>0</i> 27500	740,000 40,00 29000. B <b< td=""></b<>
Total Income Step1 - Inc. incremen Step2 Tax on T.I. Step3	25,500 87A	10000 26000 B7A	15000 26500 B7h	25000 27500 B>A	чо,оо 29000. В<в
Total Income Step1 - Inc. incremen Step2 Tax on T.I. Step3	25,500 87A	10000 26000 B7A	15000 26500 B7h	25000 27500 B>A	чо,оо 29000. В<в
Total Income Step1 - Inc. incremen Step2 Tax on T.I. Step3 Reb ate allowed	25,500 87A	10000 26000 B7A V	15000 26500 B7h	25000 27500 B> A	40,00 29000. В<в х
Total Income Step1 - Inc. Uncremen Step2 Tax on T.I. Step3 Reb ate allowed Amt. of Rebate	25,500 87A V	10000 26000 B7A V	15000 26500 B7A	25000 27500 B7 A	40,00 29000. B <b X</b
Total Income Step1 - Inc. incremen Step2 Tax on T.I. Step3 Reb ate allowed Amt. of Rebate .: Tax. payable	25,500 87A V 20,500 5000	10000 26000 B7A V	15000 26500 B7A V 11500	25000 27500 B7 A V 2500 25000	40,00 29000 B <b X NU 29000.</b

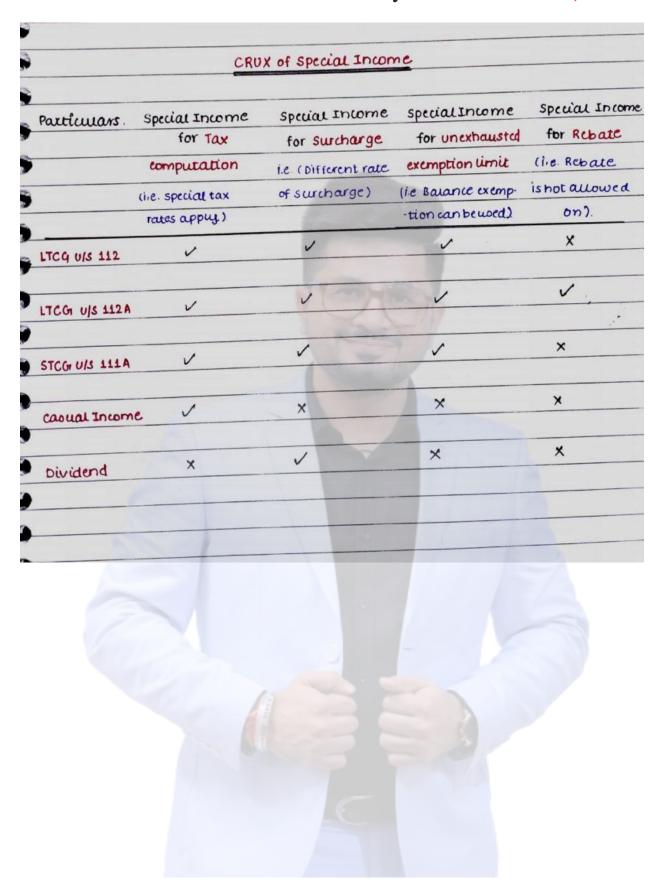
Applic	ability - au o	ssessee (whether individual	, HUF, Firm, company etc.
			F 600
Schen	ne- Any schu	ne (whether optional ordef	aut).
S.ND.	Section No.	Income	Rate of Tax
		A PROPERTY AND	
1.	112	Long-term capital gain	20%.
2.			
2.	112A	long-term capital gain	upto 1 lakh - Nú
			71 lakh = 10% on excess
3.	111A	Short-term capital gain	15%
0,		short-tarin capital gain	137.
ч.	11588	winning from	
		- lottery	1
		- crossward Puzzles	30%
		- Races	
		- card games	
5.	TITEBI	Net winnings from online	2001
	V	games.	30%.
6.	115BBE	unexplained money, investment	
		(Black Money)	
7.	115884	carbon credit income	10%
1.			19/4
		7 - 1 - 1	

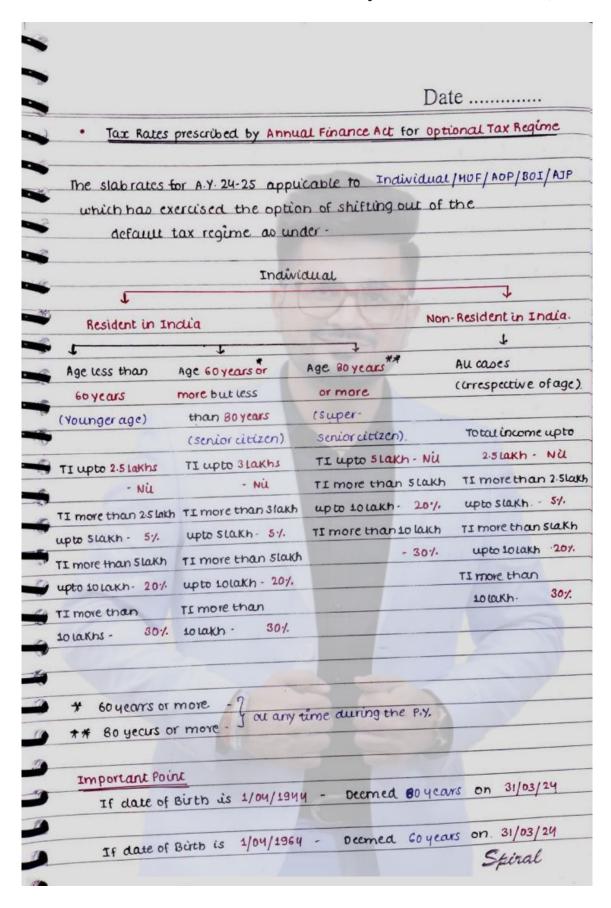
)ate	•••
Special Treatmer	nt of s	urcharge in case of s	specifi	ed Incomes •	
		Total Income	M		
1		J			Ţ
Total income includes		Total income include	s ·	Total incomes	include
only other income		only special incom	e	other income a	s well a
		100	1119	specialine	me.
other income means		· special income mea	uns- E	x - PGBP, HP, LT	CG U/S 11
income other than:	-	→ LTCQ U/S 112	/	LTC4 U/S 112A .	ec.).
→ LTCG U/S 112		→ LTCQ U/S 112A	Miner	1	
+ LTCG U/S 112A		→ STCG U/S 111A	• 1	otal income w	oto
→ STCG U/S 111A		→ owidend.		50 lakhs -	Ni
→ Dwidend			• To	otal income m	ore
1		1	++	nan so lakh upta	,
. TI upto 50 Lakh.	Nü	· Totalincome up to		1 crore.	10%
· TI more than Solakh		50 lakhs	NU .T	I more than 1 cm	ore
upto 1 crore -	10%	. TI more than solukh	,	upto 2 crore	15%
·TI more than 14 ore		upto 1 crore	10% .	TI more than	2 crore
upto 2 crore -	15%	• TI more than 1 crore		+ Taxon speci	al
• TI more than 2 crore	- 25%	up to 2 crore	15%	income -	15 %
The state of the s		e TI more than 2 crove	15%		
				Tax on othe	rIncom
	-		. If c	other income upto)
				2 crore	15-/-
•			• If c	ther income more	2
				than 2 crore.	25./.

Example -	Date
Particulars	Rate of Surcharge
(1) PGBP - 40,00,000	Nů
(2) PGBP - 70,00,000	10%
12) 1484 10,00,000	
(3) PABP - 1,04,00,000	15%
(4) PGBP - 2,10,00,000	25-/-
(5) LTCG v/s 112 - 40,00,000	Nù
(6) LTCG U/S 112 - 70,00,000	10%
(7) LTCG U/S 112 - 1,04,00,000	15%
(8) LTCG U/S 112 - 2,10,00,000	15% (special income)
(9). PGBP 20,00,000	
LTCQ U/S 112 20,00,000	
TI 40,00,000	Nú
(10). PGBP 30,00,000	
LTCG U/S 112 30,00,000	
60,00,000	10%
(11) PGBP 40,00,000	
LTC9 U/S 112 70,00,000	45a4
1,10,00,000	15-/.
	Spiral

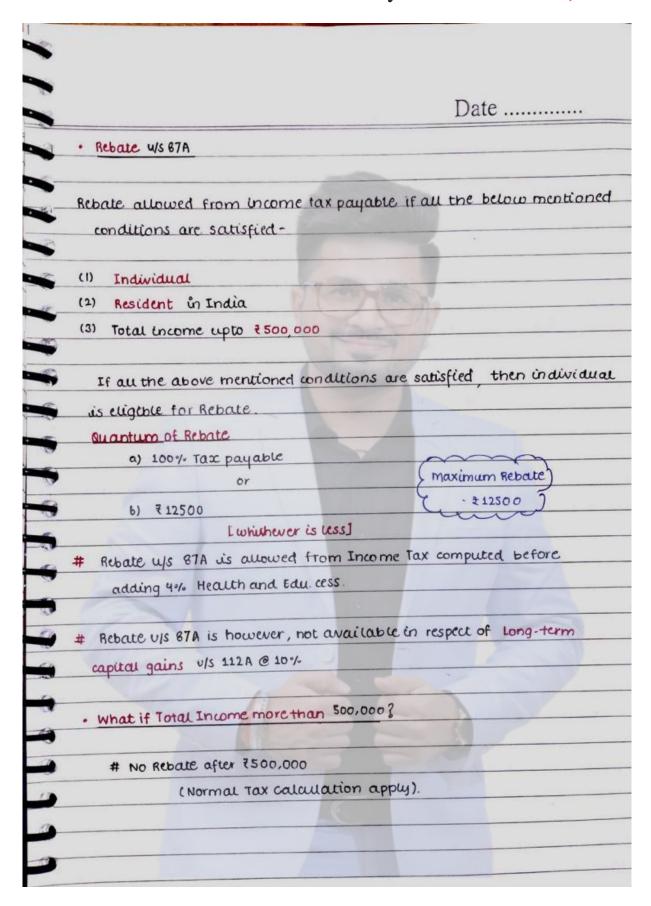
		Date
(12). PGBP	60,00,000	
LTCG UIS 11	2 70,00,000	
	1,30,00,000	15%
(13) PGBP	1,01,00,000	15°/• (P4BP)
LTC4 US 112.	1,40,00,000	15 % (LTCG U/S 112
	2,41,00,000	
(14) PGBP	40,00,000	15% (PQBP)
LTCQ UIS 112	2,15,00,000	15% (LTCG 0/5112)
	2,55,00,000	
(15). PGBP	2,10,00,000	25% (PGBP)
LTCG U/S 11;	2 20,00,000	15% (LTCQ U/S 112)
	2,30,00,000	
(16). PGBP	1,80,00,000	15% (PGBP)
LTCQ UIS 11:	2. 50,00,000	15% (€LTC4 U/S 112)
	2,30,00,000	

			Date
			1100
• Treatment	of unexhausted	exemption limit	or Balance Exemption W
			# 4 f. !! a. ': a # 25
cases:-	xemption lemit c	an be used u	the following two
caues :-			
(1) Individual or	r HUF and		
(2) Resident in Ir	ndia		
	No.	10	la
Balance exempt	ion limit can be	used in follow	ving incomes-
(I) LTCG U/S 112		* It must be	e used in the most
(2) LTCQ U/S 112F		benefic	ial way so that tax
(3) STCQ U/S 111	A	is mini	imum.
		Y	
# Above bene	fit is not availal	ble for Non-Resid	dent
# Above bene	fit is not availal	ble for Non-Resid	dent
# Above bene	fit is not availal	ble for Non-Resid	dent
Examples		ble for Non-Resid	dent
Examples Ques 1 PGBP	- 250,000	ble for Non-Resid	dent
Examples Ques 1 PGBP LTC4 U/S	- 250,000 5112 - 300,000	ble for Non-Resid	dent
Examples Ques 1 PGBP	- 250,000 5112 - 300,000	ole for Non-Resid	dent
Examples Ques 1 PGBP LTC4 U/S Compute fina	- 250,000 5112 - 300,000 U tax.	ole for Non-Resid	dent
Examples Ques 1 PGBP LTC4 U/S Compute fina	- 250,000		dent
Examples Ques 1 PGBP LTC4 US Compute fina Solution - To	- 250,000 5112 - 300,000 L tax.	o (exemption).	
Examples Ques 1 PGBP LTC4 U/S Compute fina Solution - To	- 250,000 5112 - 300,000 L tax. ax on PGBP (250000 - 250,000	o (exemption).	
Examples Ques 1 PGBP LTC4 U/S Compute fina Solution - To	- 250,000 5112 - 300,000 U tax. 0X on PGBP (250000 - 250,000 0X on LTCG U/S 112	o (exemption).	Nù
Examples Ques 1 PGBP LTC4 U/S Compute fina Solution - To	- 250,000 5112 - 300,000 L tax. 2X on PGBP (250000 - 250,000 2X on LTCG U/S 112 00,000 - 50,000 (exce	o (exemption).	Nil \$0,000
Examples Ques 1 PGBP LTC4 U/S Compute fina Solution - To	- 250,000 5112 - 300,000 L tax. 2X on PGBP (250000 - 250,000 2X on LTCG U/S 112 00,000 - 50,000 (exce	netion)] x 20%.	50,000 (25000)

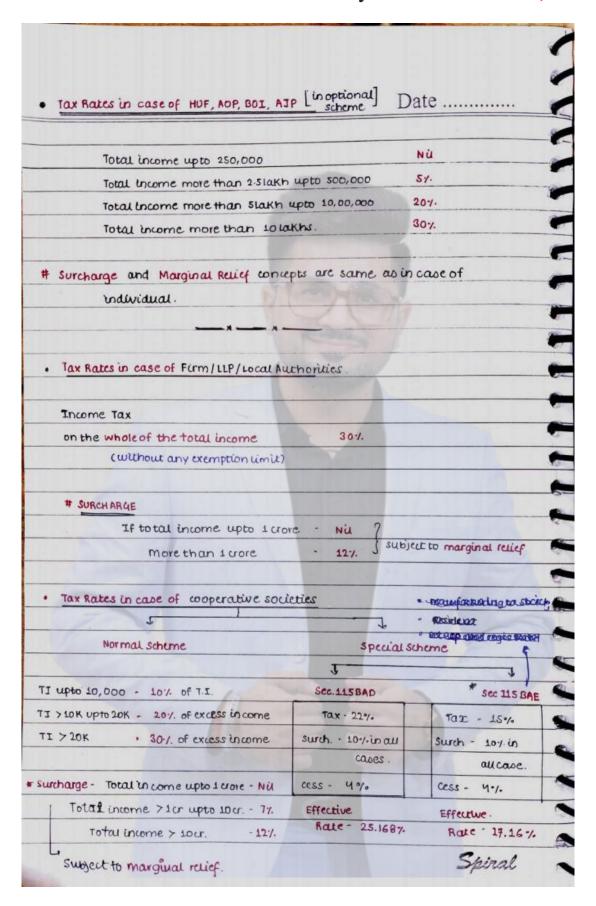


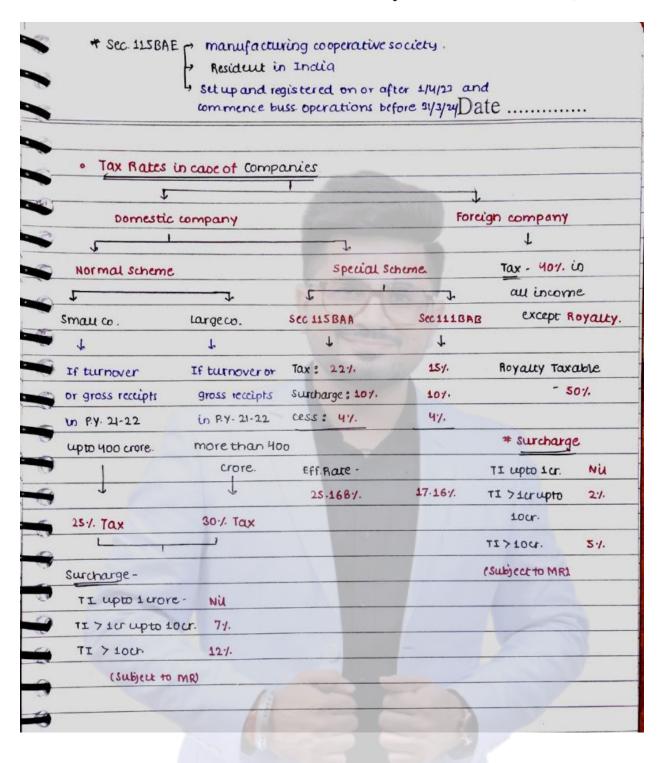


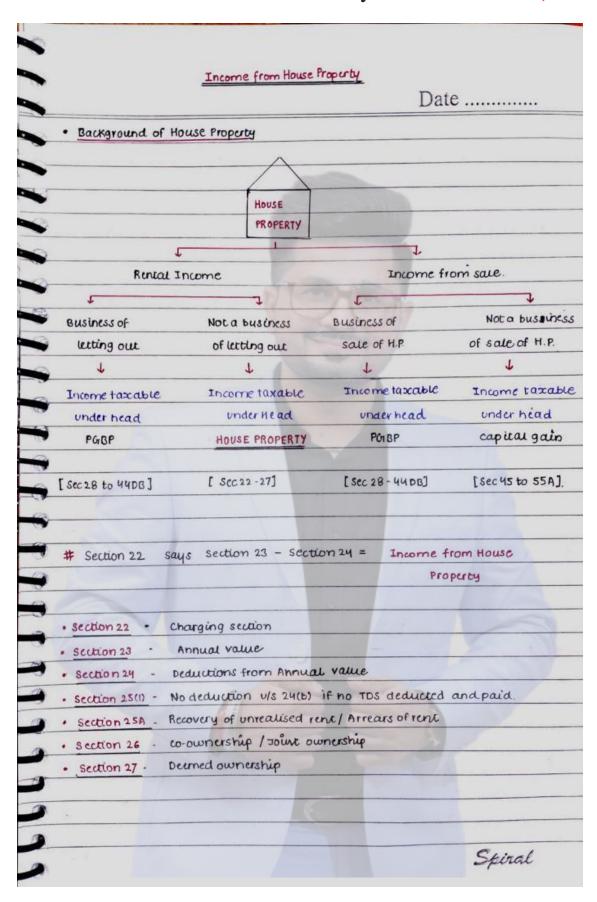
Example					· ·	
Name	R.S.	Age	Total Income	Tax payable	Tax + cess@ 4	1.
crobhí	R	чѕ	10,00,000	112,500	117000	-/.
Kaaju	R	60	10,00,000	110,000	114400	
Baadam	R	80	10,00,000	100,000	104000	
Pudina	NR	92	12,00,000	172,500	179400	
ave e	NR	48	15,00,000	262,500	273000	(
Dhaniya				4 111		
1. Sw.	rcharge urginal bate U/S	relief	ncepts			
1. Sw.	rcharge urginal bate U/S	relief			Rate of surchar	ac
1. Sur	rcharge urginal bate v/s	rclief 87A			Rate of surcharg	ge
1. Sur 2. Mc 3. Re • Sur Toto	rcharge urginal bate v/s charge	relief 5 87A e upto 5	o Lakhs	1 ccove	Nil	ge
1. Sur	rcharge urginal bate uls charge	relief 5 87A ne upto 5	o lakhs than 50 lakhs upto		Nil 10% of Tax	ge jeu
1. Sur	rcharge urginal bate vis charge dincom	relief \$ 87A he upto 5 he more me more	o lakhs than 50 lakhs upto than 1 crore upto	2 crore	Nil 10% of Tax 15% of Tax to	oject
1. Sur	charge bate vistinate vist	relief 87A 10 upto 5 10 me more 11 me more	o lakhs than 50 lakhs upto than 1 crore upto than 2 crore upto 5	2 crore	Nil 10% of Tax 15% of Tax 25% of Tax marg	oject o ginal
1. Sur	charge bate vistinate vist	relief 87A 10 upto 5 10 me more 11 me more	o lakhs than 50 lakhs upto than 1 crore upto	2 crore	Nil 10% of Tax 15% of Tax sub 25% of Tax marg	oject o ginal
1. Source 2. Mc 3. Rec * Surce Tota Tota Tota Tota	charge bate vist charge dincom	relief 87A 10 upto 5 10 me more 10 me more 10 me more	o lakhs than 50 lakhs upto than 1 crore upto than 2 crore upto 5	2 crore	Nil 10% of Tax 15% of Tax 25% of Tax marg	oject o ginal
1. Sur	charge bate vist charge dincome income cu inco	relief 87A 10 upto 5 10 me more 10 me more 10 me more	o Lakhs than 50 Lakhs upto than 1 crore upto than 2 crore upto than 5 crore	2 crove	Nil 10% of Tax 15% of Tax 25% of Tax marg 37% of Tax	oject o ginal
1. Sur	charge bate vist charge dincome income cu inco	relief 87A 10 upto 5 10 me more 10 me more 10 me more	o lakhs than 50 lakhs upto than 1 crore upto than 2 crore upto 5	2 crove	Nil 10% of Tax 15% of Tax 25% of Tax marg 37% of Tax	oject o ginal

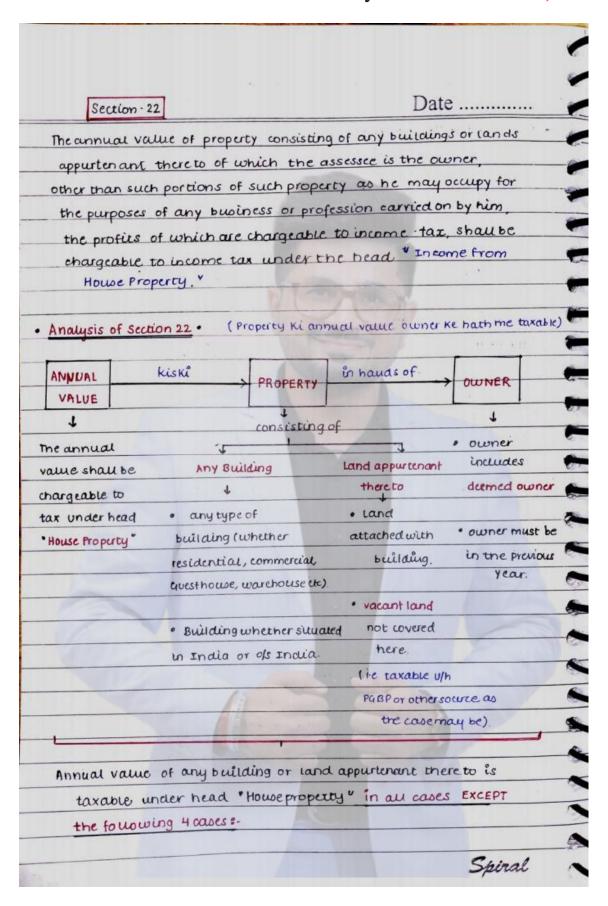


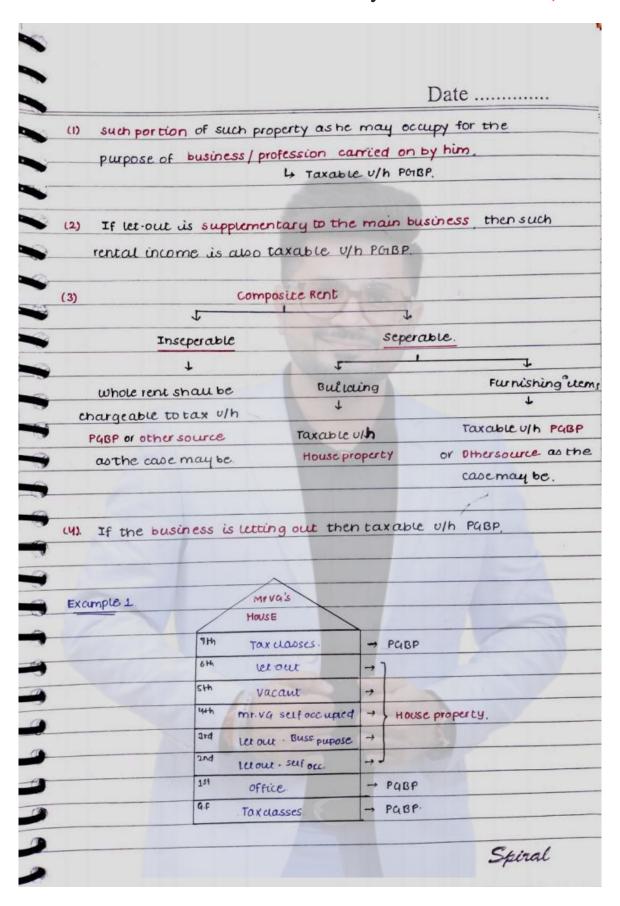
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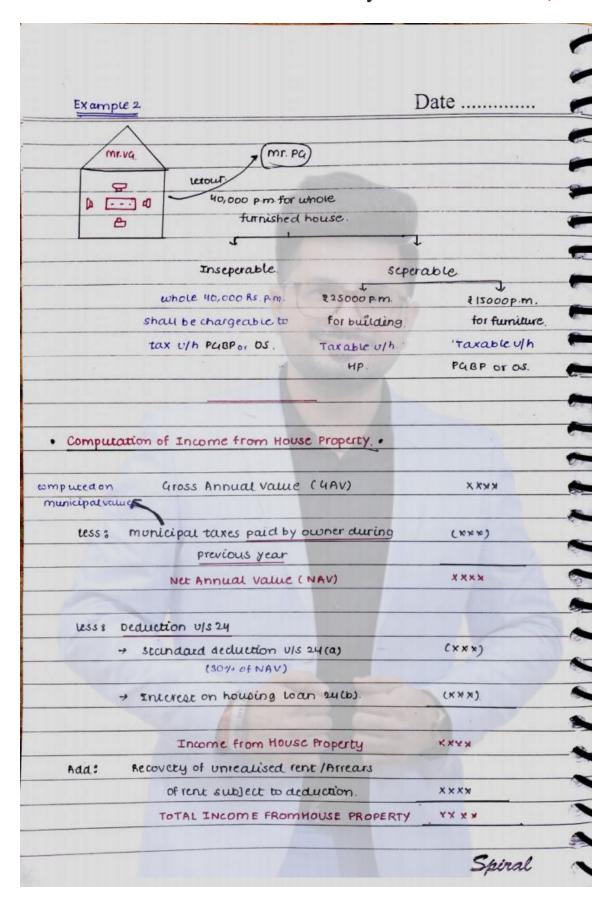


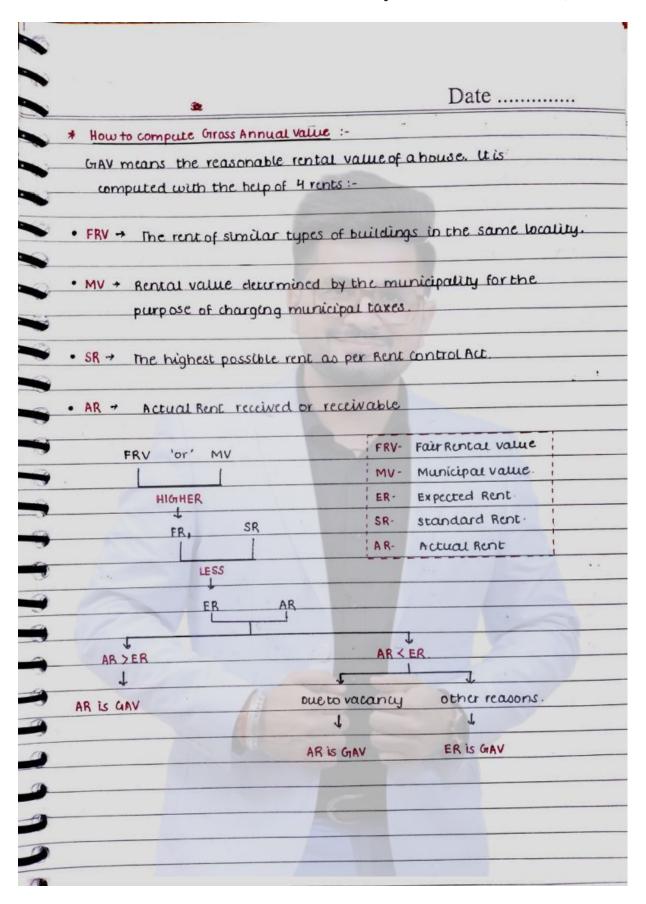










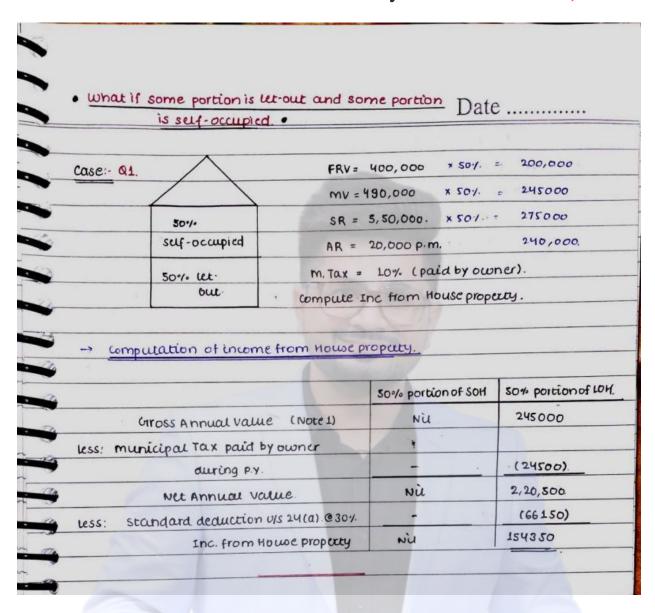


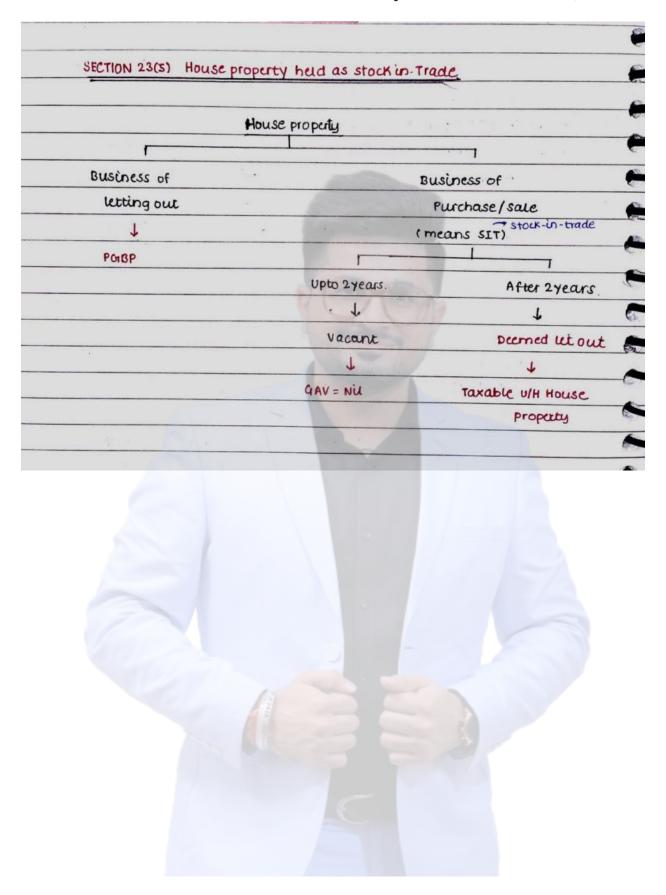
Example		4.0		, D	ate			}
	I	n	n	10		V		
FRV	200,000	260,000	240,000	28000	0	300,0	00	
mv	240000	270,000	250,000	260000	0	32000	00	
SR	220000 ER	300,000	210,000	ER 270000	ER	31000	OER	
AR	20000 p.m.	25000 p.m	15000pn	250001	p. m	30000	P·m.	
vacancy	-	2months.	2 months	5-		2 mon	ths	
unrealised	-	-	-	2month	os.	1mor	otto.	
Rent-			1.100	(BOX				
GIAV	240,000	250,000	210,000	270,000	, .	270,00	0.	
			1	7 %.	70			-
		Authough At	RKER	and the				
		15000	00 < 210,000			14		
But,	we need to ch	neck agar va	cancy nhi h	oti, to bhi	ARK	ER Or A	R>ER	
	IF ARKER : I							
			of worth	ic readers. of	· uss	nix.		
		neans vacan	cu is render	of less AR -	, u	AV-AR		•
	IT NO ZEK S T	neans vacan	cy is reason	of less AR.	ب 4	AV=AR		•
Example 2	IT HIT ZEK 3 T	neans vacan	ey is reason	of less AR	٠	AV=AR		•
Examples	I I	neans vacan	ey is reason	of less AR.	→ (q		Vr	-
Example2 FRV	I	n	ש	V	,	Z ER	VI.	-
	1 300,000	11 400,000 ER	TU 200,000	¥20000	400	Z 0,000 ER	800000	-0
FRV	300,000 290,000	100,000 450,000	200,000 220,000	¥20000 450000	400	2 0,000 0,000	320000	R
FRV MV	1 300,000	1 400,000 450,000 500,000	200,000 220,000 300,000	420000 450000 419000 ER	3 20 500	2 0,000 0,000	320000 320000	R
FRV MV SR AR	300,000 290,000 350,000	1000,000 450,000 500,000 30000 p.m.	200,000 220,000 300,000 20000 pm.	¥20000 450000	3 20 3 20 3 300	2 0,000 0,000 0,000 0,000	320000 320000 390000 40000 p.r	n.
FRV MV SR AR Vacancy	300,000 290,000 350,000 30000pm.	1 400,000 450,000 500,000	200,000 220,000 300,000	420000 450000 410000 ER 35000p.m.	3 20 3 20 3 00 3 00 5 00	20,000 ER 0,000 0,000 pm	320000 320000 390000 40000pr	m.
FRV MV SR AR	300,000 290,000 350,000 30000pm.	1000,000 450,000 500,000 30000 p.m.	200,000 220,000 300,000 20000 pm.	420000 450000 419000 ER 35000p.m.	3 20 3 20 3 00 3 00 5 00	2 0,000 0,000 0,000 0,000	320000 320000 390000 40000 p.r	m.
FRV MV SR AR Vacancy	300,000 290,000 350,000 30000pm.	1000,000 450,000 500,000 30000 p.m.	200,000 220,000 300,000 20000 pm.	420000 450000 410000 ER 35000p.m.	3 20 3 20 3 00 3 00 5 rr	2 0,000 0,000 0,000 0,000 0,000 0,000 0,000 0,000	320000 320000 390000 40000 p.r 1month	m.
FRV MV SR AR Vacancy Unrealised Vent	300,000 290,000 350,000 30000pm. 1-month	11 400,000 450,000 500,000 30000 p.m. 4 months	200,000 220,000 300,000 2000 pm. 3 months	420000 450000 419000 ER 35000p.m.	3 20 3 20 3 00 3 00 5 rr	20,000 ER 0,000 0,000 pm	320000 320000 390000 40000pr	m.
FRV MV SR AR Vacancy Unrealised Vent	300,000 290,000 350,000 30000pm. 1-month	11 400,000 450,000 500,000 30000 p.m. 4 months	200,000 220,000 300,000 2000 pm. 3 months	420000 450000 419000 ER 35000p.m.	3 20 3 20 3 00 3 00 5 rr	2 0,000 0,000 0,000 0,000 0,000 0,000 0,000 0,000	320000 320000 390000 40000 p.r 1month	m.
FRV MV SR AR Vacancy Unrealised Vent	300,000 290,000 350,000 30000pm. 1-month	11 400,000 450,000 500,000 30000 p.m. 4 months	200,000 220,000 300,000 2000 pm. 3 months	420000 450000 419000 ER 35000p.m.	3 20 3 20 3 00 3 00 5 rr	2 0,000 0,000 0,000 0,000 0,000 0,000 0,000 0,000	320000 320000 390000 40000 p.r 1month	m.

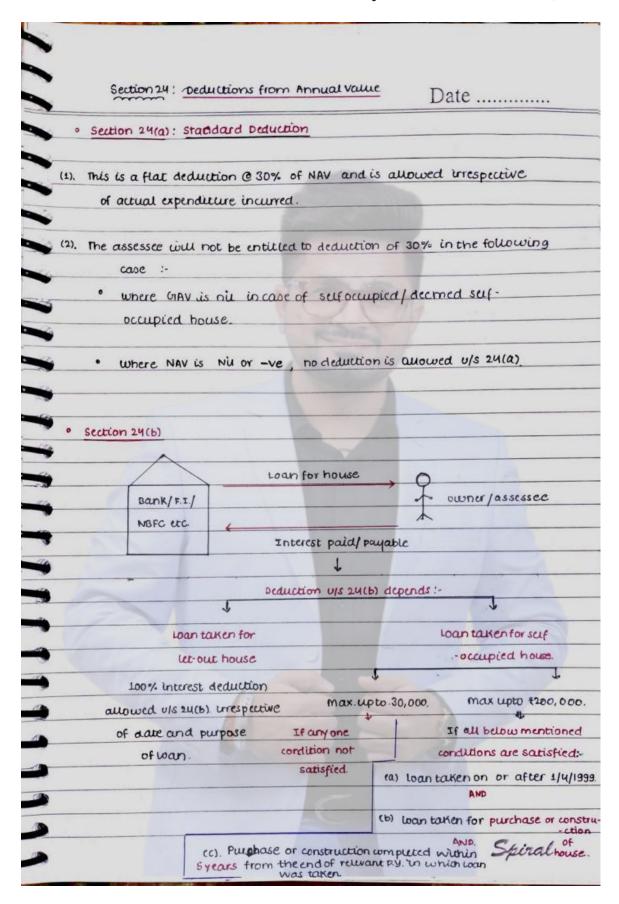
• <u>Deduction</u> of Munic				Date	
	1	ı	nr	IV	又
Grass Annual value.	900,000	800,000	600,000	11,00,000	700,00
municipal Tax:		40000			
accong to last year	40,000	-	40,000	30,000	100,00
Belong to CY/P.Y.	60,000	100,000	-	10,000	100,00
Belong to next year.	100,000	-	60,000	200,000	100,000
(Au municipal tax paid		1			
byowner). NAV ->	100,000	700,000	500,000	860,000	400,00
J .		The same	1		
during this year.			May J		
# Two main conditi	ions for Mu	inicipal To	x beductio	n	
(1.) Municipal Tax (2) During	the previo	ous year	4	Lirrespec	pay Kiya tive Ki vo
Example - Which of the Municipal Tax paid municipal Tax pay municipal Tax pay	the previo	ous year Ki income will be deduce r oner X unt X chant X	compute Kr	bhi tax L'irrespec	pay Kiya tive Ki vo
Example - Which of the Municipal Tax paid municipal Tax pay	the previo	ous year ki income vill be deduce r voner X unt X ner V	compute Kr	bhi tax L'irrespec	pay Kiya tive Ki vo tax Kis p nai
Example - Which of the Municipal Tax paid municipal Tax pay	the previous of the previous of the by owner able by our able by teno able by teno able by our able by our able by teno able by teno	ous year ki income vill be deduce r voner X unt X ner V	compute Kr	bhi tax L'irrespec	pay Kiya tive Ki vo tax Kis 1
Example - Which of the Municipal Tax paid municipal Tax pay municipal Tax pay municipal Tax pay municipal Tax pay	the previous of the previous of the by owner able by our able by teno able by teno able by our able by our able by teno able by teno	ous year ki income vill be deduce r voner X unt X ner V	compute Kr	bhi tax L'irrespec	pay Kiya tive Ki vo tax Kis 1
Example - Which of the Municipal Tax paid municipal Tax paid municipal Tax paid municipal Tax paid municipal Tax pay municipal Tax pay	the previous following we by owned by tenonable by tenona	ous year Ki income will be deduce r oner X unt X chant X rer paid.	compute Ki	bhi tax L'irrespec	pay Kiya tive Ki vo tax Kis 1
Example - Which of the Municipal Tax paid municipal Tax pay municipal Tax pay municipal Tax pay municipal Tax pay	the previous following we by owned by tenonable by tenona	ous year ki income vill be deduce r voner X unt X ner V	ted?	bhi tax crrespectation has been a second	pay Kiya tive Ki vo tax Kis 1
Example - Which of the Municipal Tax paid Municipal Tax pay Municipal Tax born Ly Deduction v/s 248 Standard deduction 24	the previous following we by owned by tenonable by tenona	ous year ki income vill be deduc r oner X unt X enant X ner paid.	compute Ki	bhi tax crrespectation has been a second	pay Kiya tive Ki vo tax Kis 1

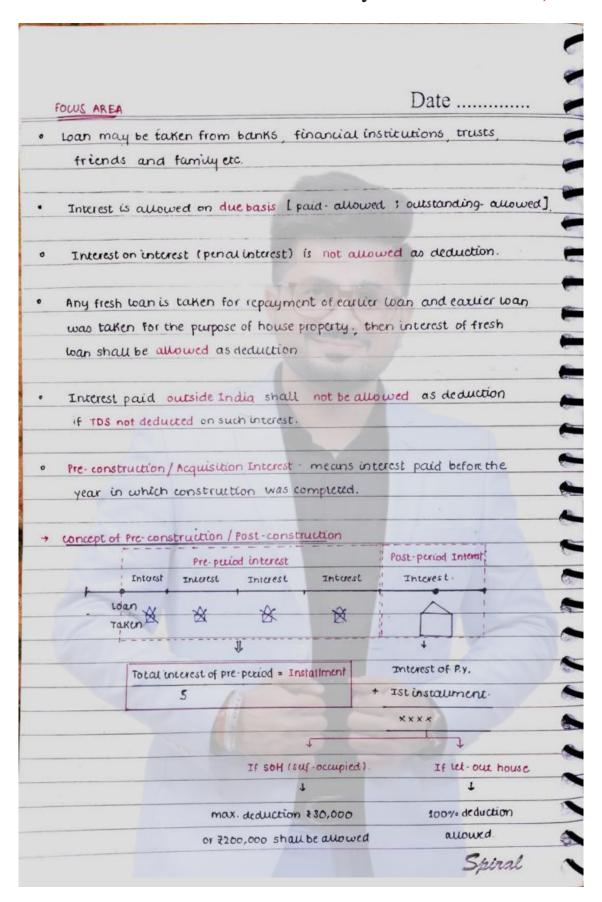
Example 2:	FRV = 300,000	municipal	
	mv = 390,000	Tax = 24	00,000.
	SR = 400,000	paid by owner	(includes tsa 000
	AR = 30,000 p.m.		related to last year
	vacany = 2 months.		
carculate	income from House Pr	operty.	
solution !-	Gross Annual val	ue (Notes)	390,000.
less: n	runicipal tax paid by	owner	
	during P.Y.	TO THE	(200,000)
	Net Annual value (NAV).	. 190,000.
less: p	standard vis 24A		
	(30·/·of 19	0,000)	(57000)
	i. Income from	om House Property.	133,000
	= 89		
		The second	
# Gross Annua	I value (GAV) shall be	e computed in all c	aces except
	ng cases :-		
(1) *wholy se	if-occupied.	9	
(2) wholly vo	acant house GAV =	nia	
(3) Deemed s	cy-occupied.		
-			

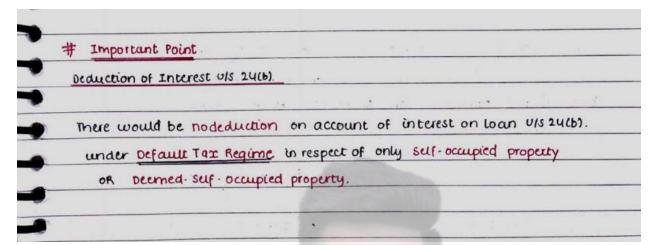
		- SOH = SU	out house
			Date
* Option to take GAV	= Nil in case of a	self - occupied	house is available
only for 2 House			
//			
Example- mr. V4 1 self	-occupied house	= 1 SOH -	» GAV=nù
mr.vg 2 sel	f-occupied house	= 2 SOH +	Gav = Nil
mr.vq 3 se	ef-occupied house	2 2 SOH →	GAV-NU
	17	1 Decme	d let-out + - GAV compute
pan de di		PAGE	
mr.vq. 4 se	lf-occupied house		GAV-nil
		2 104	(Decmed) - 4AV compute
			* * * * * * * * * * * * * * * * * * *
4 most important case	es (For examination	on)	(1st aut forcesse constitut
		-	(ill-out forsome months,
	wholly son/	Vacant	(otherhouse months)
	peemed SOH	(whowy).	[Partly L-0 /Partly SOH/]
GIAV	Nu	Nu	compute v/s 23
-) municipal tax	eed-	The second second	
	at allowed	[1]	
paid byowner	- Not allowed-	Allowed	Allowed.
paid byowner			
	- Not allowed	Auowed Nú/-be	Allowed. Nil/-ive/+ive
paid byowner NAV	Nú	Nú/-bre	Nù/-ive/+ive
paid byowner NAV			
Paid byowner NAV -) Standard beduction U/S 24(a)	Nú	Nú/-bre	Nù/-ive/+ive
Paid byowner NAV -) Standard beduction U/S 24(a) -) Int. on wan u/s	Nů Nů	Nú/-lve Nu	Nù/-ive/+ive Allowed (If NAV is tive)
paid byowner NAV -) Standard beduction	Nú Nú Auowed	Nú/-ive Nù Auowed	Nù/-ive/+ive Allowed (if NAV is tive) Allowed.
Paid byowner NAV -) Standard peduction U/S 24(a) -) Int. on wan u/s	Nů Nů	Nú/-lve Nu	Nù/-ive/+ive Allowed (If NAV is tive)
Paid byowner NAV -) Standard Deduction U/S 24(a) -) Int. on wan u/S 24(b)	Nú Nú Auowed	Nú/-ive Nù Auowed	Nù/-ive/+ive Allowed (if NAV is tive) Allowed.
Paid byowner NAV -) Standard Deduction U/S 24(a) -) Int. on wan u/S 24(b)	Nú Nú Auowed	Nú/-ive Nù Auowed	Nù/-ive/+ive Allowed (if NAV is tive) Allowed.
Paid byowner NAV -) Standard Deduction U/S 24(a) -) Int. on wan u/S 24(b)	Nú Nú Auowed	Nú/-ive Nù Auowed	Nù/-ive/+ive Allowed (if NAV is tive) Allowed.



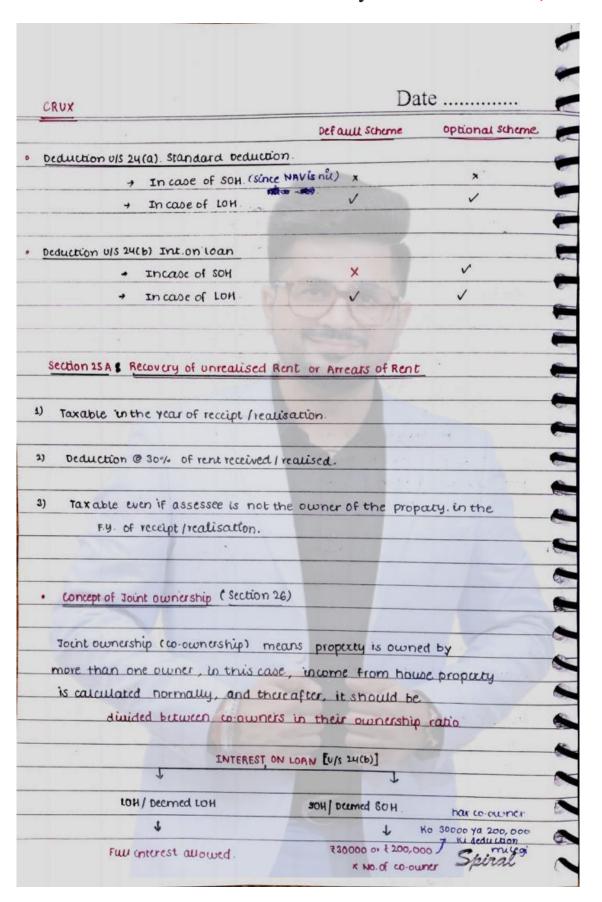


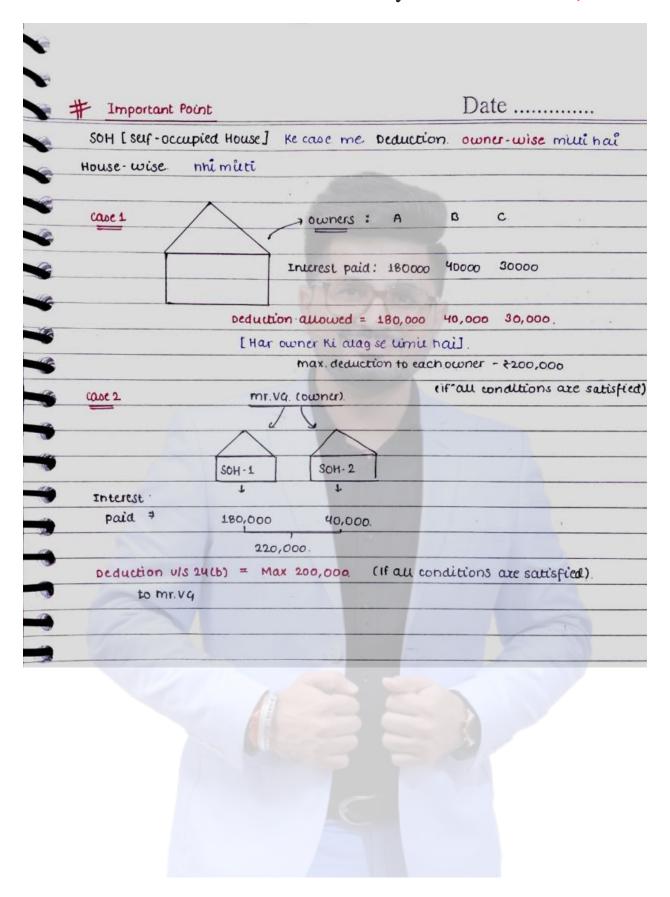


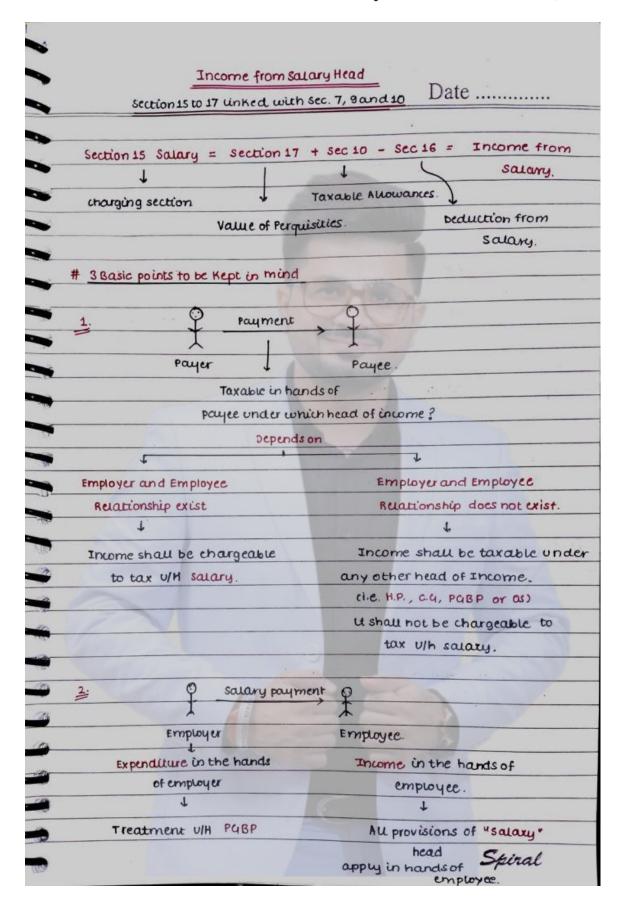


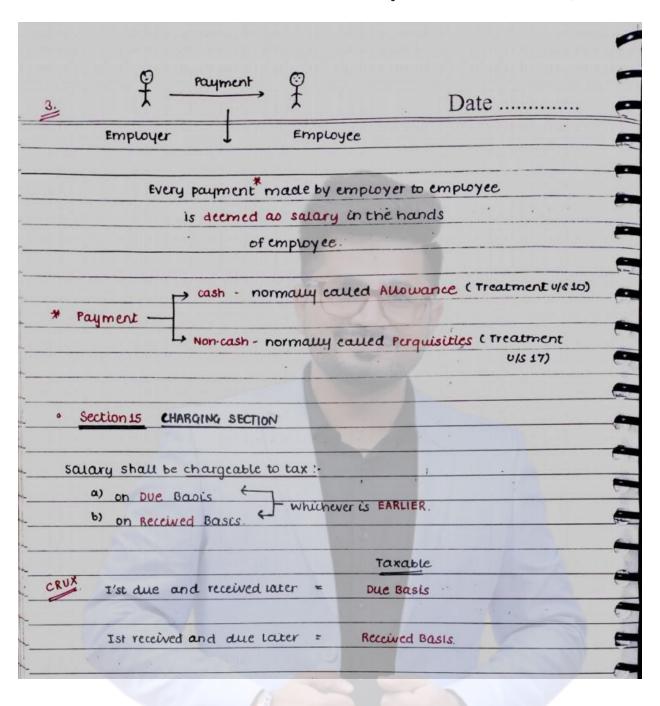




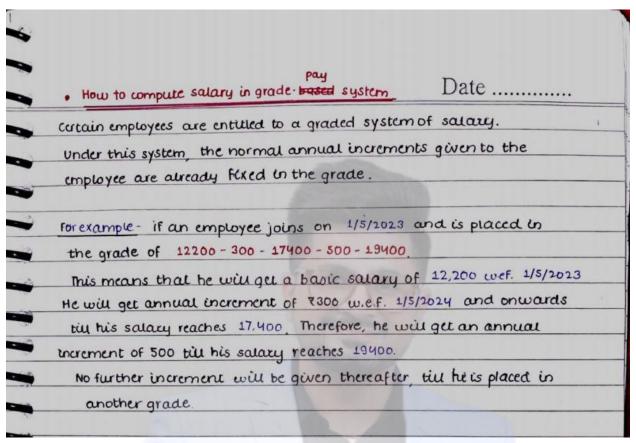




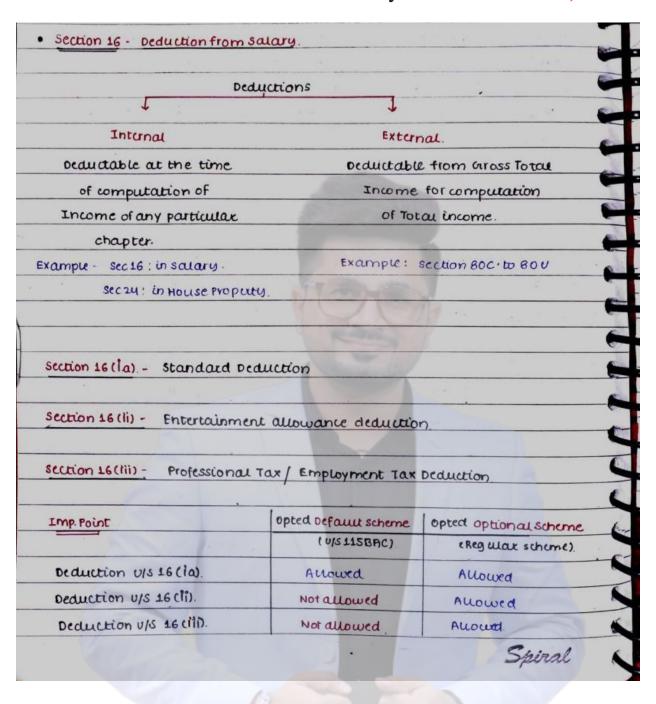


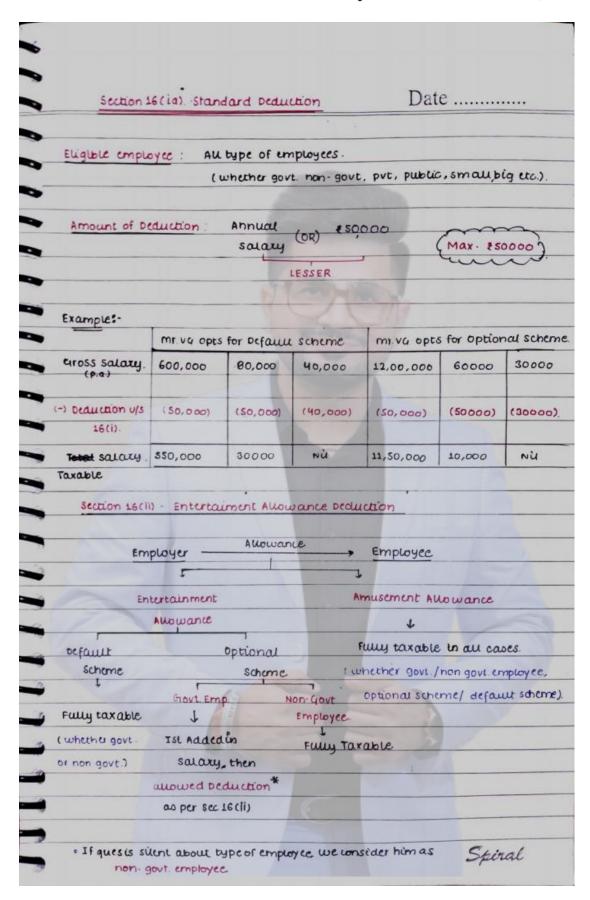


ceux	Date
Agar salary Due Basis par taxable ho chuk	i hai to Received Baois
par nahi hogi.	
Agar salaxy Received Basis par Taxable h	o chuhi hai, to due Baois
par nahi hogi	
Section 15 (point 2) + Section 89(1)	
Arrears of Salary	Kan land on the
Normally speaking, salary arrears	are charged on due basis.
However, there are certain curcums	
possible to bring tax on due basic	
example 1- If the pay commission is	appointed by central govt. and it
recommends revision of salary of	of employees with retrospective
effect, that the arrears received in	that connection show be charged
on Received Baois	
Here is also relief ups 89(1).	and the same of th
	and the second
xample 2 - If central govt. announces	increase in HRA in previous year
	1/2022 then arrears from 1/1/2022
to 31/3/23 will be taxed in the pr	
paid because they were never due	earlier.
Here, relief u/s 89(1) is also provider	

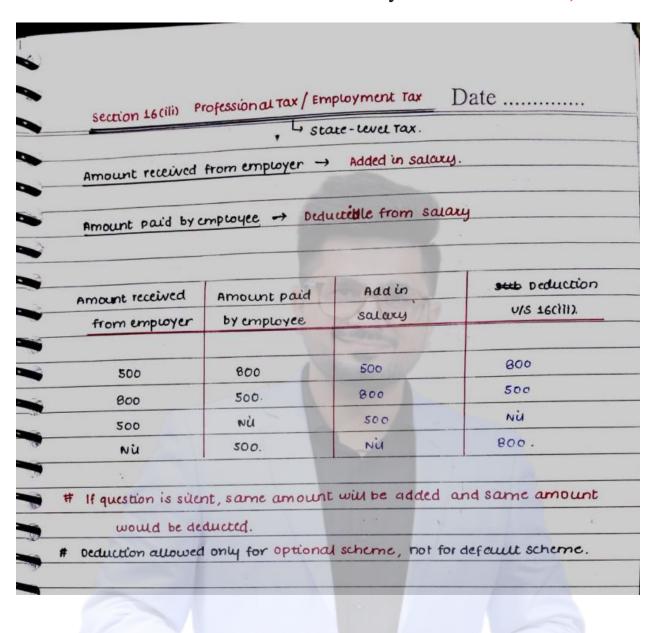


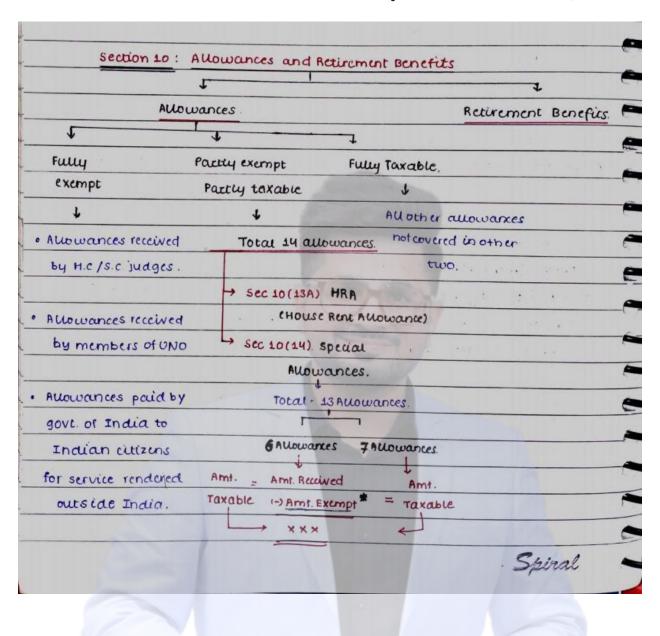


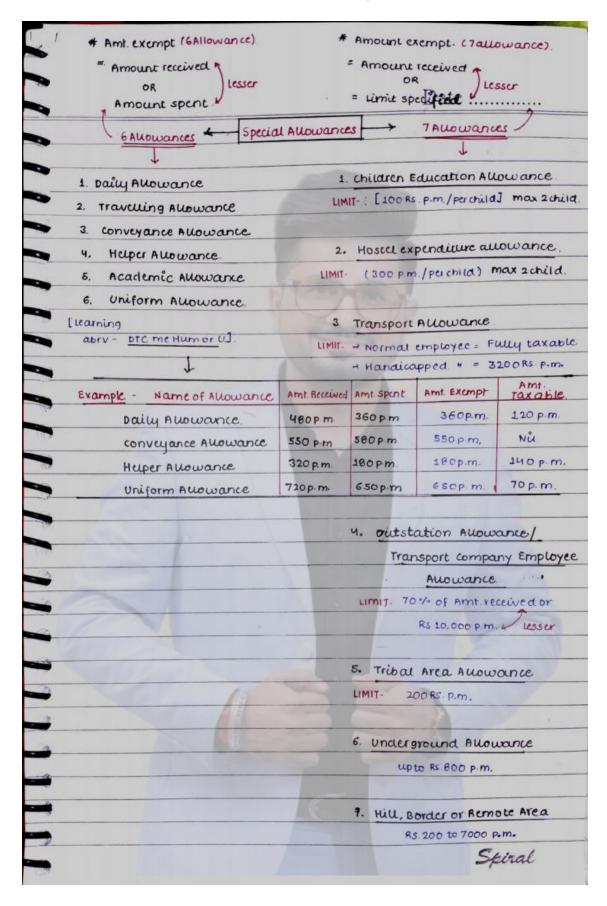


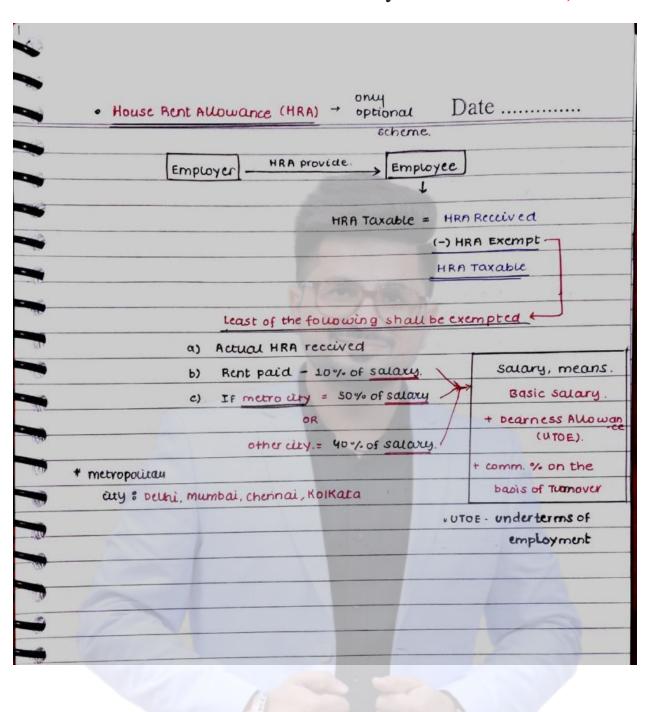


a) Accual amo	unt receive	d.		
b) 25000 pa.		11		
e) 20% of BQ	vic salary.	100		
Example -				
mr. wkesh is an emp	xoyee in val	td. His basic	salary is 74	0,000 p.m.
He received entertain	oment allow	vance +4000	p.m. and	
amusement allow	vance 2200	o p.m. Detern	nine his tax	table salary
on the followi	ng cases:-	1000	1	
			7	•
	mouse ont	ed optional sci	neme.	
(i) If he is a gove em				
(ii) Ifheis Norrgovt.	employee, o	pta optional	scheme.	
(ii) Ifheis Norrgovt.	employee, o	default sche	scheme.	
(ii) Ifheis Norrgovt.	employee, o	default sche	scheme.	
(ii) Ifheis Norrgovt.	employee, o	default sche	scheme.	
(ii) Ifheis Norrgovt.	employee, o loyee, optid t employee,	default scho opted defaul	scheme. me. t scheme.	Oal Schanz
(ii) If he is govt empt (iv) If he is gnon-gov	employee, o loyee, optid t employee,	default sche opted defaul	scheme. t scheme. Option	nal scheme
(ii) If he is govt empt (iv) If he is gnon-gov	employee, of which employee, of the empl	default scho opted defaul	scheme. t scheme. aption Qovt.	Non-Govt.
(ii) If he is govt empt (iv) If he is gnon-gov	employee, o loyee, optid t employee,	default schell opted default ut scheme Non-401t 480000	scheme. t scheme. Option	1
(ii) If he is govt empt (iv) If he is gnon-gov Solution:	employee, of which employee, of the empl	default schelled default schelled default schelled default schelled default schelled Non-Govt	scheme. t scheme. aption Qovt.	Non- 4ovt. 460,000 48000
(ii) If he is gove empt (iv) If he is gnon-gov Solution:- Basic salary. Add: Entertainment au.	pefal	default schell opted default ut scheme Non-401t 480000	scheme. t scheme. aption qovt. 480,000	Non- 40vt.
(ii) If he is gove empt (iv) If he is gnon-gov Solution:- Basic salary. Add: Entertainment au.	pefal crovt.	default schell opted default ut scheme Non-Govt 48000	option Qovt. 400,000	Non- 4ovt. 460,000 48000
(ii) If he is gove empt (iv) If he is gove empt (iv) If he is gnon-gov Solution:- Basic salary. Add: Entertainment au. Gross Malary. Ess: Standard Deduction	pefal crovt.	default schelled optional default schelled default schell	option Qovt. 400,000 4000 24000	Non- 4evt. 460,000 48000 24000
cii) Ifheis Norrgovt. ciii) Ifheis govt empl (iv) Ifheis gnon-gov Solution:- Basic salary. Add: Entertainment au. Gross Malary.	pefal crovt.	default schelled optional default schelled default schell	option Qovt. 400,000 4000 24000	Non- 4evt. 460,000 48000 24000
(ii) If he is gove emple (iv) If he is gove emple (iv) If he is gnon- gov Solution:- Basic salary. dd: Entertainment au. dd: Amusement allow. Gross Adary. Ess: Standard Deduction U/S 16(fa).	Defau CTOVT: 480,000 48000 24000 \$52,000	default schell opted default ut scheme Non-Govt 48000 24000 552000	option Qovt. 400,000 4000 24000 552000	Non- 4ovt. 460,000 46000 24000 552000
cii) Ifheis Norrgovt. till) If he is govt empt (iv) If he is gnon-gov Solution:- Basic salary. Add: Entertainment au. Gross Aalary. ess: Standard Deduction	Defau CTOVT: 480,000 48000 24000 \$52,000	default schell opted default ut scheme Non-Govt 48000 24000 552000	option Qovt. 400,000 4000 24000 552000 (\$0000)	Non- 4ovt. 460,000 46000 24000 552000

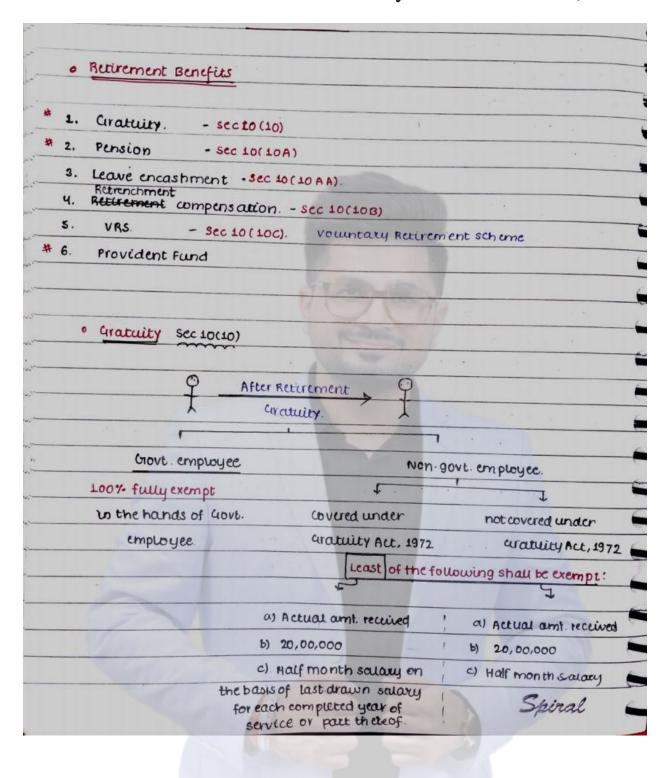




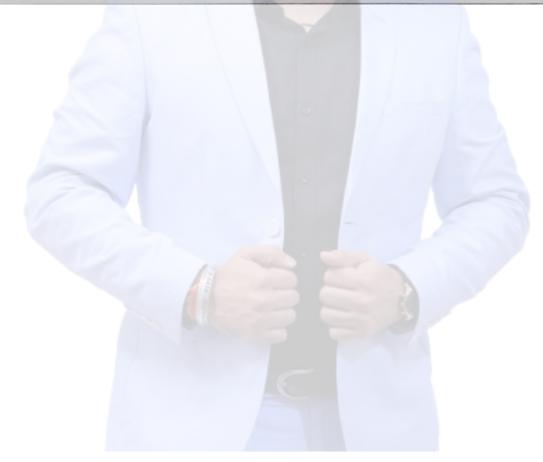




	D)ate
Important Point		a) 100
	1.00	1 (*) P*
Allowances which are partly exempt	under Default scher	ne also:-
Daily Auowance		
Conveyance Allowance		
Transport Albemance (for handic	apped empl	
marsport habitative the manace	topped emp.)	1 1000
Howanes which are fully	in once of Default o	leaima also
Mowances which are fully exempt	ar case or befault is	regune auto:
Allowances namelle of sudicity	anut of Todia to	m To dia.
Allowances payable of India by		n Indian
Allowances payable of India by citizen for service rendered of Ind		n Indian
citizen for dervice rendered of s Ind		n Indian
citizen for dervice rendered of s Ind	opt 115BAC	opts optional schen
citizen for service rendered of s Ind	opt 115BAC Paxty exempt	opts optional schen Paxtly exempt
citizen for dervice rendered of s Ind	opt 115BAC	opts optional schen Partly exempt Partly exempt
citizen for dervice rendered of s Indicates (1) Daily Auswance (2) Transport Auswance	opt 115BAC Paxty exempt Paxtly exempt Fully taxable Ratty exempt	Partly exempt Partly exempt Partly exempt
Cabes (1) Daily Auowance (2) Transport Auowance (3) Uniform Allowance	opt 115BAC Paxty exempt Paxty exempt Fully taxable	opts optional schen Partly exempt Partly exempt
Cabes (1) Daily Auowance (2) Transport Auowance (3) Uniform A Wowance (4) Conveyance Auowance	opt 115BAC Paxty exempt Paxtly exempt Fully taxable Ratty exempt	Partly exempt
Cabes (1) Daily Auowance (2) Transport Allowance (3) Uniform Allowance (4) Conveyance Allowance (5) Tribal Area Allowance	opt 115BAC Paxtly exempt Paxtly exempt Fully taxable Paxtly exempt Fully taxable	Partly exempt
Cabes (1) Daily Allowance (2) Transport Allowance (3) Uniform Allowance (4) Conveyance Allowance (5) Tribal Area Allowance (6) Hostel Exp. Allowance	opt 115BAC Paxtly exempt Paxtly exempt Fully taxable Paxtly exempt Fully taxable Fully taxable Fully taxable	Partly exempt Fartly exempt Fartly exempt Fartly exempt Fartly exempt
Cabes (1) Daily Auowance (2) Transport Allowance (3) Uniform Allowance (4) Conveyance Allowance (5) Tribal Area Allowance (6) Hostel Exp. Allowance (7). Medical Allowance	partly exempt Partly exempt Fully taxable Partly exempt Fully taxable Fully taxable Fully taxable Fully taxable	Partly exempt Fartly exempt Fartly exempt Fartly exempt Fartly taxable Fully taxable
Cabes (1) Daily Auowance (2) Transport Allowance (3) Uniform Allowance (4) Conveyance Allowance (5) Tribal Area Allowance (6) Hostel Exp. Allowance (7) Medical Allowance (8) Overtime Allowance	opt 115BAC Paxtly exempt Paxtly exempt Fully taxable Paxtly exempt Fully taxable Fully taxable Fully taxable Fully taxable Fully taxable	Partly exempt Fartly exempt Fartly exempt Fartly exempt Fartly exempt
Cabes (1) Daily Allowance (2) Transport Allowance (3) Uniform Allowance (4) Conveyance Allowance (5) Tribal Area Allowance (6) Hostel Exp. Allowance (7). Medical Allowance (8) Overtime Allowance (9). HRA	opt 115BAC Paxtly exempt Paxtly exempt Fully taxable Paxtly exempt Fully taxable	Partly exempt Fully taxable Fully taxable Partly exempt.
Cabes (1) Daily Allowance (2) Transport Allowance (3) Uniform Allowance (4) Conveyance Allowance (5) Tribal Area Allowance (6) Hostel Exp. Allowance (7) Medical Allowance (8) Overtime Allowance (9) HRA (10) Allowances paid to Indian	opt 115BAC Paxtly exempt Paxtly exempt Fully taxable Paxtly exempt Fully taxable Fully taxable	Partly exempt Fartly exempt Fartly exempt Fartly exempt Fartly taxable Fully taxable

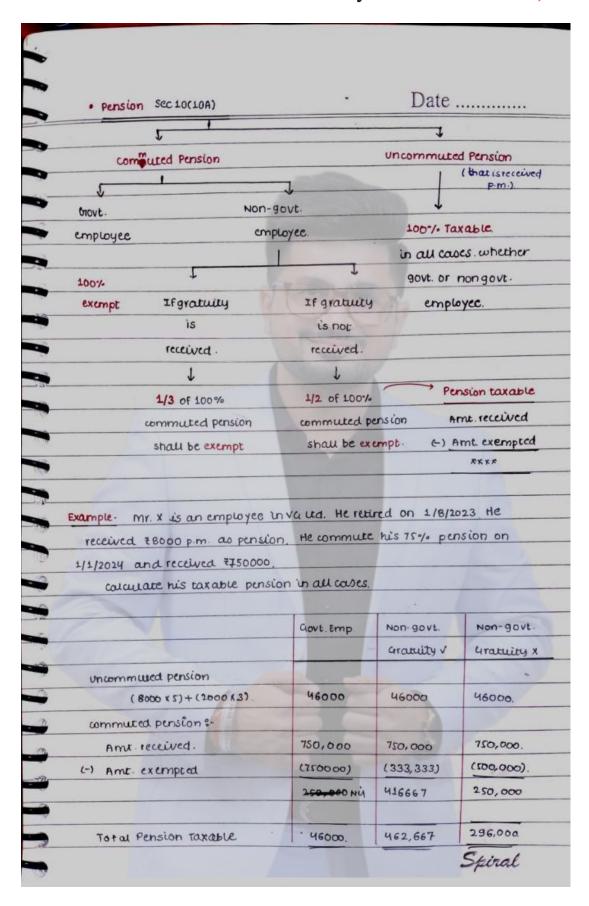


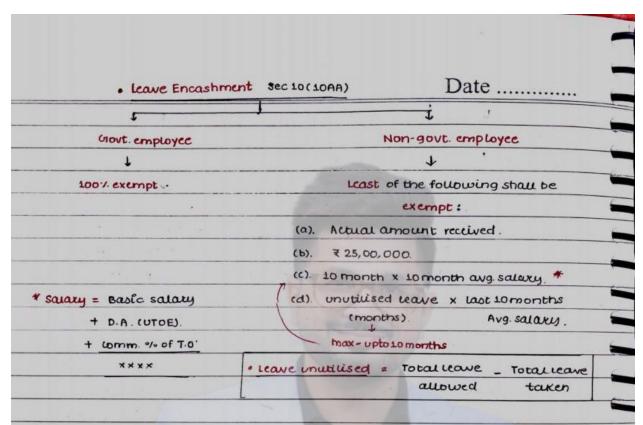
covered	under uity Act		Pate
i.e. 15 x last drau	un x completed	onth	ne baois of last 10 months
	* year of	. Avg.sa	law ofor each
	service [or]	compu	cted year of service
* Salary =	part thereof.		-or part thereof.
Basicsalary	i.e. 15	x Last 10	m avg. x completed year
+ Dearness Au. (Total)	30	sau	axy" of survice
salary		#	salary = Basic salary
	7100	The w	+ Dearness Au. Lutos
	1		+ comm. % of T.O.
· Part thereof means :-		Marine 1	salary
upto 6 months	norcounted a	o a year	
6 months or mo	re - counted as	1 year.	



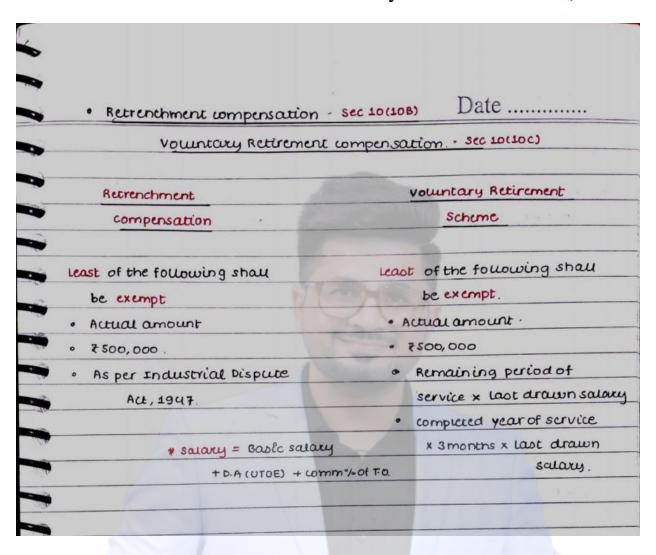
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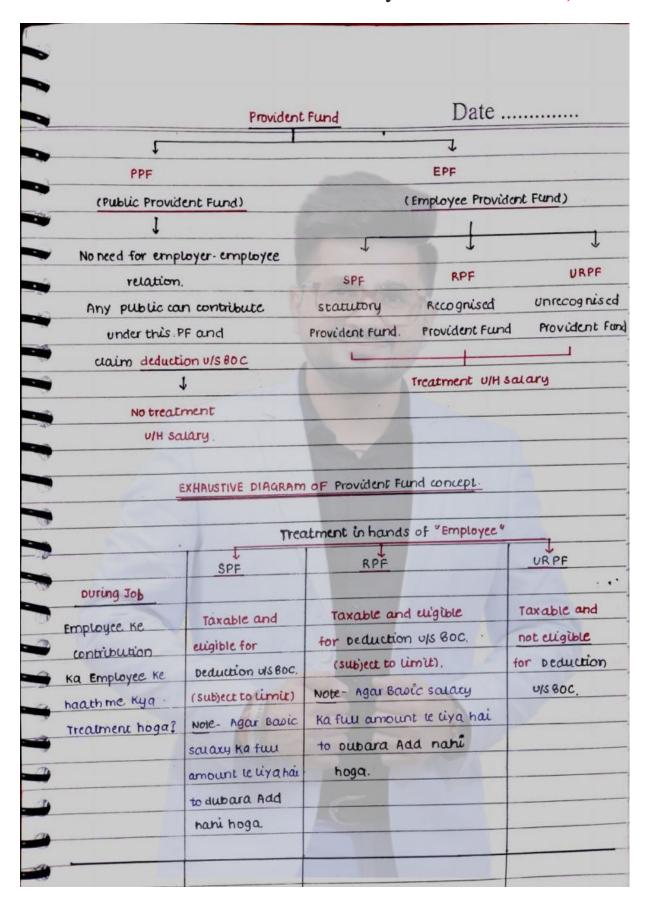
→ Paul there	of means -			Date
	raction is more than	6 n	nonths, it sho	ru be rounded off.
	35 years 4 months			
	35 years 6 months	2	35 years.	
0,	35 years. 9 months	=	36 years.	
				11
Focus Area	2	6	-	
2. where a	ratuity us received	froi	m 2 or more e	mployers, in the
same year	ratuity is received aggregate amou			
cannot e	aggregate amou	int	of gratuity o	
cannot e	aggregate amount accept the second accept the second acceptable accepted to accept the second accepted to accepte the second accepted to accepted the second accepted to accepte the second accepted to accepted to accepted the accepted to accepted the	nt nco	of gratuity o	exempt from tax
cannot e. 3. where gi	aggregate amount accept the second accept the second acceptable accepted to accept the second accepted to accepte the second accepted to accepted the second accepted to accepte the second accepted to accepted to accepted the accepted to accepted the	n co	of gratuity of gra	om former employer ter year, the limit
cannot e. 3. where gi	ratuity is received i	n co	of gratuity of gra	om former employer ter year, the limit
same year cannot e and recer of 20,00, exemptes	ratuity is received in the second will be reduced earlier.	n co	of gratuity of gratuity of gratuity of gratuity of gratuity of gratuity of grant of	om former employer ter year, the limit
some year cannot e. 3. where gi and recei of 20,00, exempted	ratuity is received in the second will be reduced earlier.	er d b	of gratuity of gratuity of gratuity of gratuity of the amount tuities would	om former employer ter year, the limit int of gratuity. d be available even if

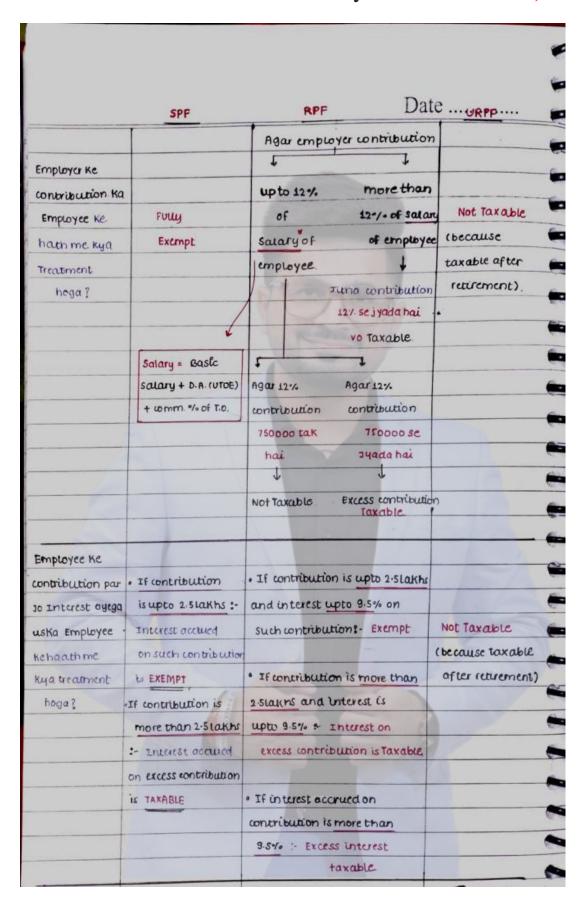




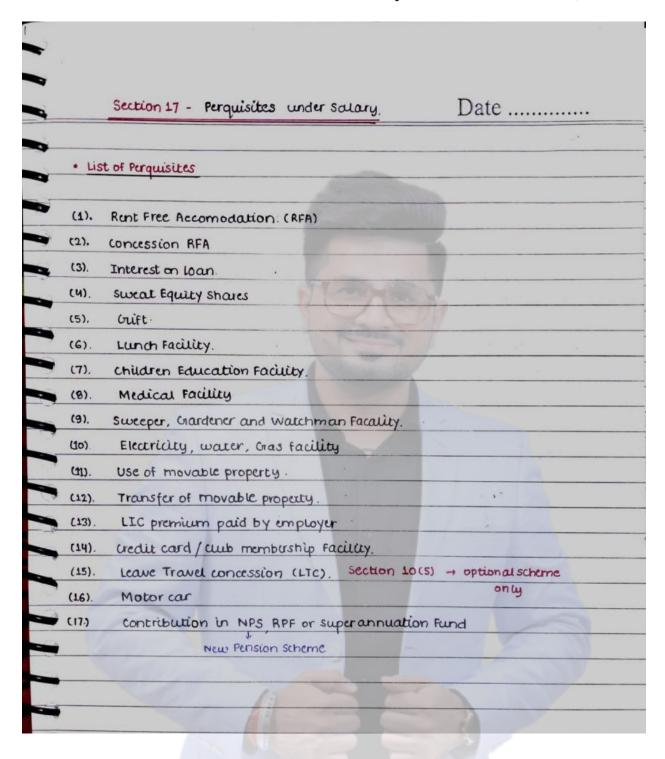


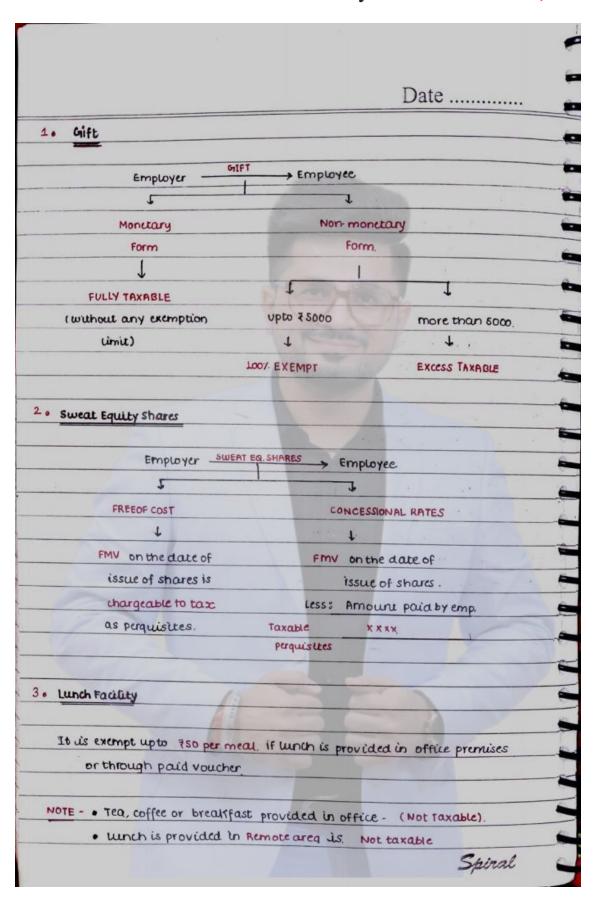


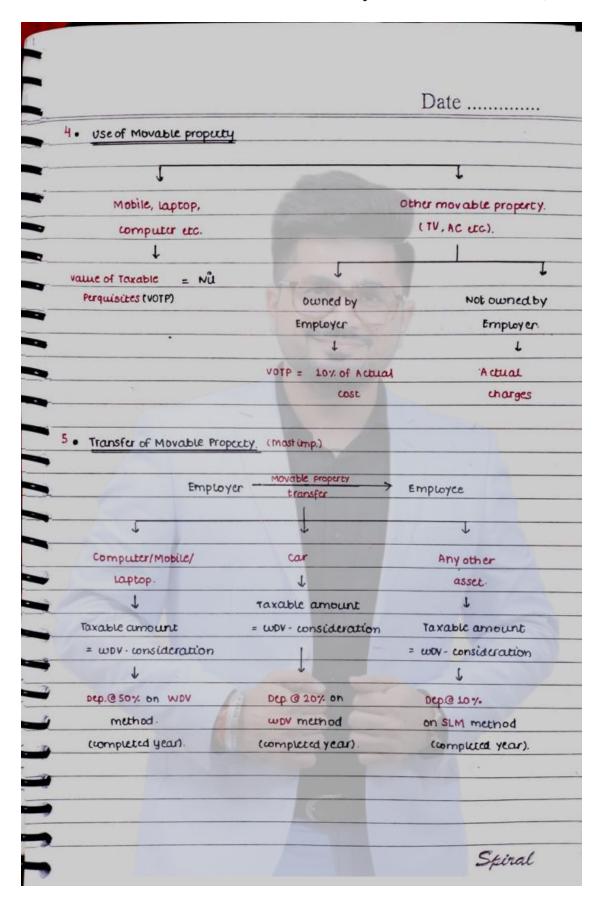


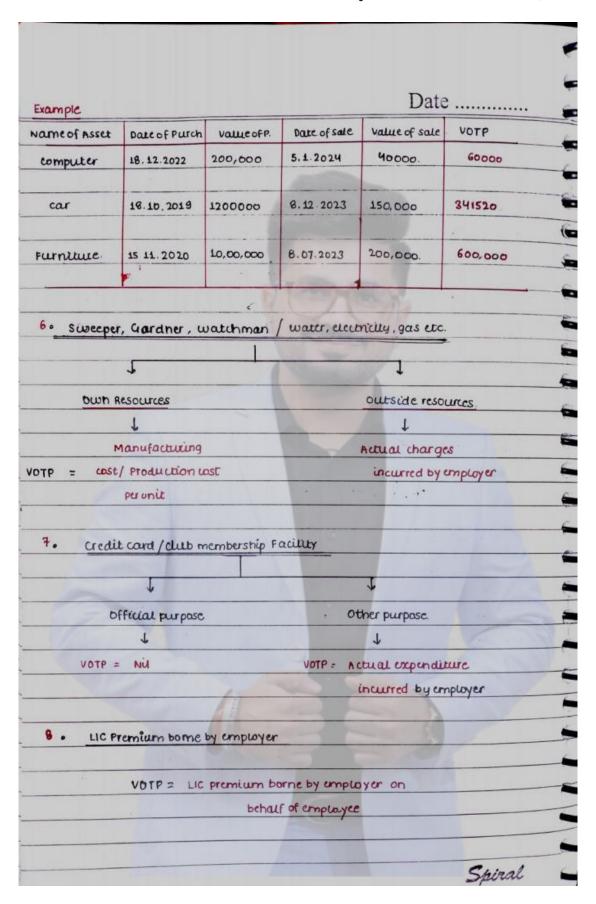


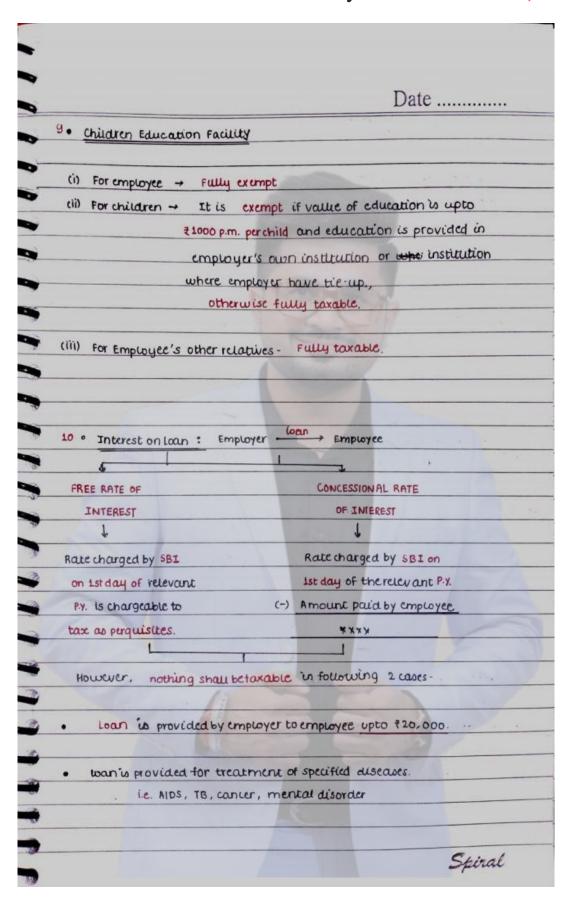
USKA Employee KE haathme Exempt isin excess of ₹750,000, then ofter retirer kya treatment hoga? Any umit) Shall also be Taxable. How to compute Taxable Interest. Taxable RC × R Portion RC. = Jitha contribution ₹75,000 SE Zyada hai R = I → Income accrued F.Ayg. during the Ry. op. Ball of Fund + al Ball of Fund 2 Op. Ball + er contribution + ec. contribution + Interest = al.Bal. After Retirement Fully exempt (subject to er contribution : Received on Fully exempt (subject to contribution : Received on Fully exempt (subject to contribution : service due to: + Lu-health of employee ec. contribution Not taxable Not taxable Reason beyond control Int. onee		SPF	RPF Da	teurrf
jo Interest oyega uska Employee Folly # But, if employer contribution Checause tax Ke haathme Exempt isin excess of \$750,000, then after retirer kya treatment twithout Interest on excess contribution hoga? How to compute Taxable How to compute Taxable Interest Taxable PC × R Portion RC.= Jitna contribution \$750000 Sc zyada hai R= I → Income accrued F.Avg. Jop. Bal of Fund + a Bal of Fund 2 Op. Bal + er contribution + ec. contribution + Interest = a.Bal. After Retirement Fully exempt (subject to conditions). Int. on er Received on Received on Fully exempt (a), Job continues syears or more fictirement. b). If not rendered syears of service due to; + Employer buss discontinuation Not taxable Not taxable Not taxable Not taxable Int. onee	Employer Ke		Interest upto 9.5% = Exempt	
USKA Employee KE haathme KE	contribution par		Interest more than 9.5% = Excess	
Ke haathme Exempt is in excess of 2750,000, then After retirer kya treatment hoga? Any limit) Shall also be Taxable. How to compute Taxable Interest Taxable Pc × R Portion Rc.= Jitna contribution 2750000 Se zyada hai R= I → Income accrued F.Avg. during the Ry. op. Ball of Fund + cl Ball of Fund 2 Op. Ball + er contribution + ec. contribution + Interest = cl Ball. After Retirement Fully exempt (subject to contribution) Rcccived on Rcccived on Rcccived on Rctirement. (a), Tob continues syears or more service due to; Int. on er Service due to; Temployer buss. discontinuation Not taxable Int. onee	jo Interest ayega		Interest Taxable	Not Taxable
Kc haathme Exempt isin excess of ₹750,000, then ofter retires	uska Employee	folly	# But, if employer contribution	(because tax able
hoga? Any limit) Shall also be Taxable. How to compute Taxable Interest. Taxable PC x R Portion = 2 R.C. = Jitna contribution ₹750000 SC ZYada hai R = I → Income accrued F.Avg. during the Ry. OP. Ball of Fund + Cl. Ball of Fund 2 OP. Ball + er contribution + ec. contribution + Interest = Cl. Ball. After Retirement Fully exempt (subject to er contribution into one en accrued on Fully Exempt Received on Fully Exempt (a). Tob continues syears or more contribution: Retirement. (b). If not rendered Syears of sale service due to: + Employer buss. discontinuation Not taxable Reason beyond control. Int. onee	Ke haathme	Exempt		after retirement).
How to compute Taxable Interest Taxable RC × R Portion = 2 RC.= Jitna contribution ₹750000 Se zyada hai R= I → Income accrued F.Avg. during the Ry. op. Bal. of Fund + a Bai of Fund 2 op. Bal. of Fund + a Bai of Fund 2 op. Bal. + er contribution + ec. contribution + Interest = a.Bal. After Retirement Fully exempt (subject to er contribution Amount conditions). Int. on er Received on Fully Exempt (a), Job continues syears or more contribution: Retirement. (b). If not rendered Syears of sale service due to: + tu-health of employee ee.contribution Not taxable	kya treatment	(without		
Taxable PC × R Portion = 2 RC.= Jitna contribution ₹750000 SE zyada hai R= I → Income accrued F.Avg. during the Ry. op.Bal of Fund + a Bal of Fund 2 op.Bal + er contribution + ec. contribution + Interest = a.Bal. After Retirement Fully exempt (subject to er contribution Amount Received on Fully Exempt (a), Job continues syears or more contribution: Retirement. (b). If not rendered Syears of sale service due to; → Eu-health of employee ee. contribution Not taxable Portion = 2 RC × R RC verification ₹750000 Fully Exempt (a) Theorem exercises = a.Bal of Fund (b) If not rendered Syears or more contribution: Service due to; → Employer buss. discontinuation Not taxable	hoga?	any limit)	Shau also be Taxable.	
Portion = 2 RC.= Jitha contribution ₹750000 SE ZYAdA hai R= I → Income accrued F.Avg. during the Ry. Op.Bal. of Fund + a Bal of Fund 2 Op.Bal + er contribution + ec. contribution + Interest = a.Bal. After Retirement Fully exempt (subject to er contribution Amount Received on Fully Exempt (a), Job continues Syears or more Retirement. (b). If not rendered Syears of Service due to; → full-health of employee ec.contribution Not taxado		,	How to compute Taxable Interest	
RC. = Jitna contribution ₹750000 SC 24ada hai R = I → Income accrued F.Avg. during the Ry. Pop.Bal. of Fund + a Bal of Fund 2 Op.Bal + er contribution + ec. contribution + Interest = a.Bal. After Retirement Fully exempt (subject to er contribution Amount Received on Fully Exempt (a), Job continues 5 years or more Retirement. (b). If not rendered 5 years of Service due to; Fully thealth of employee + Employer buss. discontinuation Not taxal ** Reason beyond control. Int. on ee			Taxable RC x R	
R=I → Income accrued F.Avg. during the Ry. top.Bal of Fund + a Bal of Fund 2 Op.Bal + er contribution + ec. contribution + Interest = a.Bal. After Retirement Fully exempt (subject to er contribution Amount Received on Fully Exempt (a), Job continues syears or more contribution: Retirement. (b). If not rendered Syears of sale service due to: + Employer buss. discontinuation Not taxable			Portion = 2	
R=I → Income accrued F.Avg. during the Ry. Lop.Bal. of Fund + a Bal of Fund 2 Op.Bal + er contribution + ec. contribution + Interest = a.Bal. After Retirement Fully exempt (subject to er contribution Amount Conditions). Int. on er Received on Fully exempt (a). Job continues syears or more contribution: Retirement. (b). If not rendered syears of service due to: + Eu-health of employee ec.contribution Not taxable			R.C. = Jitna contribution 7750000	
F.Avg. during the Ry. Op.Bal. of Fund + a Bal of Fund			se zyada hai	
op. Bal of Fund + a Bal of Fund op. Bal + er contribution + ec. contribution + Interest = a Bal. After Retirement Fully exempt (subject to er contribution conditions). Int. on er Received on Fully Exempt (a), Tob continues syears or more contribution: Retirement. (b). If not rendered syears of sale service due to; + in -health of employee ee. contribution Not taxal			R= I -> Income accrued	
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After Retirement Fully exempt (subject to er contribution conditions). Int. on er Received on Fully Exempt (a), Job continues syears or more contribution: Retirement. (b). If not rendered syears of sale service due to: > fully exempt (subject to er contribution). Int. on er contribution: Actirement. (b). If not rendered syears of sale service due to: > full-health of employee ee.contribution Not taxale			2	
After Retirement Fully exempt (subject to er contribution conditions). Int. on er Received on Fully Exempt (a), Job continues syears or more contribution: Retirement. (b). If not rendered syears of sale service due to: > tu-health of employee ec.contribution Not taxale			op. Bau + er contribution + ec.	
Fully exempt (subject to er contribution conditions). Int. on er Received on Fully Exempt (a). Job continues syears or more contribution: Retirement. (b). If not rendered syears of sale service due to: > Eu-health of employee ee.contribution Not taxale			contribution + Interest = 4.8al.	
Amount conditions). Int. on er Received on Fully Exempt (a). Tob continues syears or more contribution: Retirement. (b). If not rendered syears of sale service due to: > Lu-health of employee ee.contribution Not taxale	After Retirement		/	
Received on Fully Exempt (a), Job continues syears or more contribution: Retirement. (b). If not rendered syears of sale service due to: > Lu-health of employee ec.contribution Not taxale				er contribution: TAXAB
Retirement. (b). If not rendered 5 years of sale service due to: > ** **Lu-health of employee** + **Employer buss. discontinuation** Not taxale	Amount		conditions).	Int. on er
service due to: > Lu-health of employee ee.contribution + Employer buss. discontinuation Not taxal	Received on	Fully Exempt	(a). Tob continues syears or more	contribution : TAXABL
→ Eu-health of employee ee.contribution → Employer buss. discontinuation Not taxal	Retirement.		(b). If not rendered Syears of	Salary Head
→ Employer buss. discontinuation Not taxal			service due to:	,
		1		ee.contribution:
→ Reason beyond control Int. onee		10	-> Employer buss. discontinuation	Not taxable.
		1	- Reason beyond control	
(c) contribution			(0)	contribution: Taxal
old Transfer New U/H	7		-	.5.0. H/O
employer Employer Total Syears or more.			1,39	



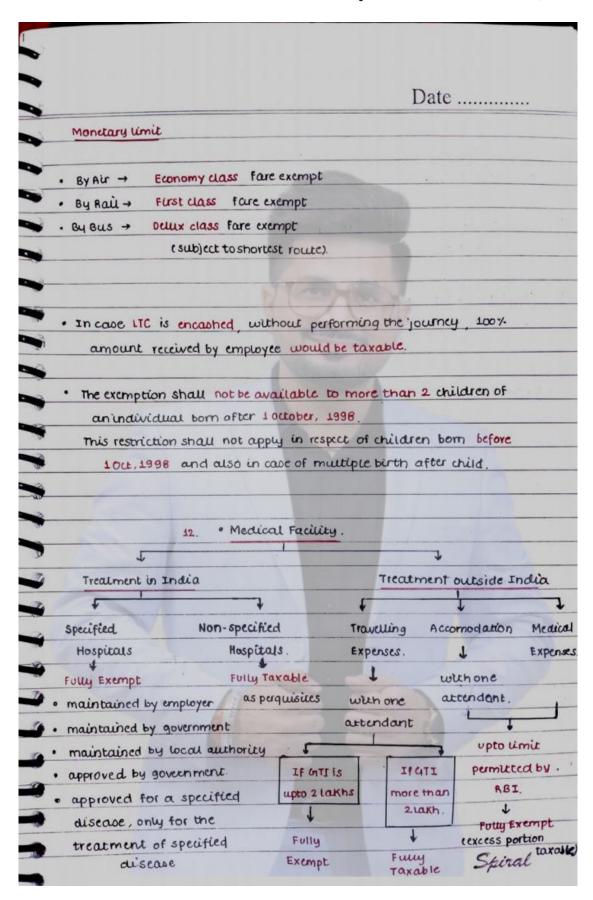


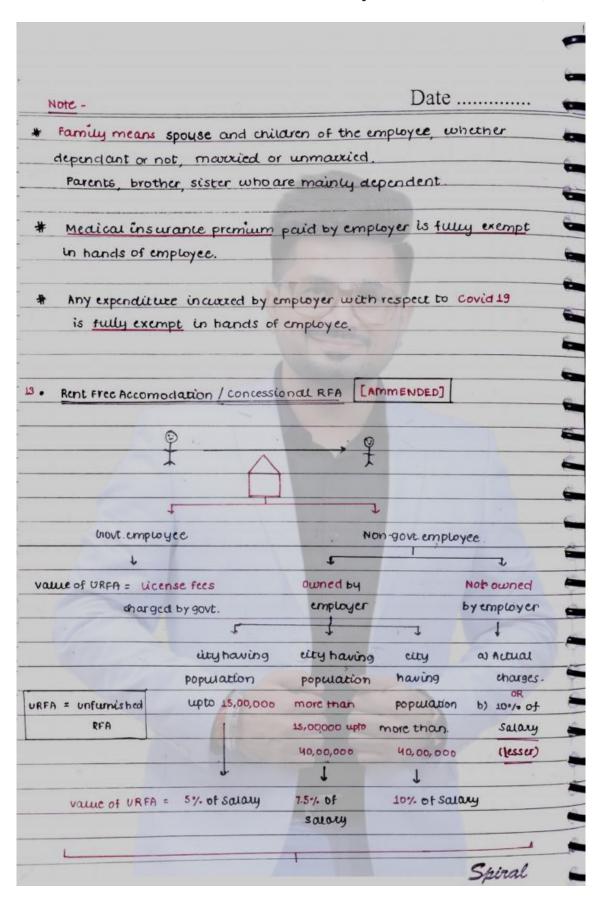


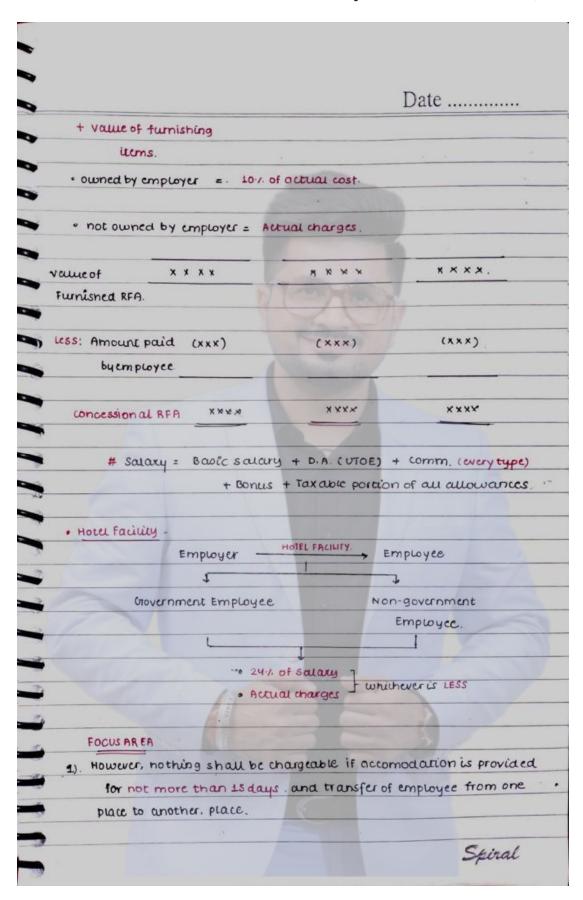


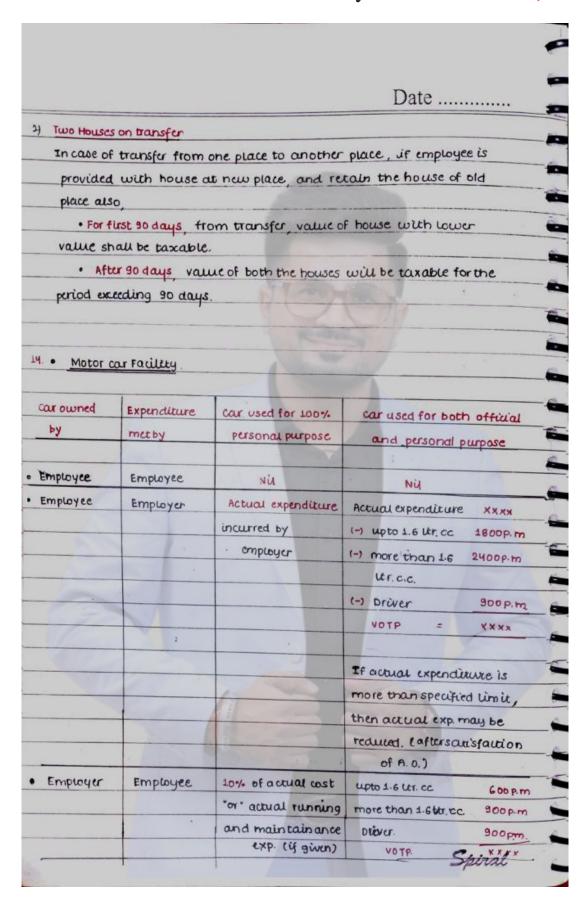


ckamples	Date
Employer 1/4/23 wan- 12000000 Employee	
@ 6% p.q.	
SBI rate of ent. on 1/4/23 - 11%	A THE PLANT
PNB rate of cost on 1/4/23 - 13%.	
VOTP = 12,00,000 × 5% (11-6%)	
= ₹60,000	
· what will be your answer if wan is provided by em	pwyer on
1/8/2023 ?	111
VOTP = 1200000 X 5/. X 6 = 40,000	
12	
1 . Leave Travel concession Section 10(5)	
b only optional scheme	1,
The benefit is available to individual citizen, as	well as in
respect of travel concession or assistance for him c	and his family
he spouse children of individual and parents, broth	ner*, sister of
endividual twholly and mainly dependent on	employee).
Limit of exemption	1
Exemption in respect of 2 journey performed in a	block of 4
caundax years, where such LTC is not availed by in	rdividual,
during any block of 4 calendar years, then one su	ch
unavailed LTC will be carry forward for the next but	ock of
4 catender years.	



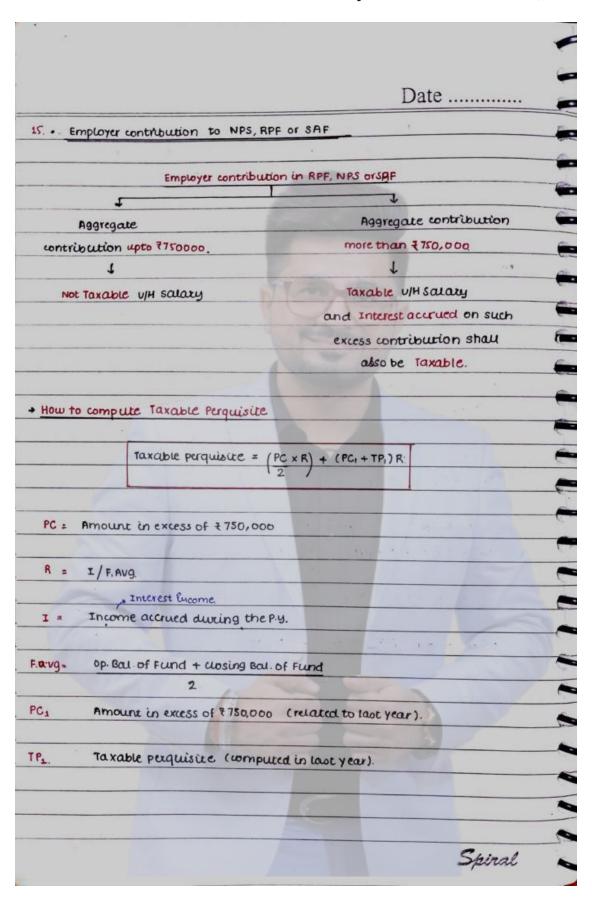


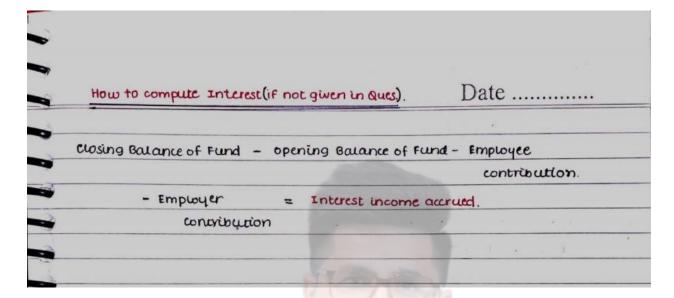




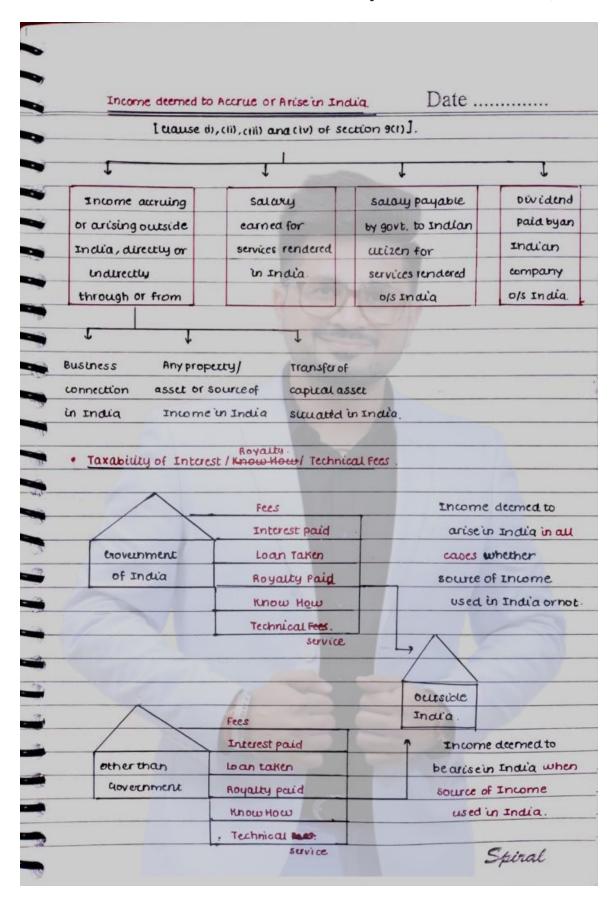
	,	1	7	Date	CONTRACTOR OF THE PARTY OF THE
Employer	Employen	10% of Actual cost		1.6 W. CC-	
		+ Actual Expenditu		e than 1.6 UT.	
			Dr	iver.	900 p.
	,			VOTP :	×××
					1
					-
Note:	- Part of m	onth is to be ignored.	The last		
		No. of Street, or other Persons	9 1		
Illustro	ution 23	A Commission	100		
	25				
/1) vatua		h' tayabla)	1		
		tion taxable! es · (15000×12)	180000		
		y (10% ×100000)	100000		
				100,000.	
	er of the abo			(60000)	
Less: Am	ount paid be	y employee (sooox12).		4 0,000.	
Add! A	ctual charge	s of furniture.(3000x12)		36000.	76,000.
(2), vau	e of taxable 1	perquisite of car.			
		.800+900) x12			32,400.
(3.). va	we of gift v	outher	-		10,000.
vau	ne of perqui	site chargeable to tax.			118,400
				10	
				2	

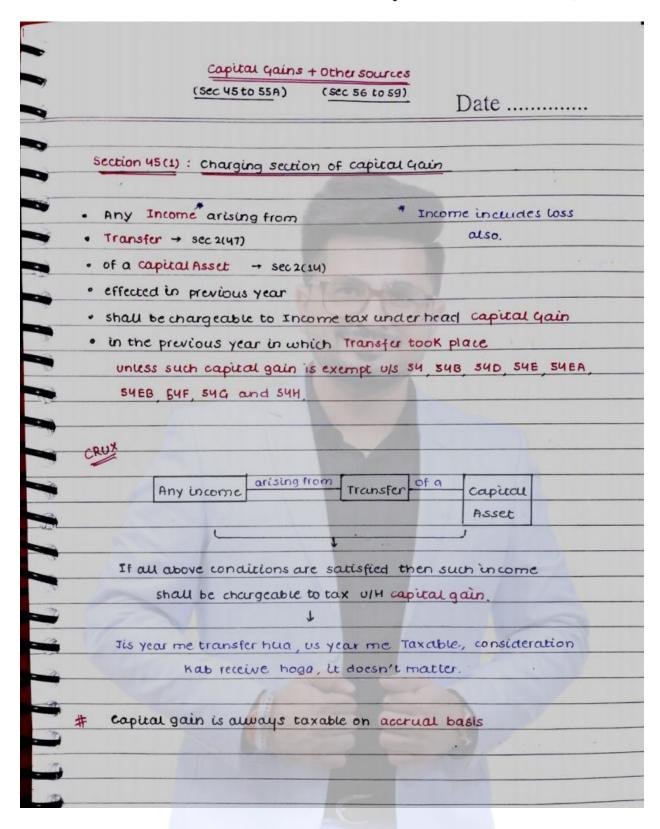
pg. 92

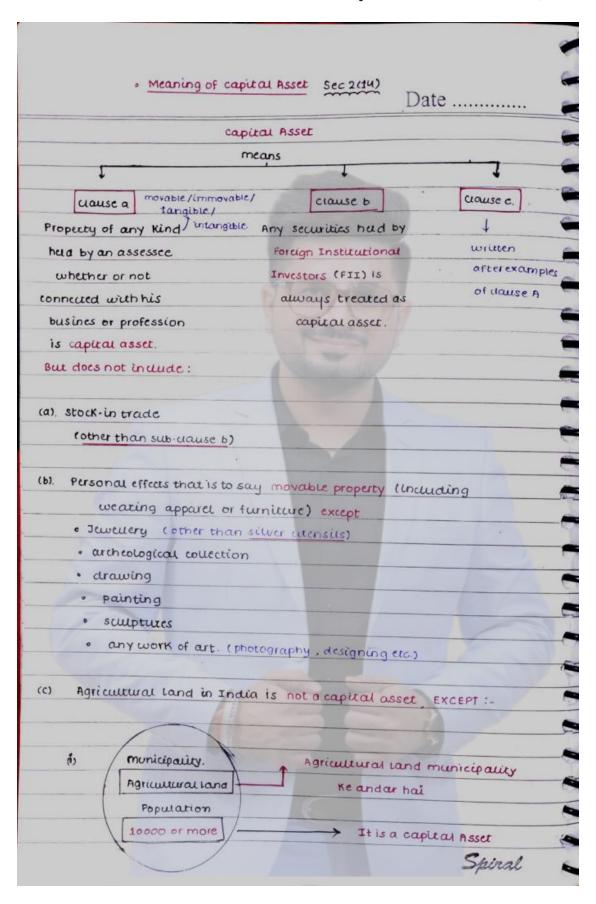


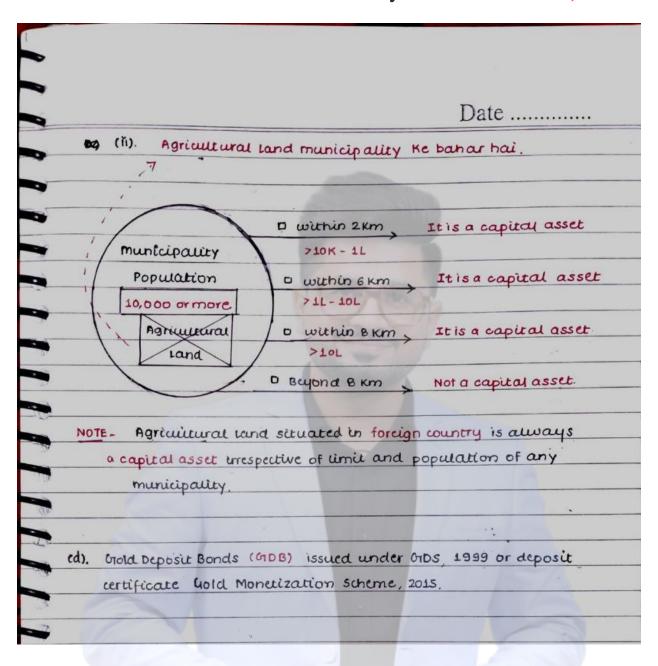


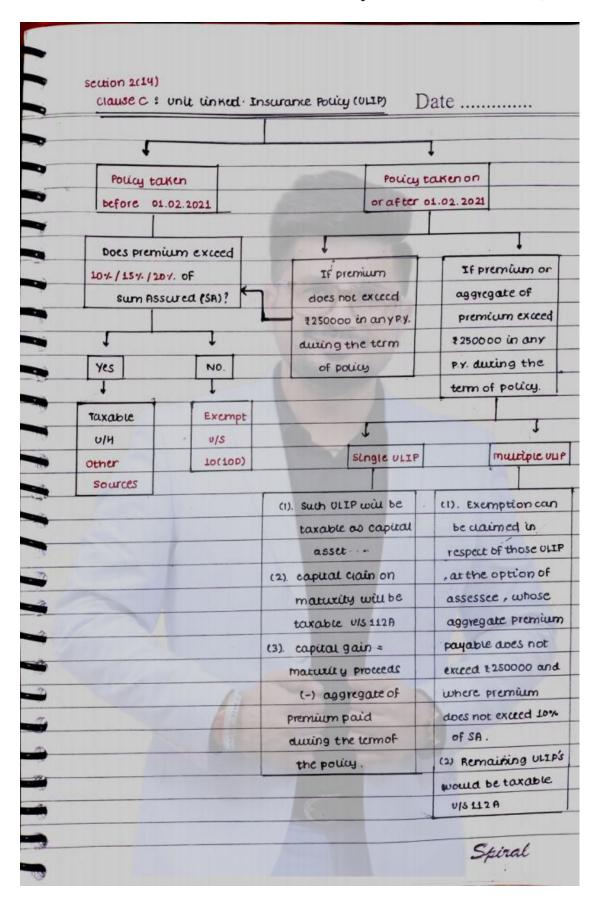


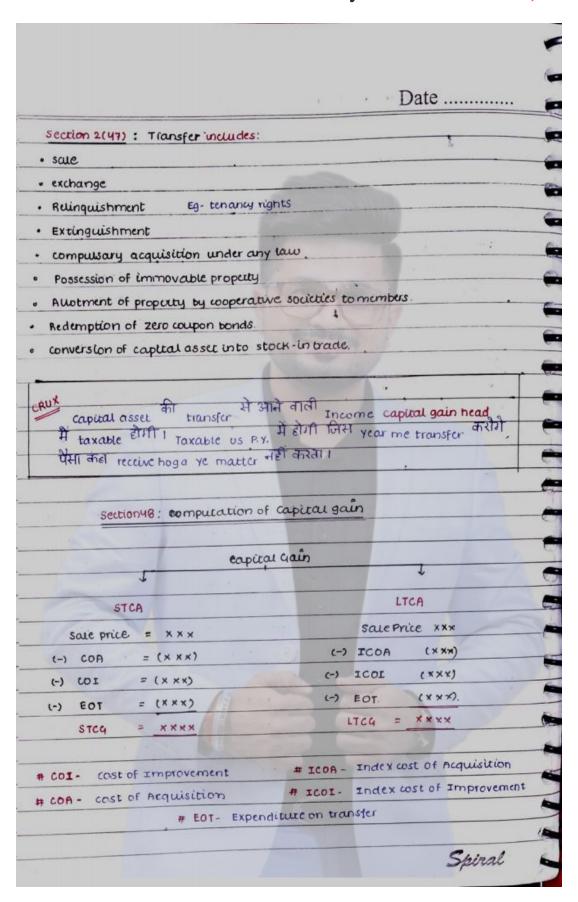


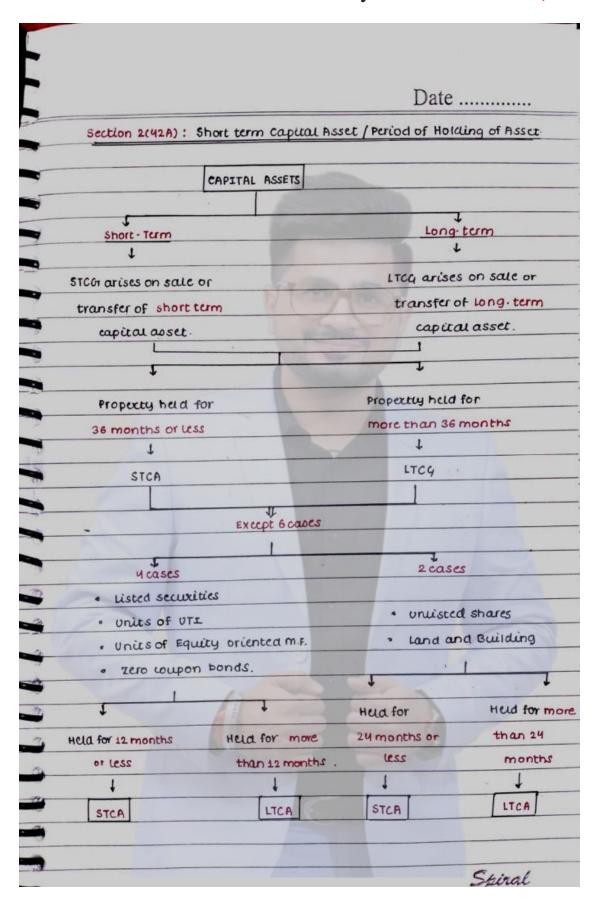


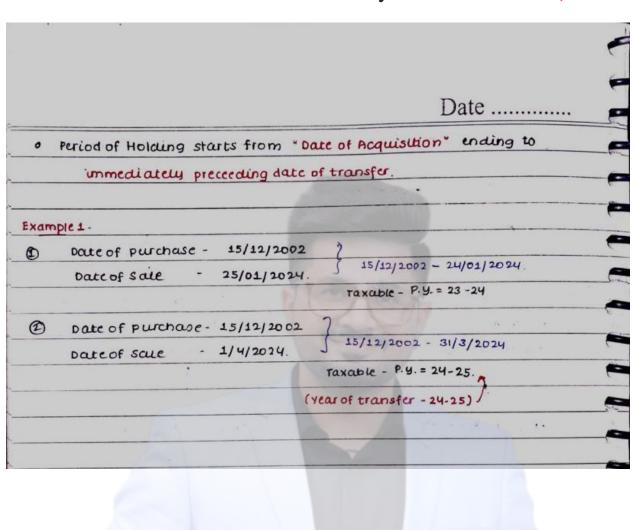


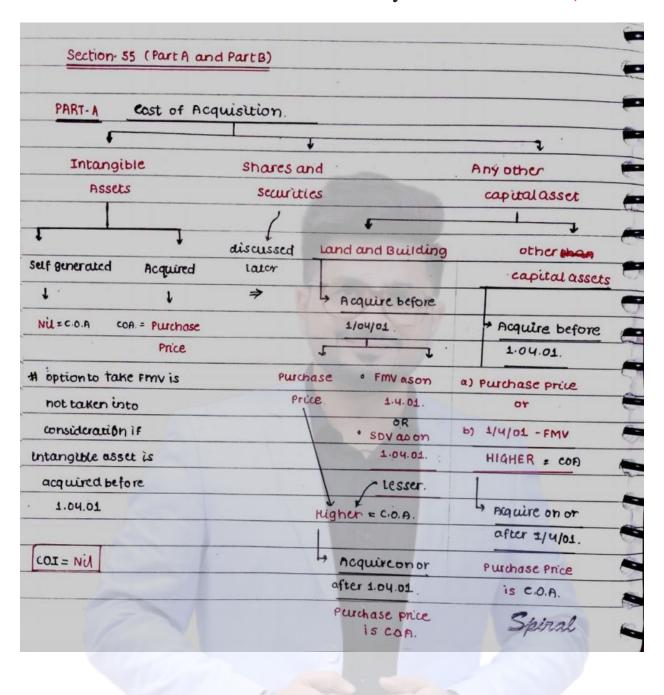




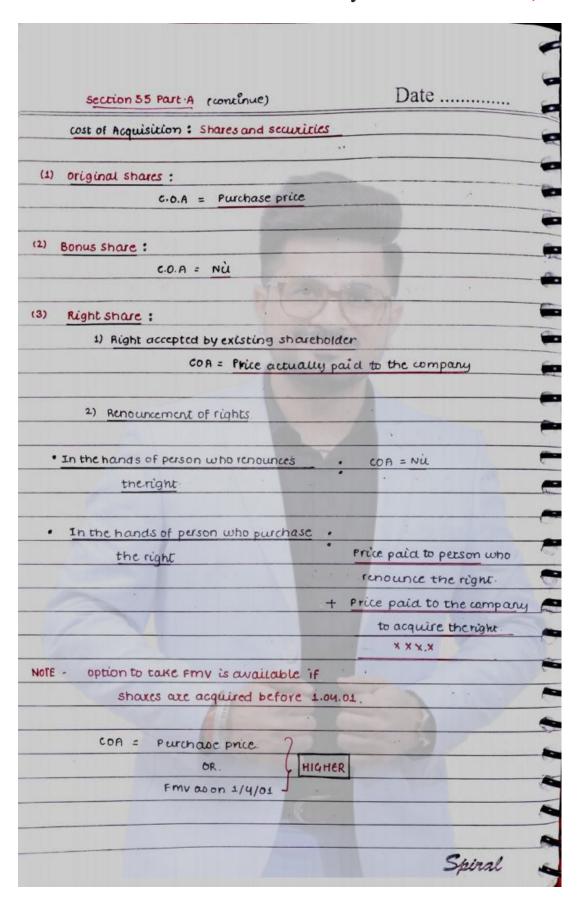




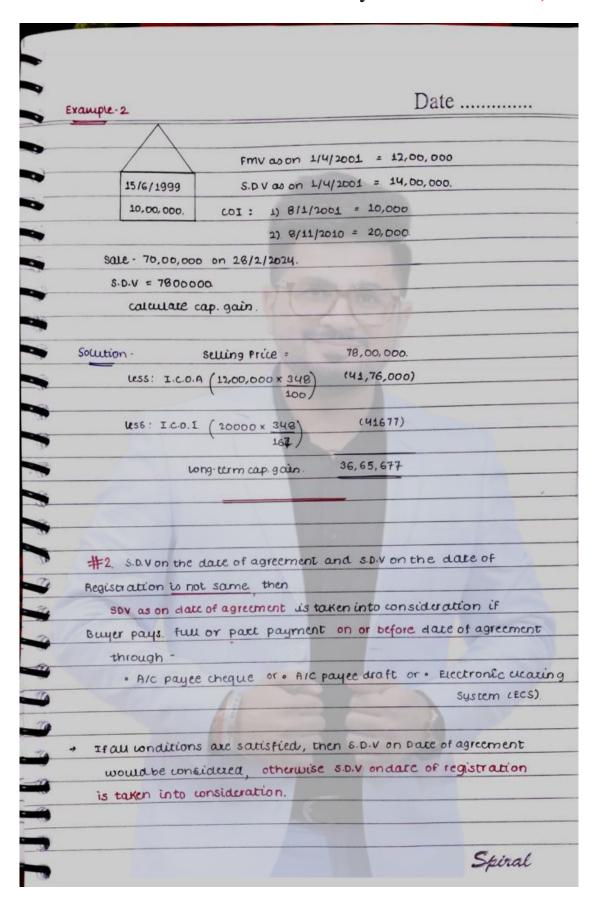




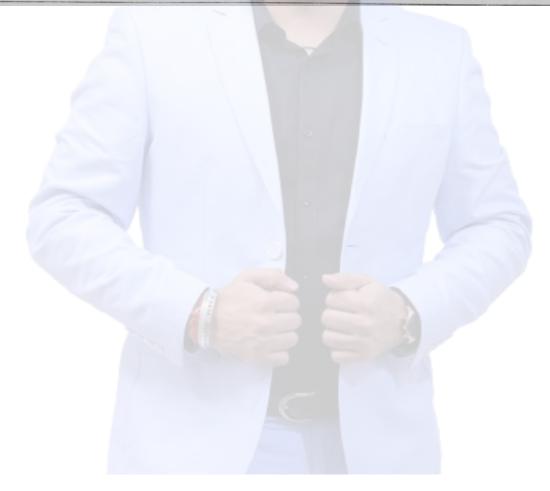
Example	11 N				
Example					
	us .			Da	ate
	Date of P.	value of P.	1/4/1 - FMV	1/4/1 · SDV	COA for cap ga
land	25/6/4074	200	1000000	900,000	900,000
	25/6/1974	800,000	800,000	14,00,000	12,00,000
Building	8/12/1984	12,00,000			600,000
crold	25/11/1990	400,000	600,000		(Nota capital asse
	a) 8/7/1995	900,000	12,00,000	-	700,000
Drawing	25/11/1985	700,000	400,000	1100,000	800,000
Building.	8/12/2004	800,000	1200000	1100,000	
- W. W. W.					ital Oscat)
• How to	convert cor	into I.C.	O.A. (If ton	g-term cap	iai assa)
		- 4	Company of the Compan	-	J
		-		Acquire	e after 1/04/2001.
ncquire	before 1/04/	2001		ricquar	Į.
				COA	x Index rate o
100	x Index Ro	of transfer		IndexRate	VEGEOFTE
100	4			year of acc	
	ICOA			10-1	1
-					ICOA
	-	-	-		
A Contat:	mprovement	in case of	Other canit	at assets	1777
COST OF C	nprovement	a) case of	oura capa	CCC CCCCCC.	
	I				
fact of	Improvemen	r	7	Cost of	improvement
	before 1/4/0				after 1/4/01.
done	DE[010 -1/4/0				
TAN	ored in au	1	-	Actual	expenditure
1gn	cases.			/////	red. = C.OI.
	Jan Co.				L converted in 1.C.O.
			B.cht		red x Index Rare
				Rate of yea	of
				exp.	Spiral

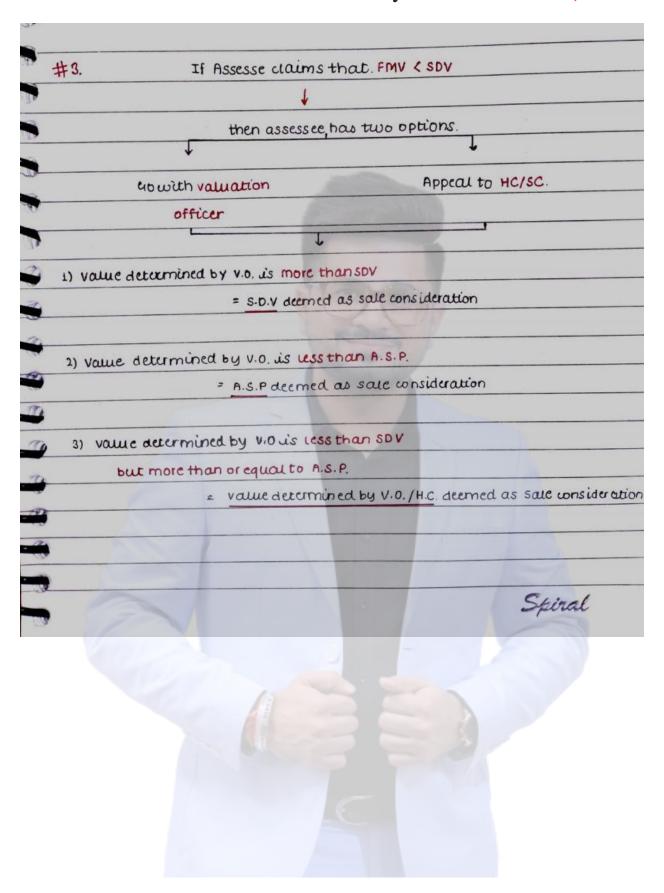


Section 50 C: Full va	lue of consideration in	case of la	nd and Building
Applicability > land or	Building or Both.	1.1.9	
#1.		50 c apply	sale consideration
	40000	or not.	for cap. gain
. S.D.V is less than Actual	selling price	· ×	Actual Sale price
· S.D.V is less than 110%.	of Actual selling price	×	Actual sale price
· s.D.V is equal to 110%	of Actual selling price	e ×	Actual sale price
 S.D.V is equal to 110% S.D.V is more than 110 		e × /	Actual sale price S.D.V.
		7	
• 5.D.V is more than 110		V	
• 5.D.V is more than 110 Example 1:	7. of A.seuing price.	V	S. D. V.
• S.D.V is more than 110 Example 1:	7. of A.seuing price.	V	s. D. V.
• 5.D.V is more than 110 Example 1: Actual sale Price	7. of A.seuing price. 5.D.v.	sale con	sideration
e S.D.V is more than 110 Example 1: Actual sale Price 60,00,000	7. of A.seuing price. S.D.V. 75,00,000	sale con	sideration
Example 1: Actual sale Price 60,00,000 60,00,000	7. of A.seuing price. 5.D.V. 75,00,000 80,00,000	sate con θ0, 00 θ0,00	sideration

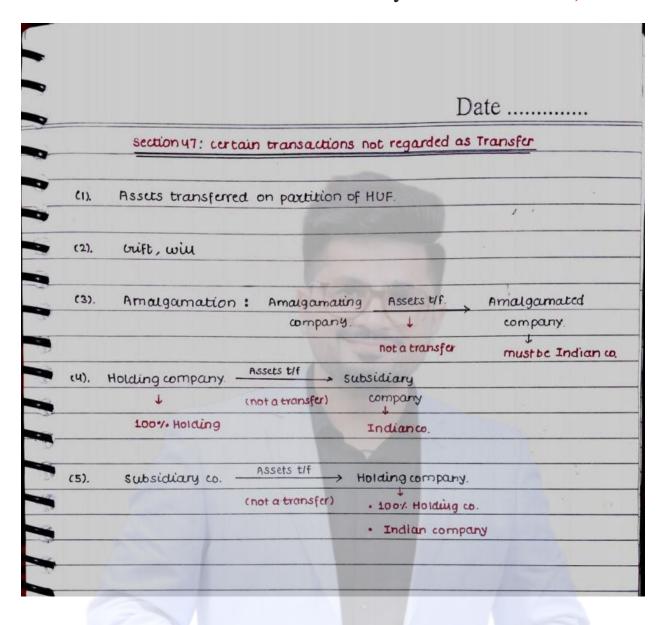


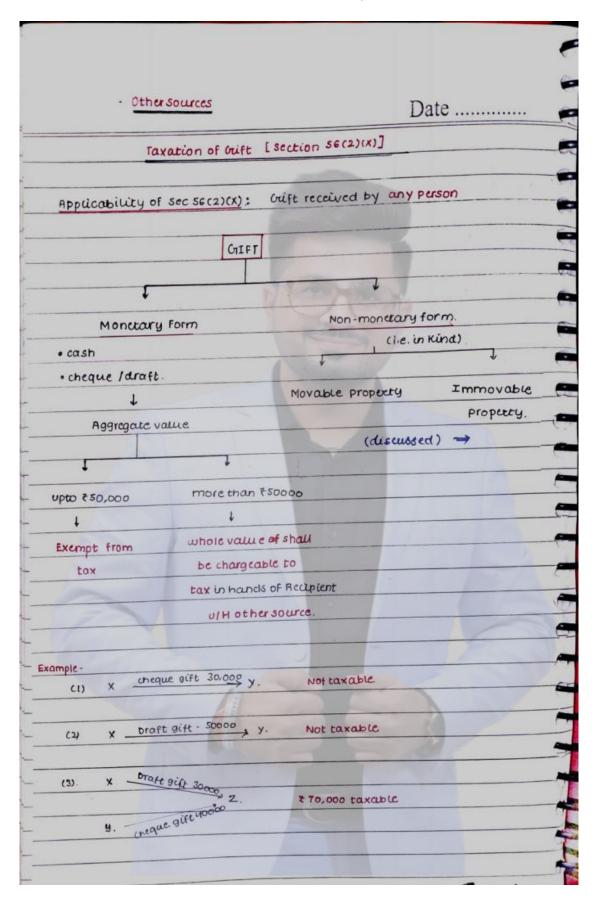
Example -				·. 1	Date	
D.O.A.	SDV on D.O.A.	D.O. R.	SDV on DOR	Actual sale Price	Advance Amt.	Sale cons
18/11/2022	80,00,000	19/4/2023	90,00,000	75,00,000	500,000 cash	90,00,000
					(18/11/22)	
15/6/2021	70,00,000	20/6/2022	75,00,000	70,00,000	400,000 A/C	70,00,000
					payee cheque (18/6/2021)	
15/4/2023	90,00,000	18/1/23	100,00,000	00,00,000	500,000 RTGS	100,00,000
			1	100	(17/4/2023)	
18/12/2022	80,00,000	15/1/2023	8800000	70,00,000	600,000 NEFT	80,00,000
			1	and the	(17/12/2022)	

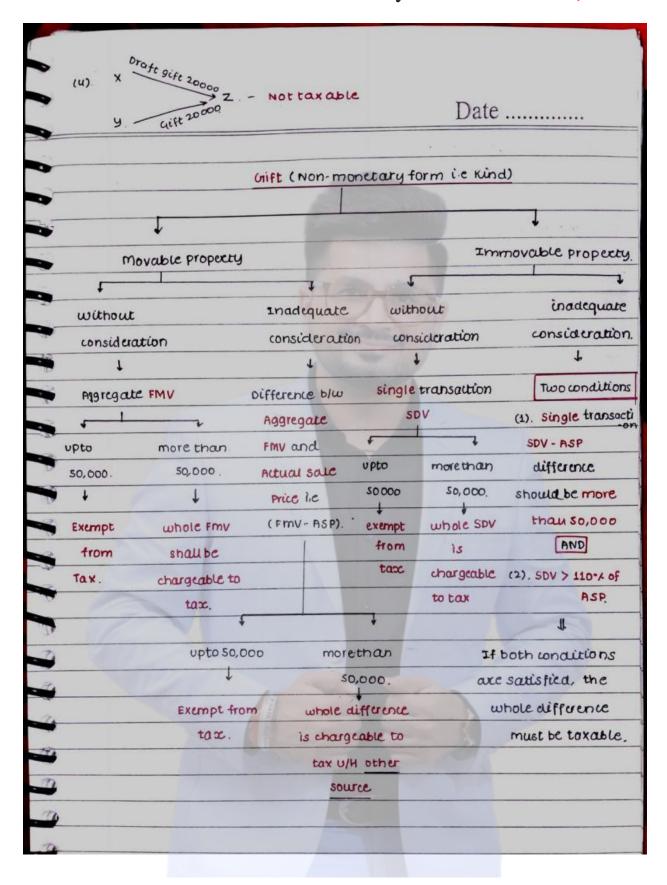


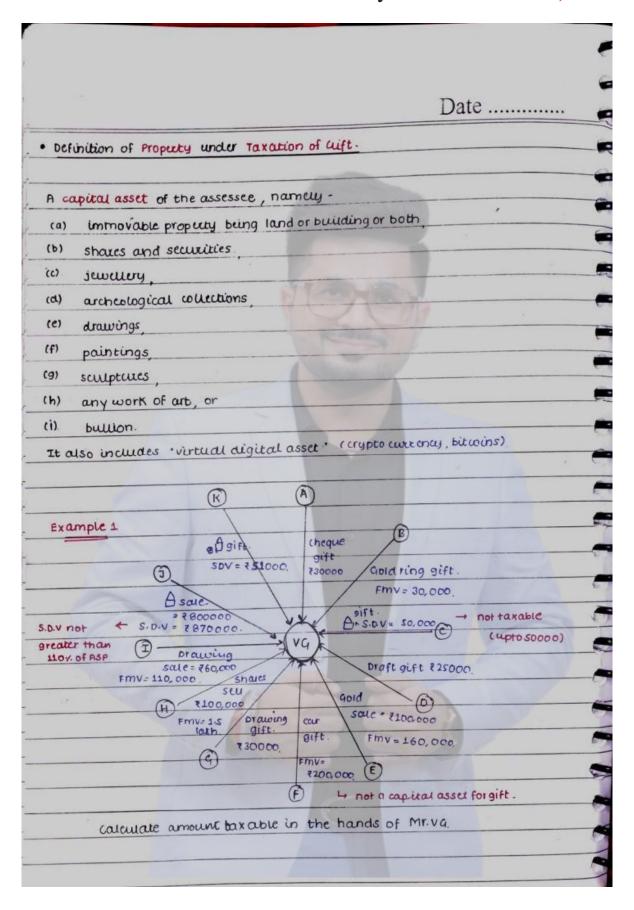


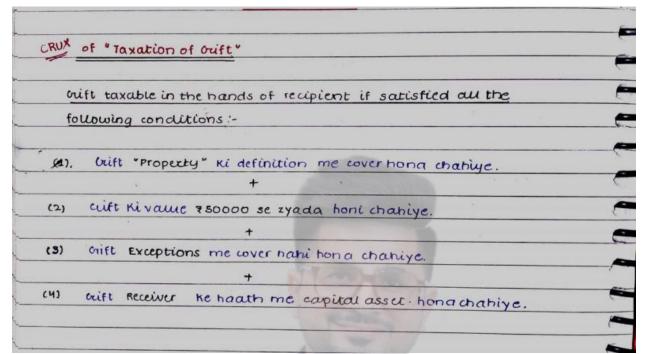
	Date
Section 50D	
	oce and cannot be determined
in case of transfer of capital assi	ct, then FMV shaw be deemed as
sale consideration for capital g	lain.
Carbaran	10 10 M
Section 50 CA	ERES /
Applicability - only on uni	sted shares.
If scule price is less than F.m.V, th	nen F.M.V shaw be deemed as
sale consideration.	
	Dhish to MrvC
	o shares of Boat Pvt. utd to mrvq
@ ₹800 per shate. FM v of the	
	of Aman Gupta is ₹300 pershate
compute capital gain.	
selling pri	ce (1000 x 1150) 11,50,000
	tion (1000 × 300) (300,000)
	capital gain 850,000.





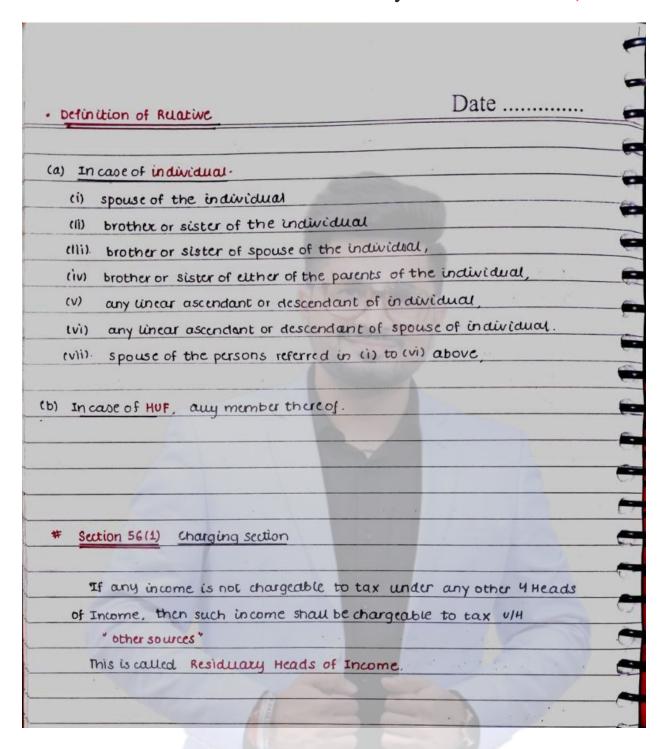


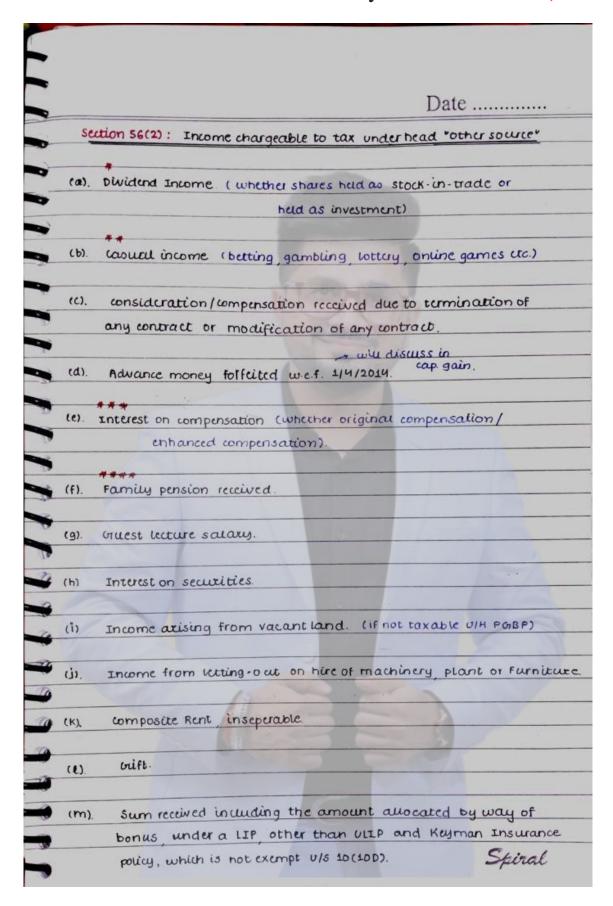


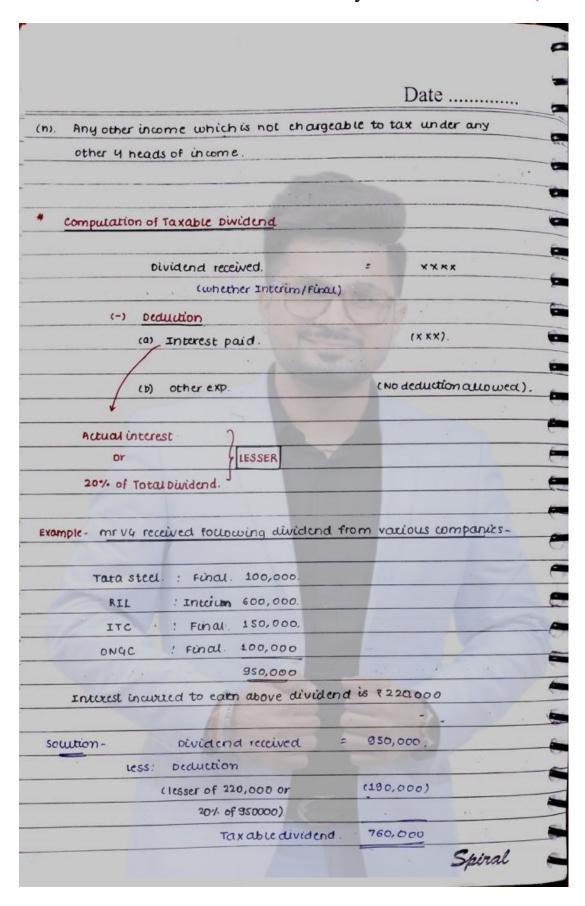


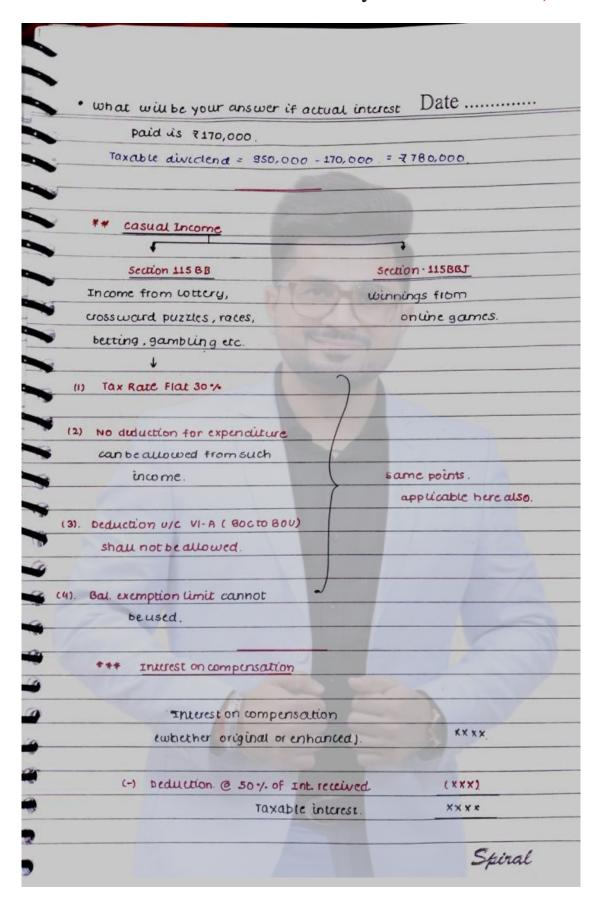


Non-Applicability of Section Se	6(2)(x)	Date
Any sum of money or value of p	property received in t	he following
arumstances would be outside		
	ALCOHOL:	
(a) from any relative or		T. C. C.
(b) on the occasion of marriage	of the individual o	r :
(c) under a will or by way of in		
(d) in contemplation of death of		as the case may be
(e) from any local authority or		
(f) from any fund, or foundation	n or university or or	ther educational
institution or hospital or ot	her medical institut	tion or any trust or
institution or	Maria day	
(9) from or by any trust or institut	tion registered, or	
(h) by way of transaction not rego	arded as transfer und	der section
47 (i)/(iv)/(v)/(vi)/(vib)/(vid))/cvii)	
(i) by a member of the family of	f a deceased person-	
(A) from the employer of dece		
(B) from any other person or		that such sum
or aggregate of such sum	S & #10 Lakhs	
where the cause of death of s	such person is when	is related to covid-19
and payment is: weedinged in		
(i) received within 12 months		
(ii) subject to such other condu	tions notified by cent	nai govi.
	on conditions	
central Gove has specified tollowing	ng conductors,-	3
The death of dindividual show	ud he unthin Amon	ths from the date
The death of a chawland shou		
The death of deindividual show of testing positive or from the covid-19 case, for which a by member of the family.		
covid-19 case, for which a	any start of thoring the	
by member of the family.		

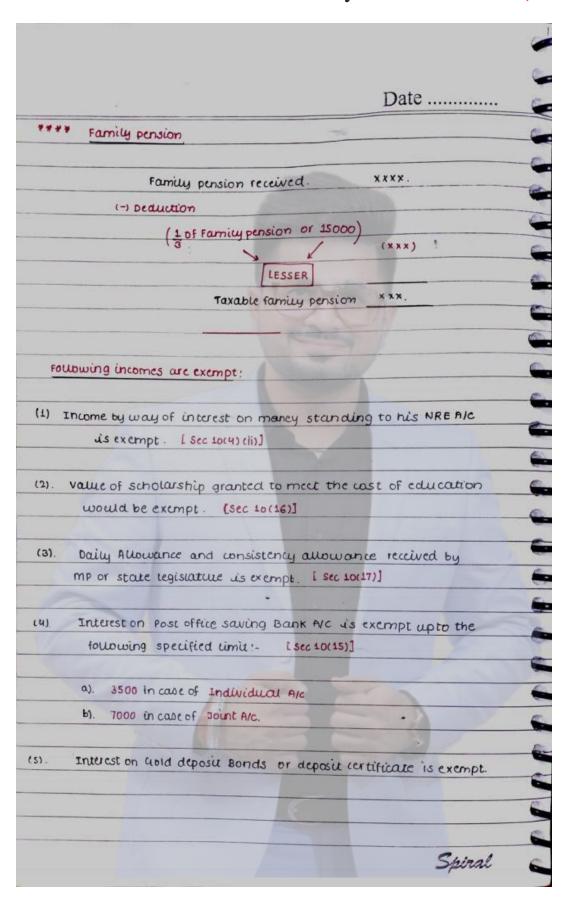






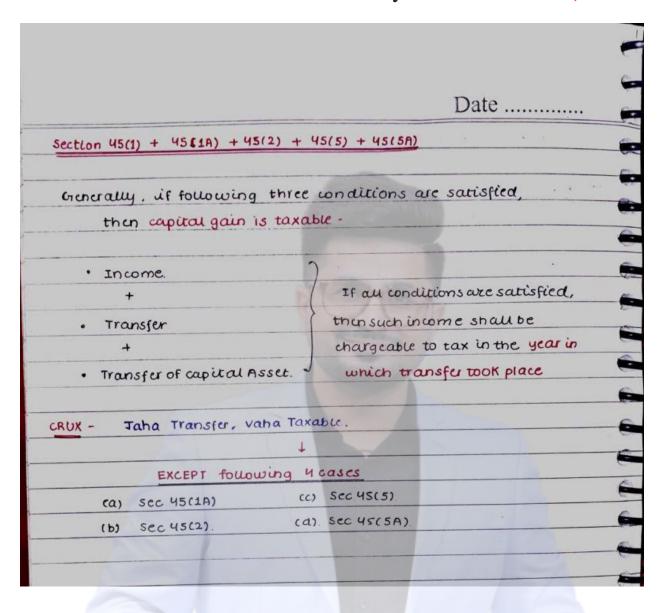


pg. 120

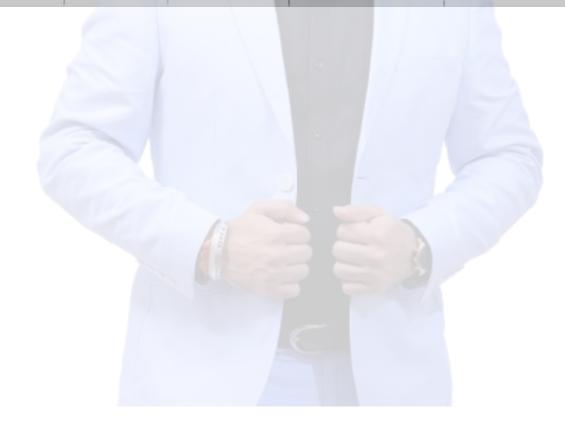


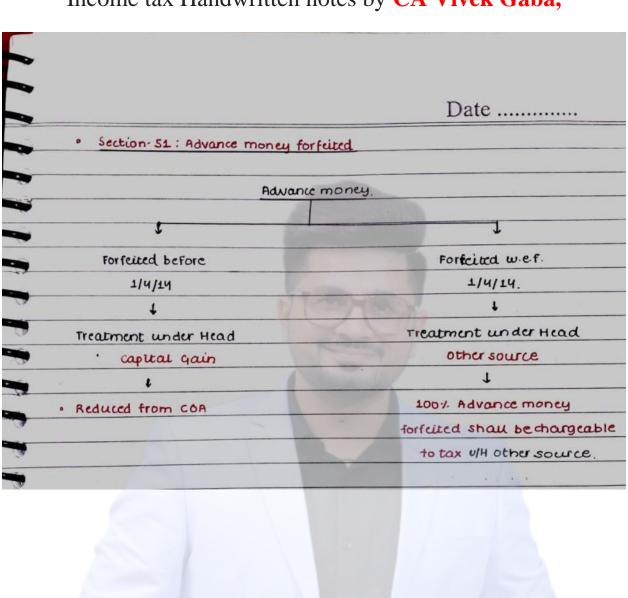
Examine under which heads fou	
	lowing income are taxable-
(1). Rental income in case of proper	
for 3 years - House property	<u>s.</u>
(2). salary of quest lecture. other	er source
The state of the s	7109/1
ca). winning from Lottery other	er source.
	7 10
(4). Dividend of shares held as s-1.	r othersource
	A
(5). Rent from vacant land lif not	carry business) - other source
Example -2	
Examine whether following are ch	argemble to tax and amount
(1). Gift received from Non-Relative b	y mr.x on his marriage
7120,000 Exempt.	
(2) Interest on enhanced compensation	tion of 796000 for acquisition
	ble (so-1. exempt).
19	
3). Family pension received 790,00	
4). each gift 251000 each from 3	streinds 153000 taxable.

pg. 122

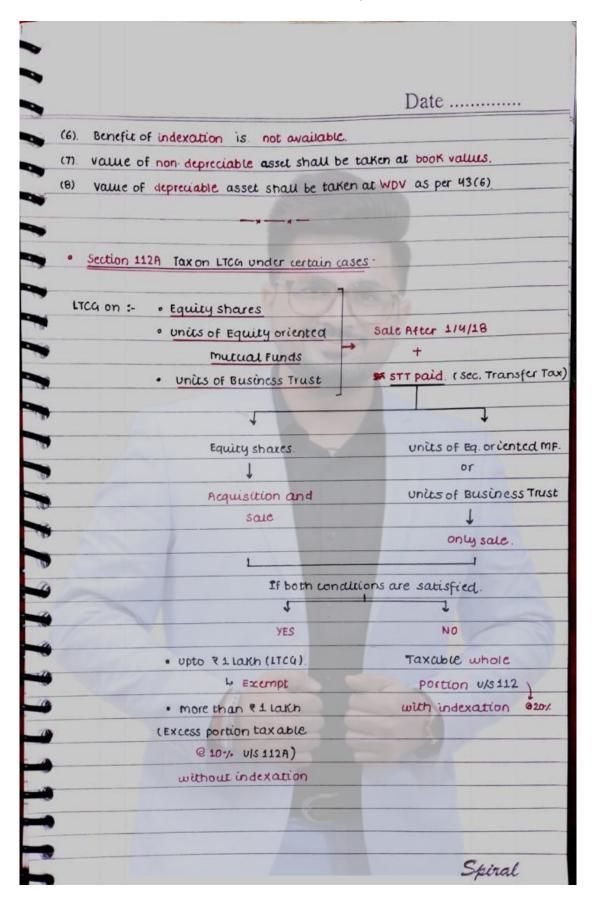


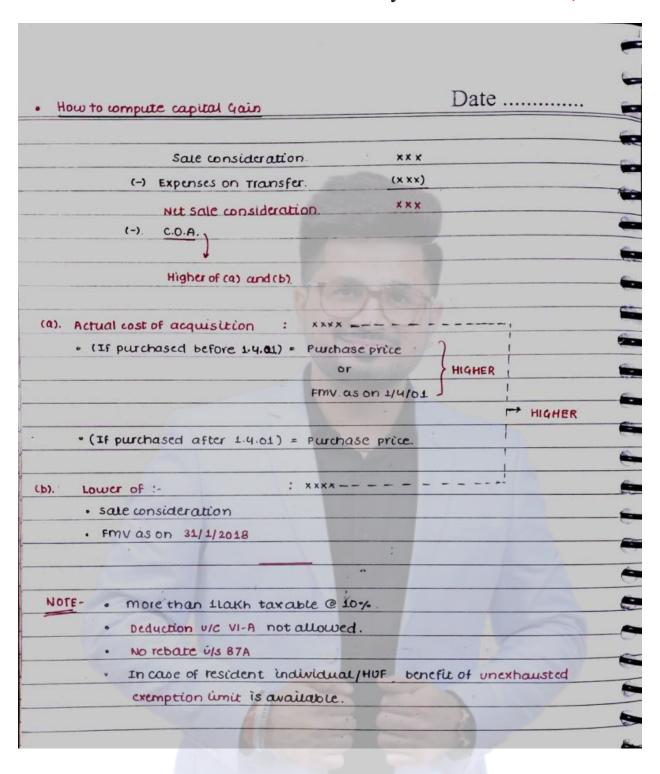
Particulars	section 45(1A)	Section 45(2)	section 45(5)	Section 45(SA)
HEADING:	Transfer on Insurance claim received	conversion of Capital Asset into Stock-in-trade	Acquisition	Joint development Agreement
Year of Transfer:	Year of Destruction	Year of conversion into stock in trade	year of compulsary acquisition	Year of possession of immovable property.
Year of Taxable:	when Insurance claim is received	when stock-intrade (SIT) is sold	original compensation: In the P.y in which 1st installment is received. Enhanced compensation: By interimorder: Taxable in the year in which final order as made. By final order: Taxable in F.y. in which compensation is received by assessee.	when completion certificate is issued
Year of Indexation:	Year of Transfer i.e. destruction	year of transfer 1e. conversion	Year of transfer i.e. compusably acquisition	Year of transfer i.e.
Holding period!	Immediately preceding the date of transfer i.e. destruction	Immediately preceding the date of transfer i.e. conversion.	the date of transfer i.e. compute axy acquisition	Immediately preceding the date of transfer u.e. possession
Sale price:	Insurance claim received or Fmv of asset received	FMV on the date of conversion	compensation recoved	s.p.v of constructed area belonging to assessed + cash, if any

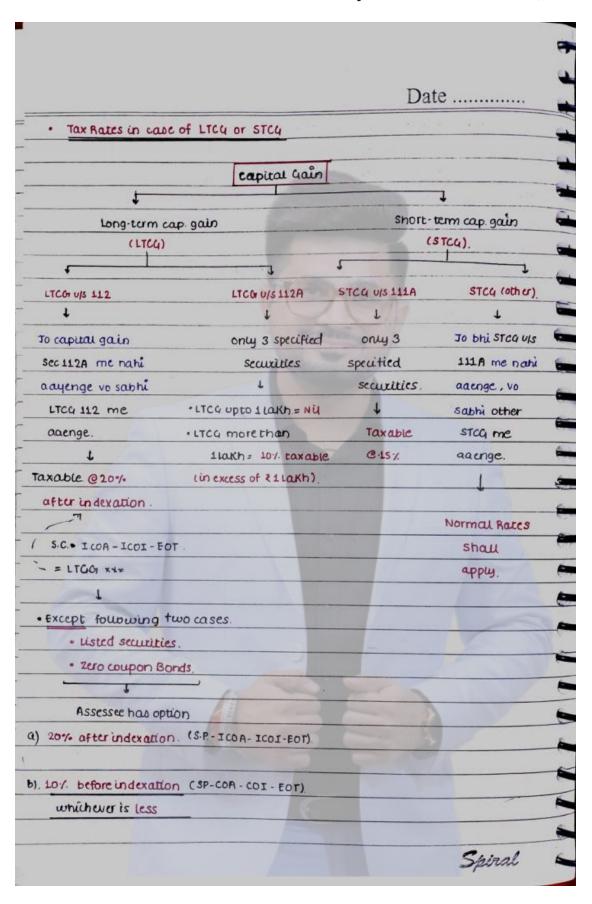




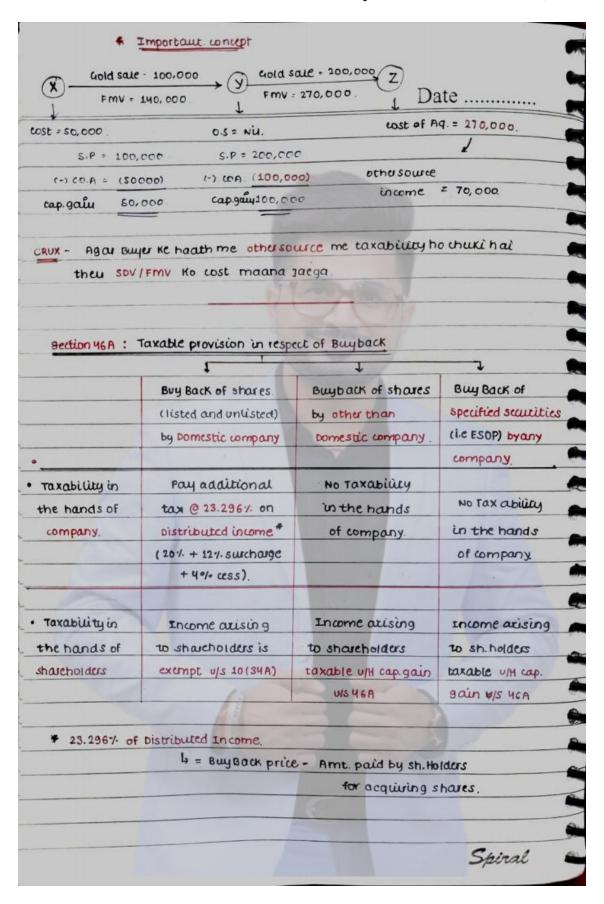
• Section 50B: Sump save	
Meaning - Transfer of one or more undertaking as a result of lump sum	
consideration without values being assigned to assets and liabilities.	
and if any value is assigned, then it is only for determining the	
payment of stamp duty.	
Section 508	A 1
(1). Capital gain is taxable when slump sale is affected.	
(2). Nature of capital gain depends on period of holding of undertaking	
transferred. It undertaking is held for more than 36 months capital	
gain is long-term capital gain use short-term capital gain.	
guas is big cam expect gues, are show can capital gues,	
31. Nothing shall be taxable under head PGBP	
- Noticing share be tax table of kier neura PUBP.	
4). COA and coI = Net worth of undertaking.	
• Net worth = Value of total assets - value of total liabilities.	
(5). Revaluation of assets shall not to be considered while computing	
Net worth Spiral	
Spr vm	

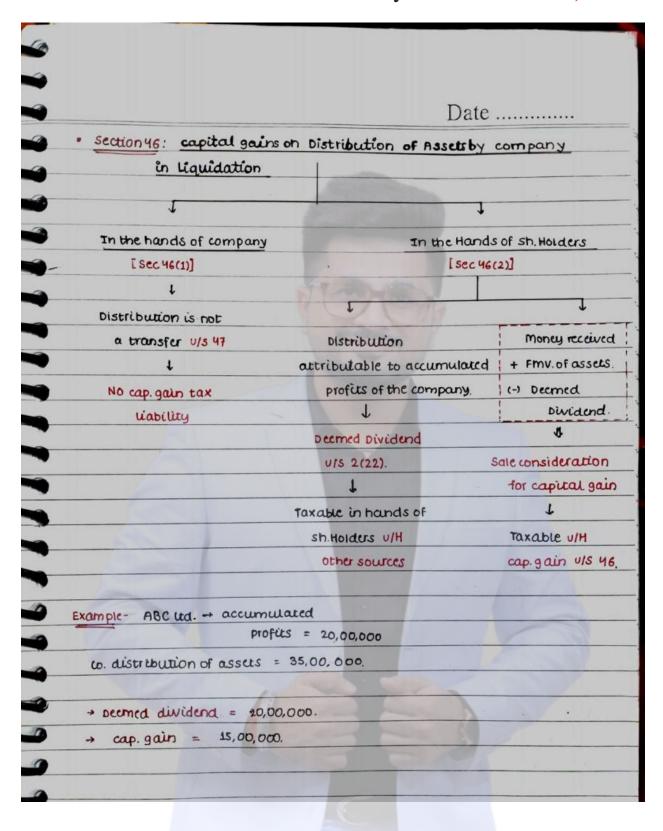




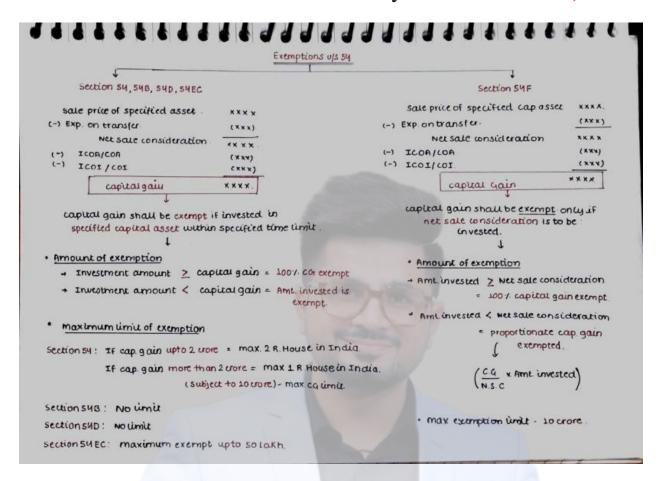


	Date
NOT	chapter VI-A deduction (Boc to Bou) not allowed from LTCG and
	STCG.
	· Balance exemption limit can be used in case of LTCG and STCG
	tos capital gains in case of
•	Section 10(37): Exemption in respect of capital gains in case of
	urban Agricultural Land
	Exemption is available if all the below mentioned conditions are
56.0	
(0)	Assessee is an individual HUF
(a)	Transfer is of agricultural land situated in urbanarca
(b)	Transfer is or agriculture act series
" A	gricultural land situated in Rural Areas is not a capital asset "
	+ no question of cap.gain exemption arises.
(c).	land is used for agricultural purpose during the period of 2 years
	immediately preceeding the date of transfer by HUF or individu
	or parent of the individual.
7	1)
(d).	Transfer takes place by compulsary ocquisition under any law.
	and consideration is determined or approved by central govt. or RB
(c).	original as well as enhanced compensation are exempt.
(f).	capital gain is exempt irrespective of the fact that they are
	short-term or long-term.





Some miscellaneous and important points v/H capital gain Some further transactions not regarded as transfer. (1.) Transfer of capital asset by demerged company to resulting Indian company in case of demerger (2). Transfer of shares by a shareholder in a scheme of amalgamation or demerger. (3). Transfer on conversion of bonds or debentures into shares.		Date
Some further transactions not regarded as transfer. (1.) Transfer of capital asset by demuged company to resulting Indian company in case of demorger (2). Transfer of shares by a sharcholder in a scheme of amalgamation or demorger. (3). Transfer on conversion of bonds or debentures into shares. (4) Conversion of preference shares into equity shares. (5). Transfer of capital asset under reverse mortgage. Imp.Note 1 Benefit of indexation is not available in case of bonds or debentures Except: - ** capital index bonds. - ** Sovereign gold bonds. Imp.Note 2 STT paid on sale or purchase not allowed as deduction. It means:- ** ** ** ** ** ** ** ** ** ** ** ** **	· some miscellaneou	
(1.) Transfer of capital asset by demerged company to resulting Indian company in case of demerger (2). Transfer of shares by a sharcholder in a scheme of amalgamation or demerger. (3). Transfer on conversion of bonds or debentures into shares. (4) conversion of preference shares into equity shares. (5). Transfer of capital asset under reverse mortgage. Imp.Note 1 Benefit of indexation is not available in case of bonds or debentures Except: - + capital index bonds - Sovereign gold bonds. Imp.Note 2 STT paid on sale or purchase not allowed as deduction. It means:- • *** STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.		
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or demerger. (3). Transfer on conversion of bonds or debentures into shares. (4) Conversion of preference shares into equity shares. (5). Transfer of capital asset under reverse mortgage. Imp.Note 1 Benefit of indexation is not available in case of bonds or debentures Except :- > capital index bonds. Sovereign gold bonds. Imp.Note 2 STT paid on sale or purchase not allowed as deduction. It means:- • SE STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.	Indian con	mpany in case of demerger
or demerger. (3). Transfer on conversion of bonds or debentures into shares. (4) Conversion of preference shares into equity shares. (5). Transfer of capital asset under reverse mortgage. Imp.Note 1 Benefit of indexation is not available in case of bonds or debentures Except :- * capital index bonds. Transfer of capital asset under reverse mortgage. Imp.Note 1 Sovereign gold bonds. Imp.Note 2 STT paid on sale or purchase not allowed as deduction. It means:- * ** STT paid on purchase = not added in cast * STT paid on sale = not reduced from sale price.	(2). Transfer of shares	by a shareholder in a scheme of amalgamation
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Imp.Note 1 Benefit of indexation is not available in case of bonds or debentures Except: - > capital index bonds Sovereign gold bonds. Imp.Note 2 STT paid on sale or purchase not allowed as deduction. It means:- STT paid on purchase = not added in cast STT paid on sale = not reduced from sale price.	(3). Transfer on conv	version of bonds or debentures into shares.
Imp.Note 1 Benefit of indexation is not available in case of bonds or debentures Except :- → capital index bonds. → Sovereign gold bonds. Imp.Note 2 STT paid on sale or purchase not allowed as deduction. It means:- • SS STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.	(4) conversion of pro	eference shares into equity shares.
Benefit of indexation is not available in case of bonds or debentures Except:	15). Transfer of capit	tal asset under reverse mortgage.
Benefit of indexation is not available in case of bonds or debentures Except:	Temparate 4	
Except :- > capital index bonds > Sovereign gold bonds. Imp. Note 2 STT paid on sale or purchase not allowed as deduction. It means:- • STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.	Imp.Note I	
Except :- + capital index bonds	Benefit of indexation	on is not available in case of bonds or debentures
Imp. Note 2 STT paid on sale or purchase not allowed as deduction. It means:- • \$\$ STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.		
stt paid on sale or purchase not allowed as deduction. It means:- • SE STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.		→ Sovereign gold bonds.
STT paid on sale or purchase not allowed as deduction. It means:- • SE STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.		
It means:- • # STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.		
• STT paid on purchase = not added in cast • STT paid on sale = not reduced from sale price.		purchase not allowed as deduction.
STT paid on sale = not reduced from sale price.		cat and and added to cont
STT = Security Transaction Tax.	JII pour on se	The state of the s
	STT	= Security Transaction Tax.





3.0	or profession	T)ate
	(Sec 28 to 44D	8)	
• Sections/Topics	to be covered UIH PO	<u> 189</u>	
28	20 (4) (3)	2nd Proviso to 320	1)
29	32 (1)(i) * 32 (1) (ii)	32(2)	
30	32 (1)(iia)	Sec 10 AA	
31	32 (1) (iii)	43(6)	
Exp-1 to 32(1)	43(1)	50(1)	
Exp-5 to 32(1)	Proviso to 32(1)	50(2).	
	1100(30 10 32(2)	The standard of	
38(2)	35 (2AA)		40(0)(1)
50 A	35(2AB)	35 D D	40 (a) (ia)
43CA	37(28)	35DDA	40(a)(ii)
33AB	35 ccc	35 AD	40 (a) (iii)
35(1)(i)	35 CCD	36 series	40(6)
35(1)(ii)	35ABB	37	40A(2)
35(1)(iia)	35ABA	Exp-1 to 37	40 A (3)
35(1)(111)	·35D	Exp-2 to 37	40A(3A)
35(1) (iv)	40A(7).	40 A (9)	41(1)
41(2)	ччаа	14A	
41(3)	44AB	Rue 8D.	
41(4)	44AD		
438	44 ADA		
	HUAE		2
			>
			MA
		E	

		Date
Flowe	f PGBP chapter / How to read PG	BP chapter
Section	Provisions	Analysis
Section		
28	charging section	Kon Kon si income PGBP me
		taxable hogi
29	computation of PGBP	To income taxable hogi vo
	income	calculate Kese hogi
30-38	Expenditure Autowed	Kon Kon se expenses PIL me
		debit kie jaayenge.
39	Not Ruwant	
40	Expenditure disallowed	Kon Kon se expenses P&L me debit nahi kie jaayenge. Jo expenduture penle allowed
		debit nahi kie jaayenge.
41	Recovery of expenditure	To expenditure penie allowed
	abowed earlier	ho chuke hai uMKi recovery hogi
		to Kya treatment hogi.
42	Not Relevant	-
3	peduction on payment.	Jo expenditure debit honge vo paid basis par honge होटे businessman professionals के लिए क्या scheme है। Spiral
	basis	Jo expenditure debit honge
		vo paid basis par honge.
ч.	Presumptive taxation	होटे businessman professionals
		के लिए क्या scheme हैं।

•	
*	Date
	Section 28: Charging section
Fo	llowing income shall be taxable under the head PGBP:
u),	Any profit/gain of any Business/Profession.
(2).	Profit on sale of import entitlement license (IEL).
(3).	cash compensatory support or duty drawback (ccs/DBK).
(4).	Profit on sale of Duty Entitlement passbook scheme (DEPB) or
S	Duty Free Replenishment certificate (DFRC).
(5).	Any amount received under Keyman Insurance Policy
(6).	Any gift/benefit/perquisite axising due to business or profession.
(7).	Any interest salary bonus commission received by partner from
•	partnership from to the extent arrowed u/s 40(b) to firm.
(8).	Non-compete fees (not carrying out any activity in relation to any
•	business or profession or not sharing any know how, patent,
•	copyright etc.
(g.)	Profit on sale of carbon credit shall be chargeable to tax @ 10-1. U/S 115880
(10).	Income dexived by trade professional or similar association from
_	specific service performed by its members.
(11)	. Fmv of inventory as on the date on which it is convected into
	(capital asset. (lause (via) [Added by FA 18] V
	Net taxable income = Fmv - cost Spiral

	Date
the second secon	
11). Any compensation or other payment due to or r	or modification
person at or in connection with the termination	mating to his
of the terms and conditions, of any contract r	dady to the
business.	
o Section 29: How to compute PORRP income	A
· section 29: How to compute PGBP income	
Particulars	Amount.
Net profit as per PALA/C of co. Act.	xxx
ADD: To expenditure debit hie hue the but Debit	XXX
nahi hone chaniye the.	
LESS: Jo expenditure debit hone chanive the but	(×××)
debit hahi Kie hue the	
ADD! To income credit hone chanive this but credit	* x x
nahi ki hui thì.	
hahi ki hui thì.	
hahi ki hui thì. LESS: To income credit ki hui thi but credit nahi	(xxx)
hahi ki hui thì.	(xxx)
hahi ki hui thì. LESS: To income credit ki hui thi but credit nahi	(xxx) xxxx

			Date	
	Particulars		Amount	
Net profit as per f		Act	xxx	
		2000		
Add: Expenditure de	bited in P211	alc but not	* X X	
allowed UIH	PGBP		-	
LESS: Expenditure at	Inwed VIH P	mBP but not	(***)	
debited in 1				
		20	1	
ADD: Income charge	cable to tax i	OH PABP but	x×× .	
not credited	to PILAIC.	Charles (II)		
LESS: Income credi	red in ou all	hut not	(xxx)	
taxable U/H P		2 244 1100		
		Y		
In	come UIH PC1B	P.	xxxx	
Example:	PILA	IC.	*	
To Income tax		Gross profit.	4000000	
To Adv. exp. payab		By Int. from F.D.	400,000.	
To Dep. (SLM)	= 400,000.	By Dividend fr	om	
Tomunicipal tax paid on		Indian w.	800,000.	
House property	= 100,000	By Profit on sal	e of	
To prov. for. d. debt.	= 50000.	I.E.L.	\$00,000	
	1	By Rent receive	ed	
To NUL Profix	51,50,000	of H.P.	600,000.	
			*	
other information				
1. Bad bebts = 300	00.	1		

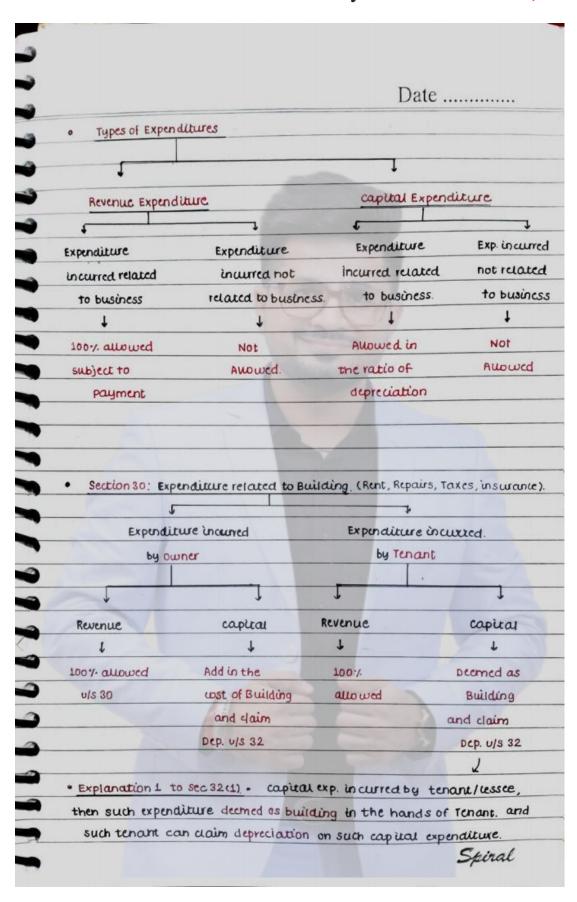
		Date
→ LTCG US 112A : 10,00,000	RAC - FINO	Ltax ?
mr.vg - Resident - Age-48yrs - Sec 115	BHC	•
Colution		
Solution of Final tax liability		
(1). computation of Final tax liability. Particulars	Amt.	Amt.
• Income from salary	10000	
Income from House property		
Rent Received.	600,000	
less: municipal tax paid byowner	(100,000)	
	500,000	
less: standard Deduction UIS 26(a)	(150000)	
	350,000	350,000.
· Income from P4BP.		
Net profit as per profit and was AIC	51,50,000.	
Add! Exp. debited in PEL but not allowed WH PGBP		
Income tax paid.	200,000	
how exp. payable	400,000	
pep (SLM)	400,000	
municipal tax	100,000	100 0
Prov. for doubtful debt	50000#	
less: Exp. allowed UIH PGBP but not a chited		6000
BadDebts	(30000)	
pep. (wpv).	(350000).	1
1		40
ess; Income credited but not taxable UIHPUBP		
Int from F.D.	(400,000)	
dividend from Indiana.	(800,000)	
Rent. Received.	(600,000)	

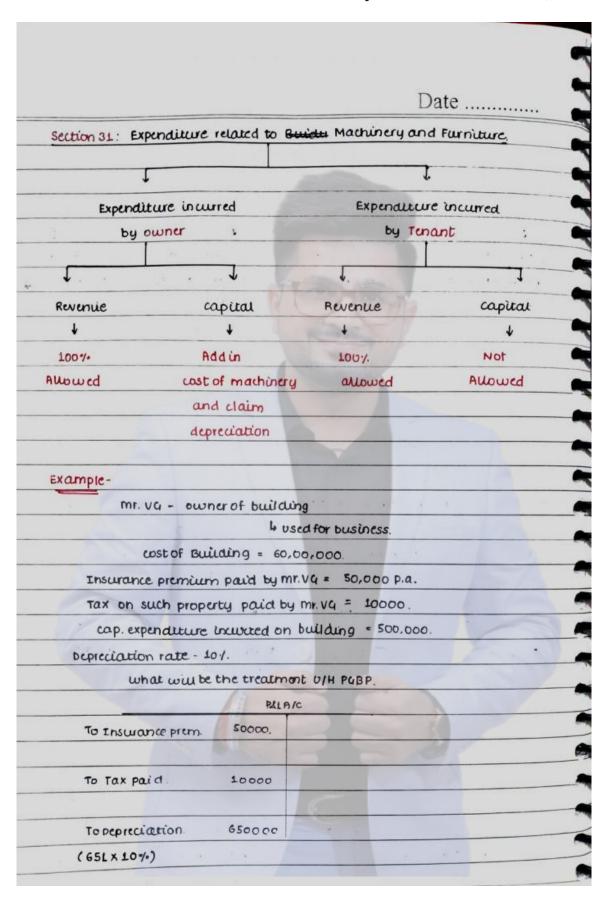
	Date		
Add: Income taxable U/H PaBP but not credited			
Profit on sale of DRFC	200,000		
	43,20,000	43,20,000	
Income from capital gain US112A.		1000000.	
Income from other source			
Int. from F.D.	400000		
Dividend	800,000		
T Ready	12,00,000	12,00,000	
aross Total Income.		68,70,000	
less: Deduction U/E VI-A		-	
Net Total Income.		68,70,000.	
computation of Taxliability.			
Tax on LTCG UIS 112 A		NAME OF THE PARTY	
(10,00,000 - 100,000) @ 10%.	96,0	000.	
Tax on Normal income 1.e. 58,70,000	1461	1461000	
Tax on Normal dicerre	15,51,000		
Ada! surcharge @ 10%.	15 5100.		
Maa: surdiarge & 2075	17,06,100.		
111		68,244.	
Add: cess@4°/•		4,344.	
1:. Tax rounded off. = 17,74, 340			

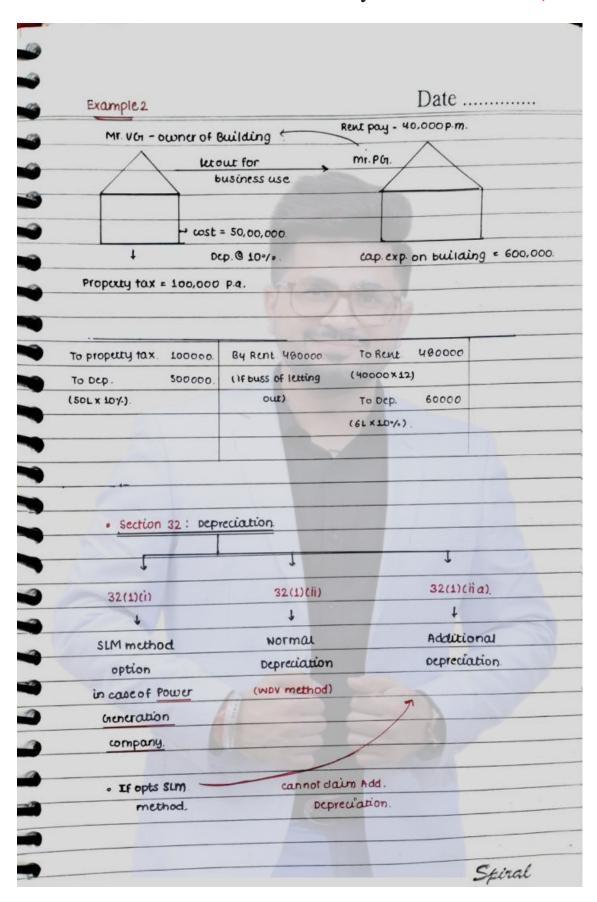
Ques-2			Date	
	Profit and u	ass AIC		
To Bonus payable -	100,000	Caross profit		700,000.0
		BY LTCG U	(S 112A -	12,00,000
To Dep (SLM)	300,000	By income from online		•
To Bad Debts.	400,000	games.		800,000
To Adv. exp. payable.	100,000	By Incuest	on F.D.	200,000
To comm. paid.	50000	ByDividen	d from India	an 400,000
To municipal tax paid	1911	By perquisi	te received	
\$-0-H.	40000	during Bus		200,000
To int. incurred to earn				
alvidend +	110000	By gift received from		
on loan for To intr paid on repairs		his Brother		100,000.
of s.o.H.	40000			
TO NEE profit.	87,60,000			
	99,00,000	Y		99,00,000
other information				
1. Depreciation (wov) = .	160000.	-		2
2. Profit on sale of I.E.L =	200,000	+		
3. STOG UIS 111A - 400,0	000-			
Mr.vq - 115BAC	- Age = 45	ears		20 41
	solution			1
				7
computation of Final tax	ç.:-			
Particulars .			Amt.	Amt.
1). Income under Head sou	au,	-		Nù.
			-	
. Income underhead House property.				Nù.
(SOH- GAV = NU.				
M. Tax - notallowed.				

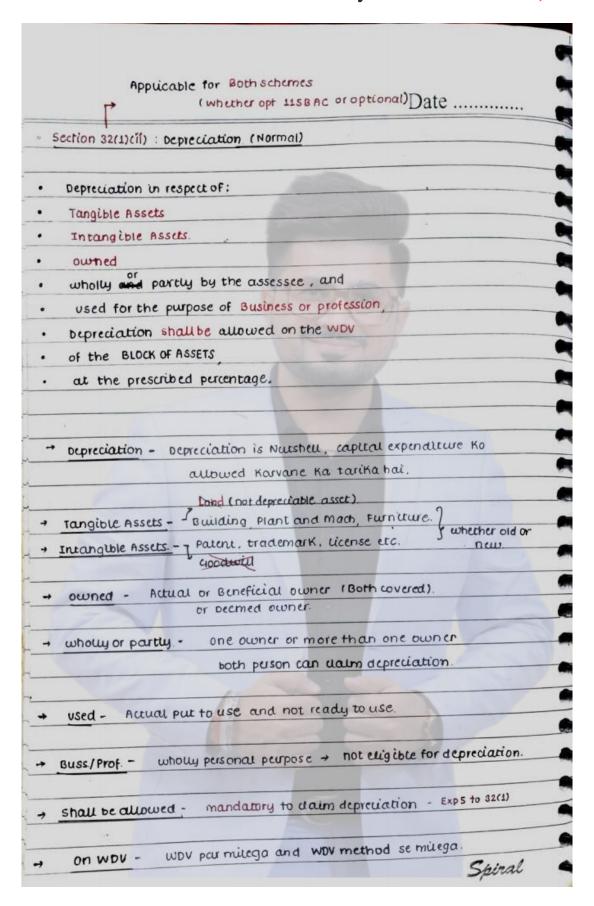
	Date	
Particulars	Amt.	Amt.
3). Income under head PGBP		
Net profit as per Profit and loss A/C.	8760,000	
Add! Expenses debuted to PIL but not allowed u/HPC	ВР	
Bonus payable	100,000	
pepreciation (SLM)	300,000	
Adv. expenses payable.	100,000.	70.7
municipal tax paid.	40000	
Int. incurred to earn dividend.	110,000	
Int. on toan taken for repairs to soll.	40000	
	1	15
Less: Expenses allowed U/H PQBP but not debited.		
Depreciation (WDV)	(180,000).	
Less		
Book! Income credited but not taxable UHPGBP		
LTCQ U/S 112A	(1200000)	
Income from online games.	(800000)	
Interest on F.D.	(200000)	
Dividend from Indian co.	(400000).	
Guift received from Brother	(100000).	
Add! Income taxable V/H PGBP but not credited.		
Profit ous alcof I.E.L.	200000	
	67,70,000	67,70,000
4) Income underhead capital gain		
LTCQ VIS 112 A	1200000	
STCQUIS 111A	400000	
	1600000	16,00,000.
5). Income from other sources.		
Income from online games	800000	
Int. on F.D.	200000	a /
Devidend. (400,000 - 80000).	320000.	Spiral 13,20000

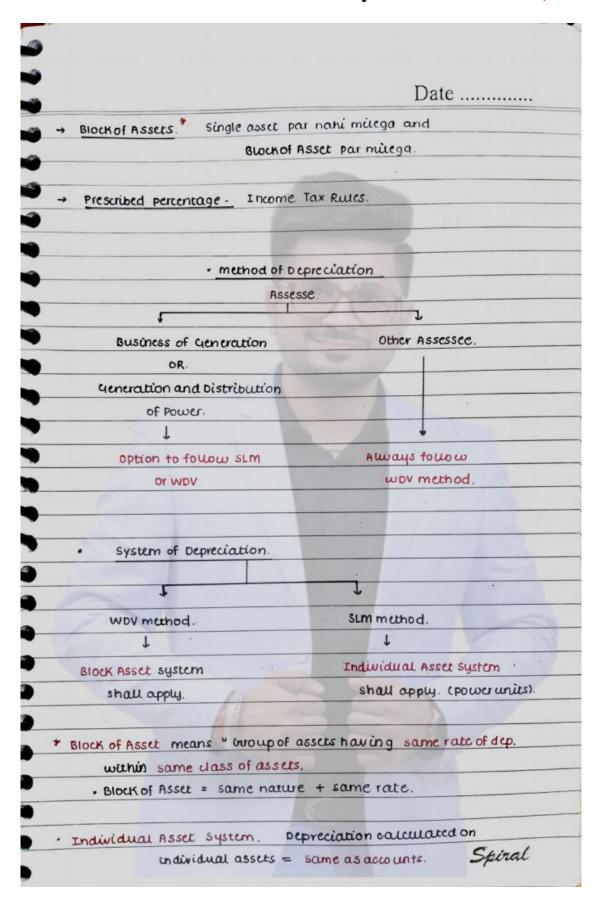
	Date
A mana Para La	96,90,000
aross Total Income	90,90,000
less! Deduction U/C VI-A	96,90,000
Net Total Income.	30,30,000
→ computation of tax ciability.	
	1
Tax on normal income (PGBP+05)	1 2 3 5 1
@ ₹72,90,000 .	16, 87,000
Tax on income from online games @ 30%.	240,000.
Taxon STCQ u/s 111A.@15%	60,000
Tax on LTCGUIS 112A (1200000-100000) x 10%.	110,000.
	22,97,000.
Add: Surcharge @ 10%	2 29 700.
	25, 26, 700.
Add: cess@ 4%.	101068
Final tax liability.	26, 27, 768.
:. Tax Rounded off = 226, 27,770.	100-100
	The state of the s

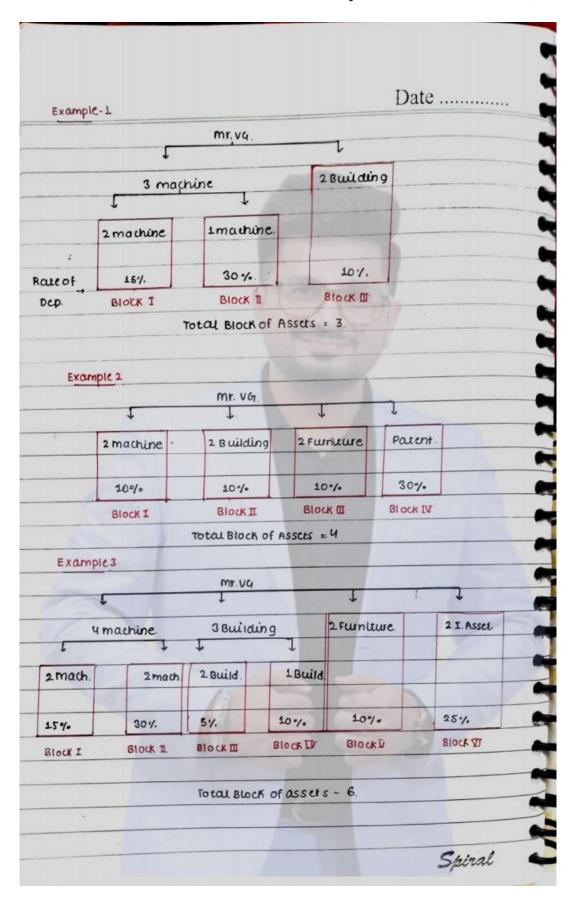


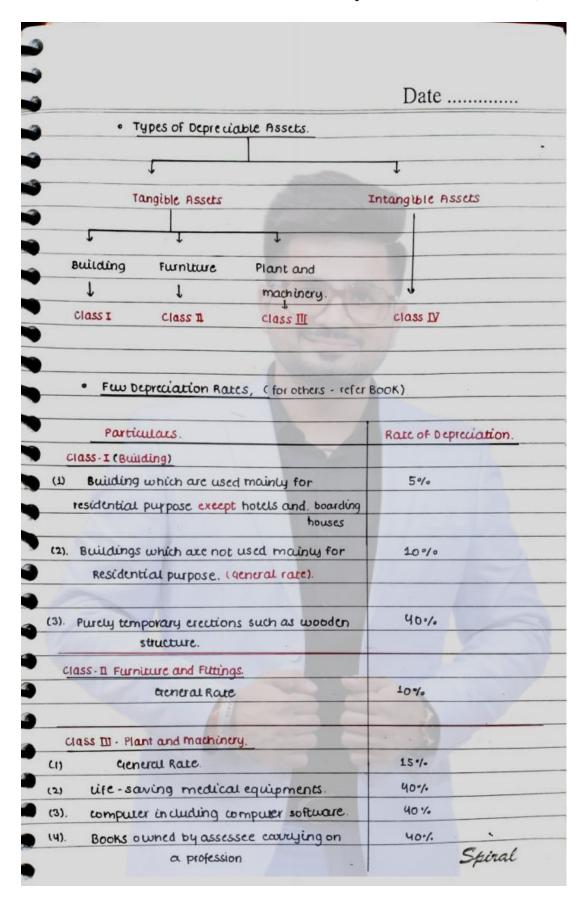






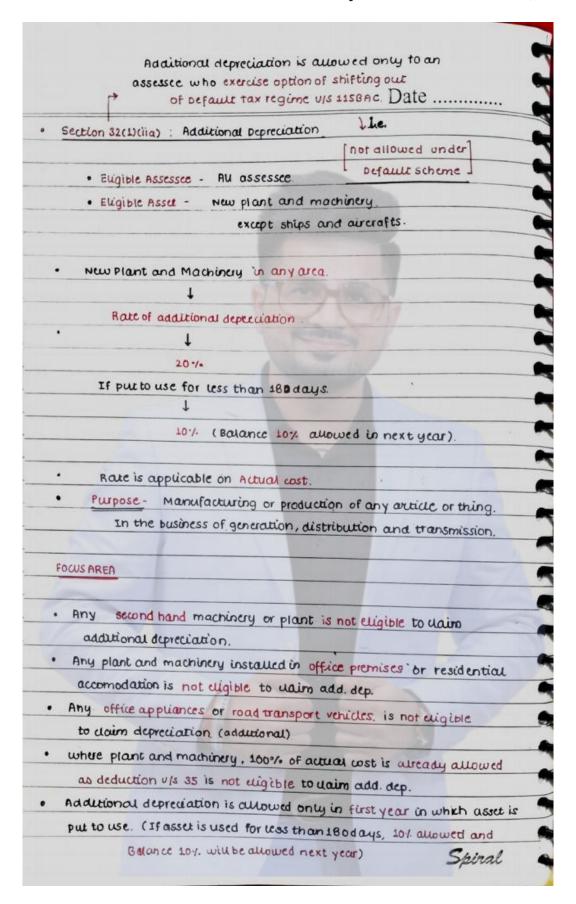


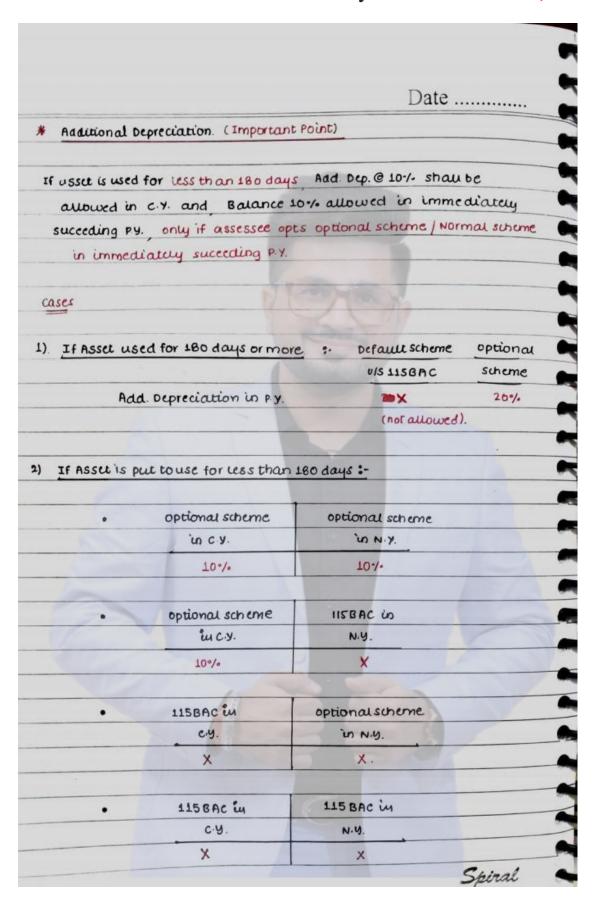


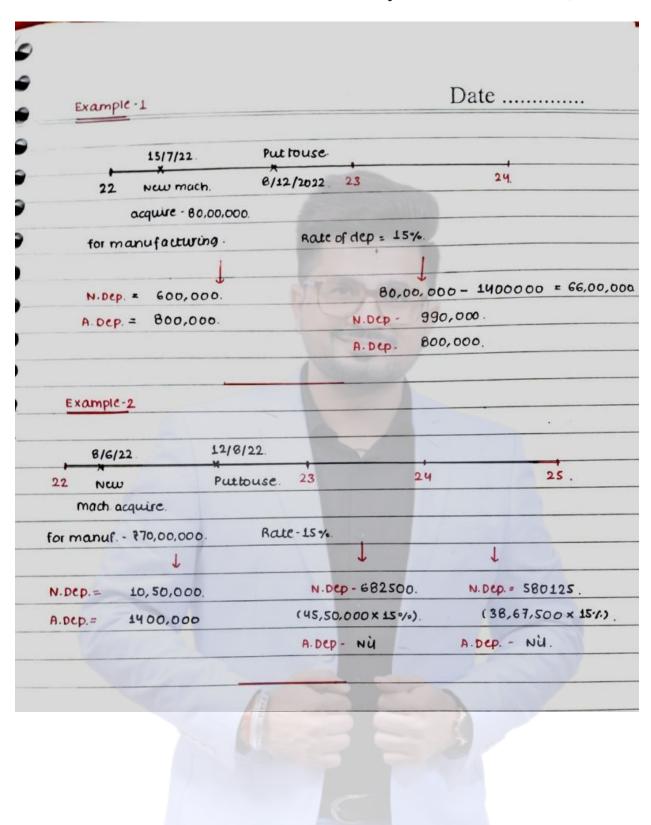


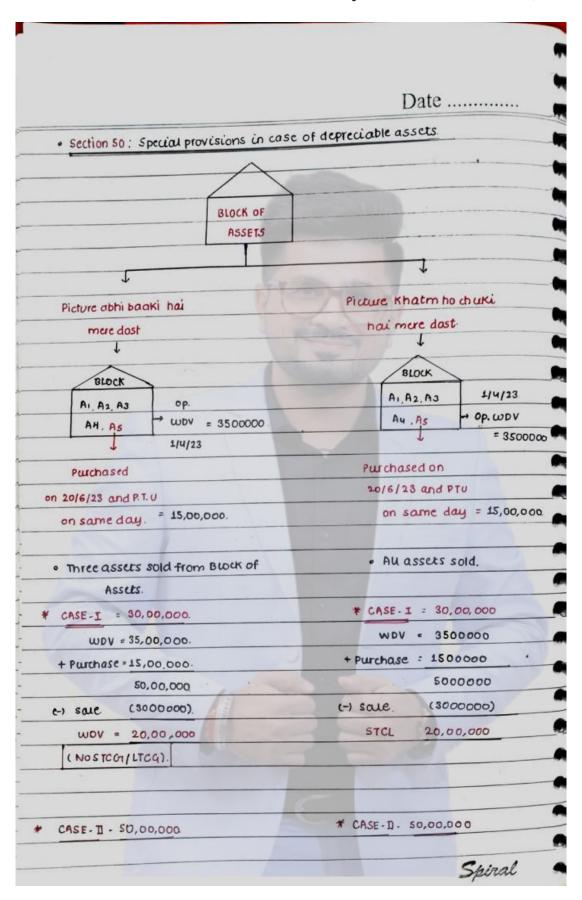
	Date
Particulars .	Rate of Depreciation
Ships	20%
Class-IV	
Intangible Assets. (Knowhow, patent, copyright,	25%
trademark, licence except goodwill of buss/ prof.	257*
	D-1
Provise to section 32(1)	7
Depreciation shall be restricted to 50% of depreciat	ion allowed if
asset is put to use for less than 180 days in the	
acquisition	
In other words, restriction show be applicable or	ly in the year of
acquisition.	
Cases	
Brample- (a). Purchase and put to use are in	
same year and Putto use for 180 days	FULL rate of Dep. in
or more.	the year of P.T. U.
(b). Purchase and put to use are in different	Full rate of Dep. in
year and put to use for 180 days or more.	the year of P.T U.
(c). Purchase and put to use are in same year	Rate of Dep. x50% autowed
and put to use for less than 180 days.	in the year of P.T.U.
ed). Purchase and put to use are in different	
year and put to use for less than 180 days.	Full Rate of pep.

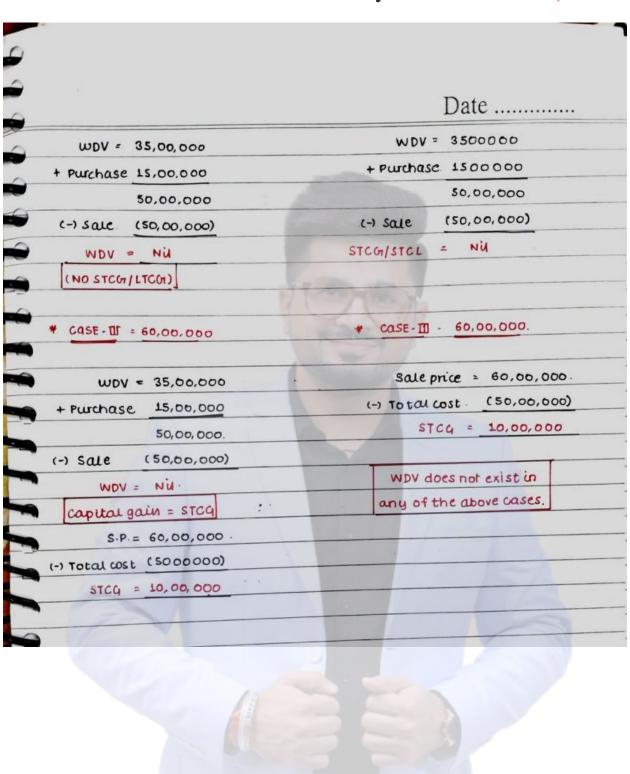
Example-	Date
Machine purchased on	1/4/2023 - 500,000.
•	23 - and Rate of Dep 15%
calculate depreciation	for P.y. 23-24 and 24-25.
Solution: 23-24	24-25
500,000 × 18-/•	425000 × 15%.
= 75000	= 63750.
bot	
what was be your ans	swer if your asset is put to use on 18/11/2:
23-24	24-25
500000 × 7.5%	462500 × 15%
=, 37500.	= 69375.
	wer if asset is put to use on 25/7/24?
what will be your ans	
1	
what will be your ans	24-25
1	24-25 300,000 x 15-%
23-24	24-25
23-24 NU.	24-25 300,000 x 15-/ ₀ = 75000
23-24 NU.	24-25 300,000 x 15-%
NU. What will be your anso	24-25 500,000 x 15% = 75000 wer'if asset is put to use on 18/12/24?
23-24 NO. What will be your anso	24-25 500,000 x 15% = 75000 wer if asset is put to use on 18/12/24?
Ni.	24-25 500,000 x 15% = 75000 wer'if asset is put to use on 18/12/24?

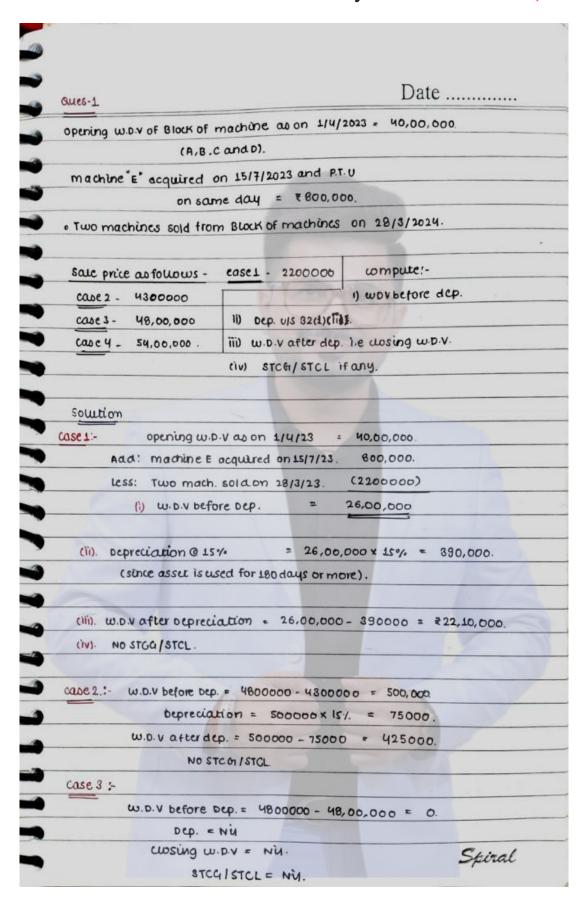


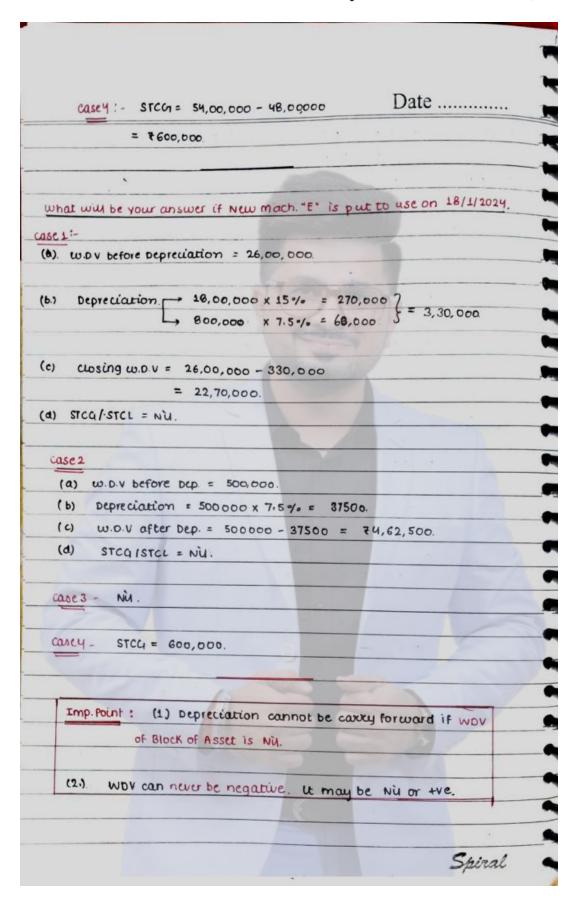




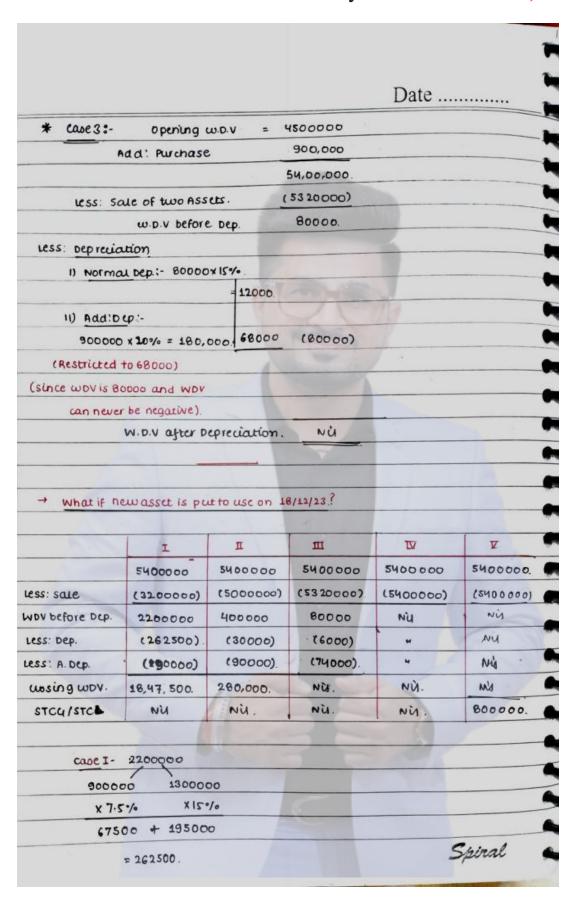


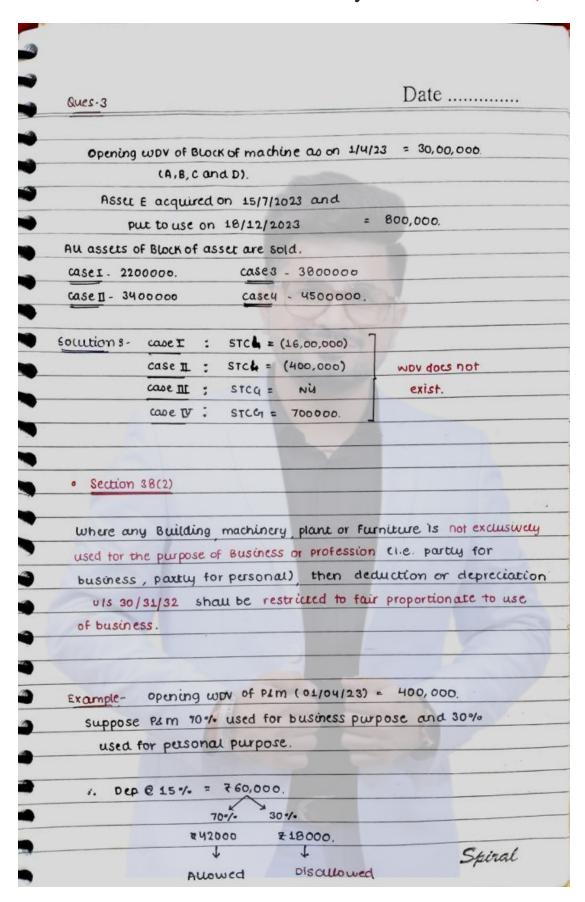


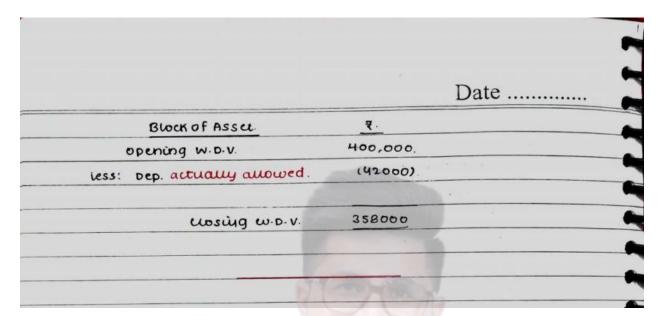




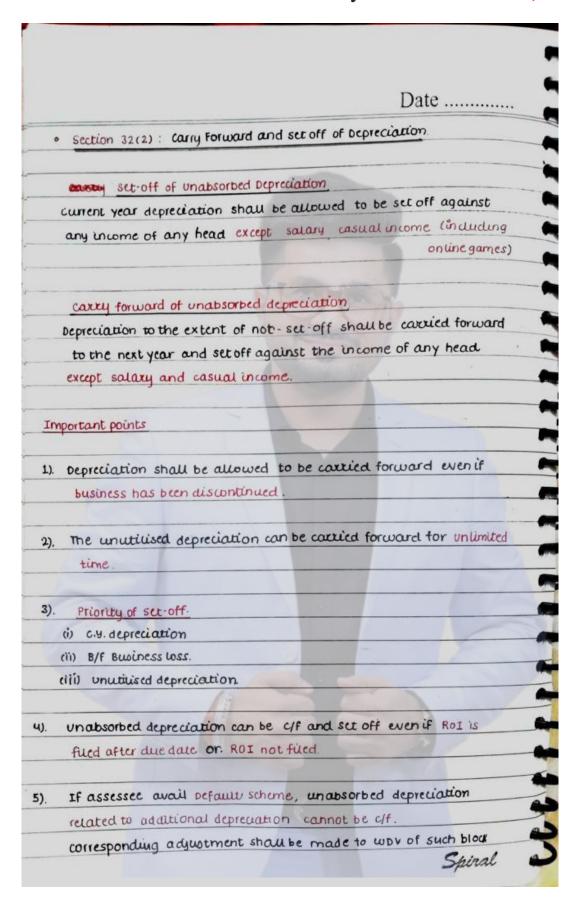
				Data	
Ques-2				Date	•••••
mr.va - 1	ouss. of manu	ifacturing s	hurts.		
opening w.D.	V of BLOCK OF	machine a	s on 114/23	= ₹.45,00,00	0.
"E" New Asset acq	uired for pu	spose of ma	unuf. on 25/	9/23	
	o use on the				
				F	
Two Assets sold	on 31/3/201	24 :-			
case I -	3200000		De V - 5400	0000	
Case D -		ca	De V - 6200	0000.	
	5320000		71		
compute! can		Dep.	0.00		
(b)	The second of the second	socii) and 3	2(1)(i)a).		
(c)		epreciation.	A		
(a)					
Note: - Assesse	e shifting o	ut of defau	ut scheme v	IS 115 BAC.	
		\\ o			
cases →	I	п	ш *	IV	I
opening w.ov	4500000	4500000	4500000	4500000	4500000
+ Purchase	900000	900000	900000	900000	900000
	54,00,000	54,00,000	54,00,000	54,00,000	54,00,000.
(-) sale.	(3200000)	(50,00,000)	(53,20,000)	(5400000).	(5400000
w.p.v before Dep.	2200000	400000	80000	NÙ:	NÝ
(-) Depreciation	(330000).	(60000)	(12000)	Nů	NÙ
	(180000).	(180000)	(16000) 68000	NÙ.	Nü
		Department of the last of the	32000 NU.	Nù.	NU.
(-) Add. Dep. Losing w.DV.	16,90,000	160,000	3-2000 1401.	174. 1	\$800,000.

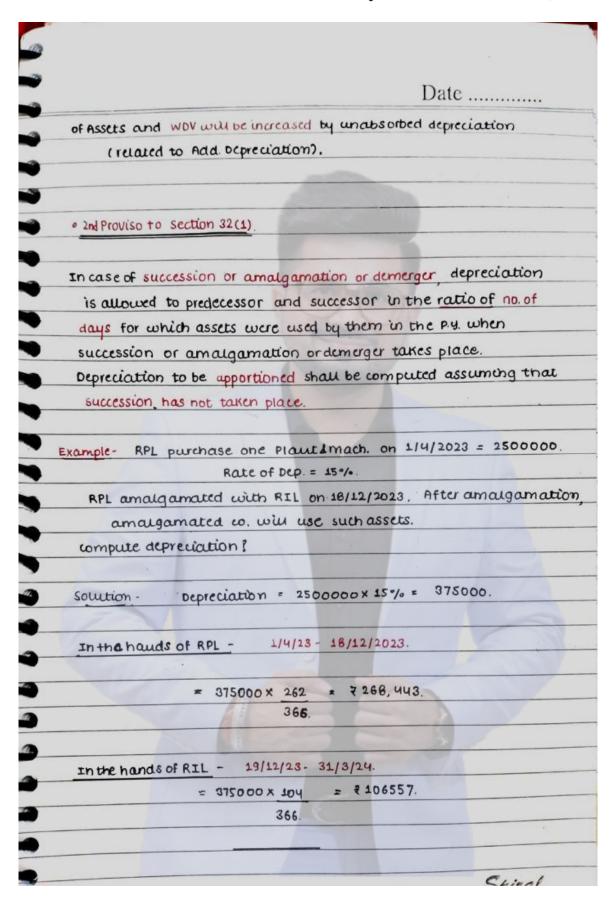






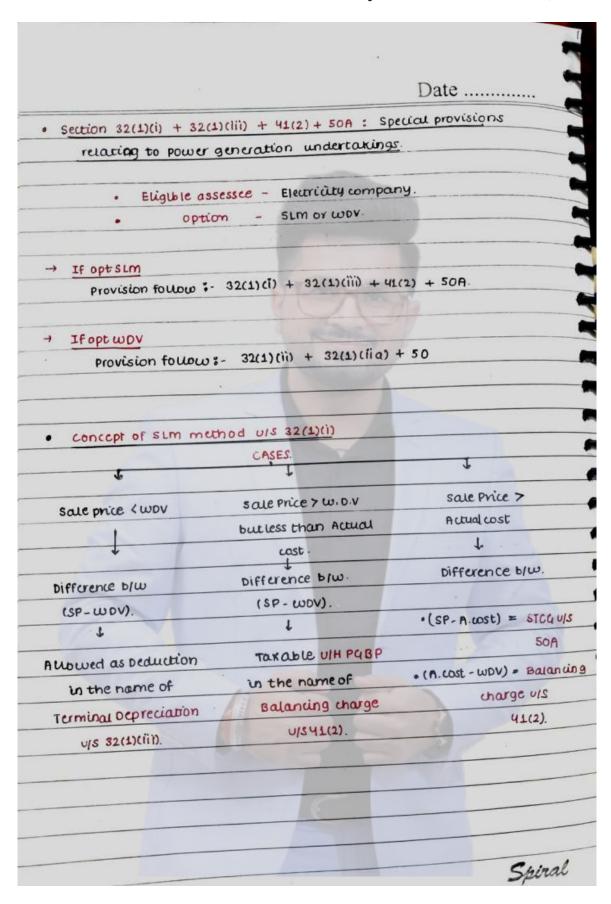




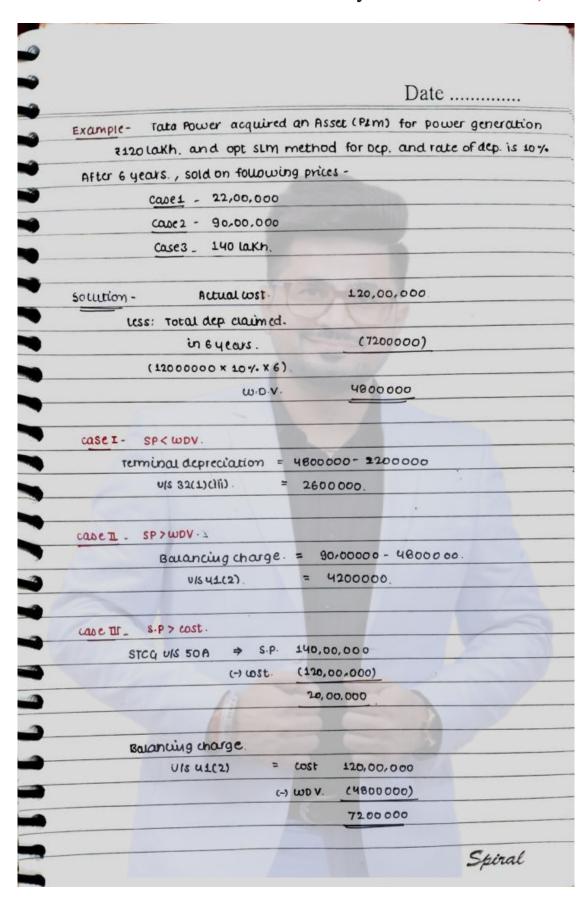


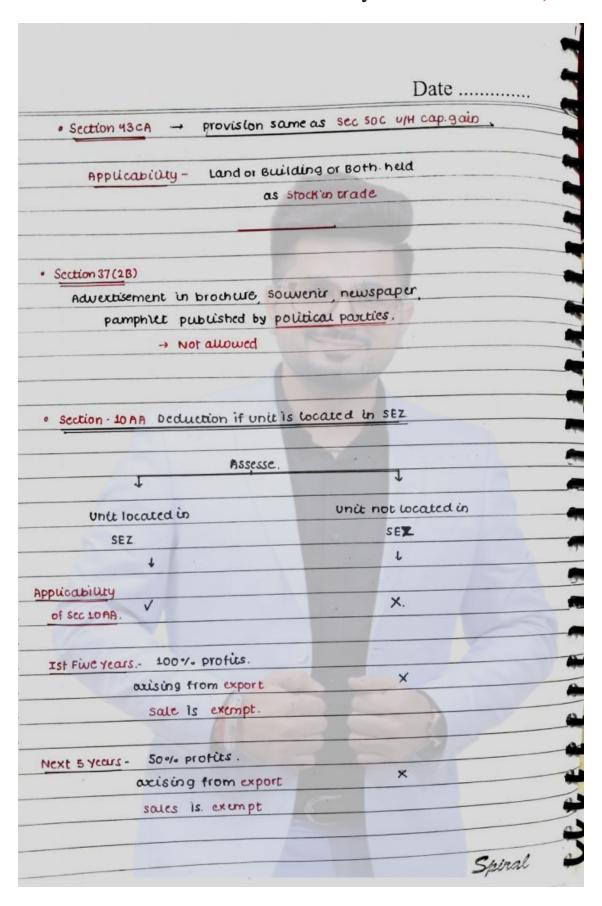
		Date
section 436	6): computation of wov	
	nung wov as on 1141	
1000 10	hase of assets.	
tess: sal	way before Depreciation ***	
	eciation of C.Y. (XXX)	
less: och	way after depreciation. ***	
Section 4	3(1) Actual cost of asset means	
	, Particulars	₹
	Cost of asset (Purchase price).	xxx
Add: 3	installation charges.	×××
Jus.	Transportation expenses for asset	xxx
	Trial Run/Test Run expenses.	XXX
	raxes and Duties. (If ITC not available)	XXX
T	interest on wan taken for acquisition	
0	f asset upto the date of asset put to use.	xxx.
		XXX,
ess: Amo	ount received on sale of trial run product	(×××)
		×××.
less: sub	sidy/Covt. grants received for acquistion	(xxx)
	of assets.	
	Actual cost.	xxx
		1
1		

		Da	ite
→ Ammendment			
where assessee incurs a	ny expenditu	re for acquisi	tion of any
asset or part there of in	respect of wh	uich payment o	r aggregate of
payments made to a pe	rson in a day	, otherwise	than by an
a/c payee cheque or a/c	payee DD or	use of electro	nic dearing system
, exceeds ₹10,000 SU	ich expenditu	ure shall not	form part of
actual cost of su			
	N Carry	The World	
Example-	1 36	100	1
	value	Payment	whether form part
	1/	0000	of C.o. A ornot
1) Machine purchase	8000	cash	V - Dep V
		4	
2) Machine purchase	10000	cash.	V - Depv
3) Machine purchase	20000	10000 cash	Allowed V Dep
		10000 A/C Pau	***
			NO DEP X
4). machine purchase.	20000	cash.	No. Dep A
	30000.	NEFT	V-Depv.
5). machine purchase	30000.	WEFT	
	40000	8000 cash	
6) machine purchase.	40000	32000 A/C POL	MO, BEPX
. /9	100	cheque	
		a.equ.	Allowed V.
	1000 00.	11000 cash.	1
7) Machine purchase	200000.	89000 A/C	only 89000.
		payee cheque	2111
		- Funda a reduce	



pg. 169





Example		Date	
	two units: one located in se	z and other	ocated
	Total turnover of mr. v4 = 80		ot
	(includes 30 crores of u	nick located in s	EZ)
720 crore	e : export sale out of 30 cror		
	fit of SEZ unit -16 crore		
compute	deduction us 10AA.		
Solution -	-01 -00 1000 1000	20 = 10.67 0	rores
	30	777	
	For next 10 years - 10.6	7 2 5.33 cr	ores.
	2	1	
			_
• Expenditu	ure related to scientific resca	rch [section3	5]
• Expenditu	ure related to scientific resca	1	
* Expenditu	The state of the s	deduction	Applicat
	e Nature of Expenditure.	1	
	• Research expenditure for	deduction	Applicat
Section Name	• Research expenditure for scientific research	Deduction Auswed	Applicat - ùùy.
Section Name	Research expenditure for scientific research	deduction	Applicat
Section Name	• Research expenditure for scientific research • Before commencement: 3 years before.	Deduction Auswed	Applicat - ùùy.
Section Name	e Nature of Expenditure. • Research expenditure for scientific research • Before commencement: 3 years before. (Rawmaterial and salary)	Deduction Allowed 100%.	Applicat - ùùy.
Section Name	e Nature of Expenditure. Research expenditure for scientific research Before commencement: 3 years before. (Rawmaterial and salary) After commencement:	Deduction Allowed 100%.	Applicate - ùity.
Section Name	e Nature of Expenditure. • Research expenditure for scientific research • Before commencement: 3 years before. (Rawmaterial and salary)	Deduction Allowed 100%.	Applicate - uity.
section Name 35(1)(1).	Research expenditure for scientific research Before commencement: 3 years before. (Rawmaterial and salary) After commencement: Aurevenue expenditure.	Deduction Allowed 100%.	Applicate - uity.
Section Name	e Nature of Expenditure. Research expenditure for scientific research Before commencement: 3 years before. (Rawmaterial and salary) After commencement: Autrevenue expenditure. Donation to specified.	Deduction Auowed 100%.	Applicate - ùty.
section Name 35(1)(1).	Research expenditure for scientific research Before commencement: 3 years before. (Rawmaterial and salary) After commencement: Aurevenue expenditure.	Deduction Allowed 100%.	Applicate - uity.
section Name 35(1)(i). 35(1)(ii)	e Nature of Expenditure. Research expenditure for scientific research Before commencement: 3 years before. (Rawmaterial and salary) After commencement: Aurevenue expenditure. Donation to specified institute.	Deduction Auowed 100%.	Applicate - ùty.
section Name 35(1)(1).	e Nature of Expenditure. Research expenditure for scientific research Before commencement: 3 years before. (Rawmaterial and salary) After commencement: Autrevenue expenditure. Donation to specified.	Deduction Auowed 100%.	Applicate - ùty.

		Da	te
Section	Nature of Expenditure	oeduction	Applicabilit
Name		Allowed	
• 35(1)(III)	Donation to specified institute		
	(social science or statistical	100%	AU.
	research).	-	
• 35(1)(lv)	capital expenditure for		
	scientific research.		
	· Before commencement:	779	
	(3 years before - au expenses)	100%	Au.
	· After commencement except land	•	
	(Au expenses except land.		
• 35(2AA)	Sum paid to IIT etc. for	A	
	research.	100-/-	Au.
35(2AB)	Expenditure in In-House	4	
05(2/10)	Research except. Negative	100°/e	only company
	goods.		- my company
35 ccc	Expenditure on Agriculture		
1	extension.	100%	AU.
35CCD.	Expenditure on skill	100%	
	development.		only company.
	19		
37(2B).	Expenditure on advertisement		3/
	in magazine of political	Disauowed	AU.
	Pauties.		
35 DD.	Expenditure related to	Allowed in	company
	amalgamation.	5 equal	
		in stallments.	Spiral

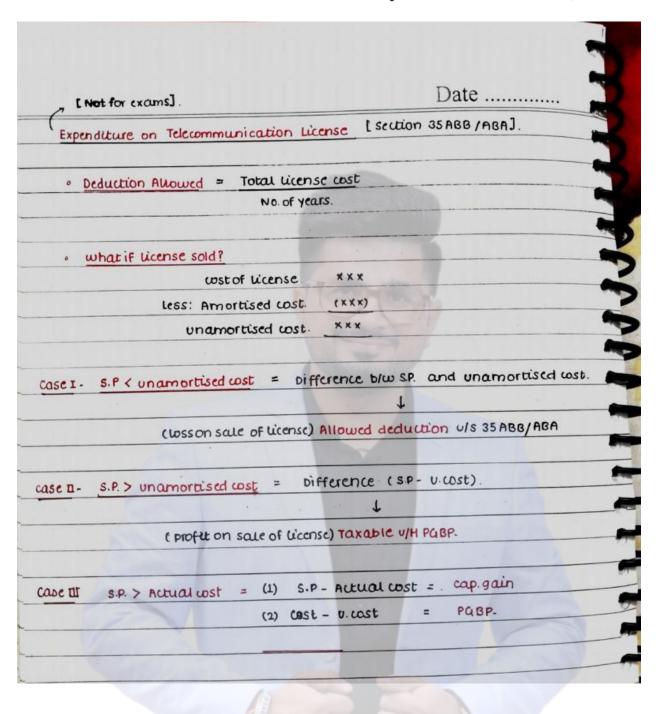
Profit and loss A/C. Particulars To Exp. on Amalgam. To Depreciation (SLM) Hoo,000 To VAS To Exp. on Sci. rescard 100000. To Net profit S1,80,000 tompute in come from PaBP. Solution: Net Profit as per Profit and loss A/C. Net Profit as per Profit and loss A/C. S180000. Add: Expenses debited but not allowed v/H PaBP. Depreciation Exp. on Amalgabiation. (200,000 × 4/s). \$196000\$					D	ate	
Ques-1. Profit and loss A/C. Particulars To Exp on Amalgam. 200,000 Bh (moss profit. S00000 To Depreciation By Int from FD. 100000 (SLM) 400,000 To VAS 120,000 To Exp on sci. rescard 100000. To Net profit. \$1,00,000 compute in come from PGBP. Solution 8- Net Profit as per Profit and loss A/C. \$180000. Add: Expenses debited but not allowed v/H PGBP. Depreciation [400000 x 4/s]. [160000] Less: Income credit but not taxable v/H PGBP Interest from FD. (10,00,000	35 DDA	Exper	aiture relo	ucd to	Auowed	in 5	
Paxticulaxs Paxticulaxs To Exp. on Amalgam To Depreciation (SLM) Hoo,coo To VRS 120,000 To Exp. on sci. rescard 100000. To Net profit s1,80,000 tompute in come from PGBP. Solution: Net Profit as per Profit and was A/C. Add: Expenses debited but not allowed v/H PGBP. Depreciation Exp. on Amalgabilation. (200,000 x 4/s) Less: Income credit but hot taxable v/H PGBP. Interest from F.D. (10,00,000					equal		AU.
Profit and loss A/C. Particulars To Exp. on Amalgam. 200,000. By Int. from FD. 100000 (SLM) 400,000 To VRS 120,000 To Exp. on Sci. rescard 100000. To Net Profit. \$1,80,000 tompute in come from PGBP. Solution: Net Profit as per Profit and loss A/C. S180000. Add: Expenses debited but not allowed v/H PGBP. Pepreciation Exp. on Amalgabilation. (200,000 × 4/s). \$160000\$					instaur	nents.	
Profit and loss A/C. Particulars To Exp. on Amalgam. 200,000. By Int. from FD. 100000 (SLM) 400,000 To VRS 120,000 To Exp. on sci. resaud. 100000. To Net Profit. S1,80,000 tompute in come from PGBP. Solution: Net Profit as per Profit and loss A/C. S180000. Add: Expenses debited but not allowed v/H PGBP. Pepreciation. Exp. on Amalgabilation. (200,000 × 4/s). ESS: Income credit but hot taxable v/H PGBP. Interest from F.D. 100000		*					
Profit and loss A/C. Paxticulaxs 7 Paxticulaxs 9. To Exp. on Amalgam. 200,000. By Int. from FD. 100000 (SLM) 400,000 To VRS 120,000 To Exp. on sci. resaud 100000. To Net Profit. 51,80,000 compute in come from PGBP. Solution 8- Net Profit as per Profit and loss A/C. \$180000. Add: Expenses debited but not allowed v/H PGBP. Pepreciation \$40000 \text{YS}. \$160000 \text{YS}. Exp. on Amalgabilation. (200,000 x 4/S). \$160000\$ ESS: Income credit but hot taxable v/H PGBP. Interest from F.D. \$1000000000000000000000000000000000000			- 80				
Particulars To Exp. on Amalgam- To Depreciation (SLM) HOO,000 To VAS 120,000 To Exp. on Sci. rescard. 100000. To Net Profit. S1,80,000 tompute in come from PaBP. Solution: Net Profit as per Profit and was Aic. S180000. Add: Expenses debited but not allowed v/H PaBP. Pepreciation Exp. on Amalgabiation. (200,000 × 4/5) VRS. (120000 × 4/5). ESS: Theome credit but hot taxable v/H PaBP Interest from F.D. 100000 Representation (100,00,000	Ques-1.						
To Exp. on Amalgam. 200,000. By Int. from FD. 100000 (SLM) 400,000 To VRS 120,000 To Exp. on Sci. rescard 100000. To Net profet. 51,80,000 tompute in come from PGBP. Solution: Net Profit as per Profet and Loss A/C. 5180000. Add: Expenses debited but not allowed U/H PGBP. Pepreciation. [400000] Exp. on Amalgabiation. (200,000 × 4/s). [160000] Exp. on Amalgabiation. (200,000 × 4/s). [36000] CSS: Income credit but not taxable U/H PGBP. Interest from F.D. (10,00,000			1			1 .	
To Depreciation (SLM) HOO,000 To VAS 120,000 To Exp. on Sci. rescard, 100000. To Net profit some from Pab. Solution 6- Net Profit as per Profit and loss A/C. S160000. Add: Expenses debited but not allowed v/H Pabp. Depreciation Exp. on Amalgabiation. (200,000 × 4/s) WAR VRS. (120000 × 4/s). ESS: Income credit but hot taxable v/H Pabp. Interest from F.D. 100000 100000000000000000000000000				-			
To VRS 120,000 To Exp. on sci. rescard 100000. To Net profit. \$1,00,000 compute in come from PCBP. Solution: 8- Net Profit as per Profit and loss A/C. S160000. Add: Expenses debited but not allowed v/H PQBP. Pepreciation. Exp. on Amalgabilation. (200,000 × 4/s). [36000] ess: Income credit but hot taxable v/H PQBP. Interest from F.D. (10,00,000			200,000.	1			
To VRS To Exp. on sci. research 100000. To Net Profit	то осрга		400,000	99 TI)	110177		
To Net profit	To VAS						
Solution: 8- Net Profit as per Profit and was A/C. Net Profit as per Profit and was A/C. Add: Expenses debited but not allowed v/H PaBP. Pepreciation. Exp. on Amalgabilation. (200,000 × 4/s).	TO EXP.	on sch. research	100000.		A		
Solution: 8- Net Profit as per Profit and was A/C. Net Profit as per Profit and was A/C. Add: Expenses debited but not allowed v/H PaBP. Pepreciation. Exp. on Amalgabilation. (200,000 × 4/s).	:0,-				6		
Net Profit as per Profit and was A/C. Net Profit as per Profit and was A/C. Add: Expenses debited but not allowed v/H PaBP. Pepreciation. Exp. on Amalgabilation. (200,000 × 4/s).	To Net	profu.	\$1,00,000				
Net Profit as per Profit and Loss A/C. 100000. 100000. 100000000000000000	to	mpute in a	ome from 1	CABP,			
Net Profit as per Profit and Loss A/C. 100000. 100000. 100000000000000000				100	- 10		
pepreciation \$400000\$ Exp. on Amalgabilation. (200,000 × 4/s) \$160000\$ VRS. (120000× 4/s). \$96000\$ ess: Income credit but not taxable U/H Pabp. Interest from F.D. \$1000000			r profit and	1055 A/C		51600	000.
Exp. on Amalgabilation. (200,000 × 4/s) \$160000\$ VRS. (120000× 4/s). \$96000\$ ess: Income credit but not taxable U/H Pabp Interest from F.D. \$1000000							
Exp. on Amalgabilation. (200,000 × 4/s) VER VRS. (120000 × 4/s). ESS: Income credit but not taxable U/H Page Interest from F.D. C10,00,000	- 1276		DCC 1700 0000			\$4000	000\$
ess: Income credit but not taxable U/H Pape Interest from F.D. (10,00,000		Exp. on Amala	aboution (200,000 ×	4/5)	\$160c	Z00
Income credit but not taxable U/H PABP. (10,00,000						1960	2002
Interest from F.D. C10,00,000							-
Interest from F.D. C10,00,000	ess: Incor	ne credit bu	t not taxab	ce U/H Pa	BP		
Income ult Pabp. 48,36,000				-		(10,00	,000).
Income u/H PGBP. 48, 36,000						W0.04	
		Incom	me ulh pabp		-	48,36	,006
Note. Expenses on Amazgamation and VRS are allowed in				10			
	ote. Exp		augamation		es are au	owed i	n

	[Investment linked incentive]	Date
• Se	ection 35AD: Deduction for essential business (sec 35 AD is optional)
5.No.	Business	% of Deduction
1.	setting up and operating a cold chain	
	facility	100%
2.	setting up and operating a warehousing	
	facility for agricultural produce	100%
3,	laying and operating cross country pipeline	
	for distribution of petroleum oil natural	
	gas.	100%
4.	Building and operating a hotel of 2-star	
	and above.	100%
5.	Building and operating a hospital with	
	minimum 100 patient beds.	100%.
6.	Developing and building a housing project.	
	under slump development scheme.	100%:
7.	Developing and building a housing project.	
	under affordable housing scheme.	100%.
8.	Production of fertilisers in India.	100%
		100 %.
),	setting up and operating inland container	0 //
	depot or container freight station	100%.

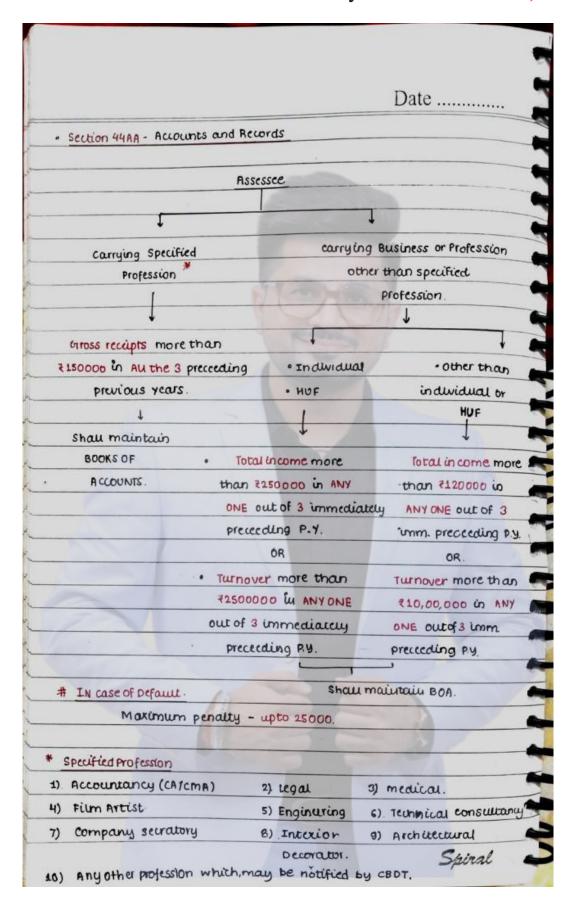
3		
	D	ate
10.	Bee Keeping and production of bee's honey	
	and wax.	100%
11.	setting up and operating a warehousing	
	facility for sugar	100%.
12.	laying and operating a sturry pipeline	
	for transportation of iron ore	100%
13.	setting up and operating a semi-conductor	
)	wafer fabrication manufacturing unit.	
14.	Developing or maintaining and operating or	
	developing, maintaing and operating a	
)	new infrastructure facility.	100%.
condi	tions / Focus Area	
(1). Pla	nt and Machinery must be New.	
Exce	ptions - (i) Imported old plant and mach. (o	n which depreciation
	not claimed under IT Act.	1 /01
	(ii) 20% of total plant and mach. ca	n be old.
(2). Ded	uction allowed on all capital expenses except:	1 1 1 1 1 1
(a)	Land (b) Goodwill (c) Financial Instrument	2
Furth	er, any expenditure in respect of which paym	ent or aggregate of
paumi	ent made to a person of an amount exceeding	₹10000 in a day
othe	rwise than by AIC payer cheque, or an AIC 1	payee DD. or use
of E	cs through a Bank A/c would not be eligible	for deduction.
0, 0		
	25 (2)	
(3), nenr	eciation not allowed if deduction elaimed i	1/5 35AD.

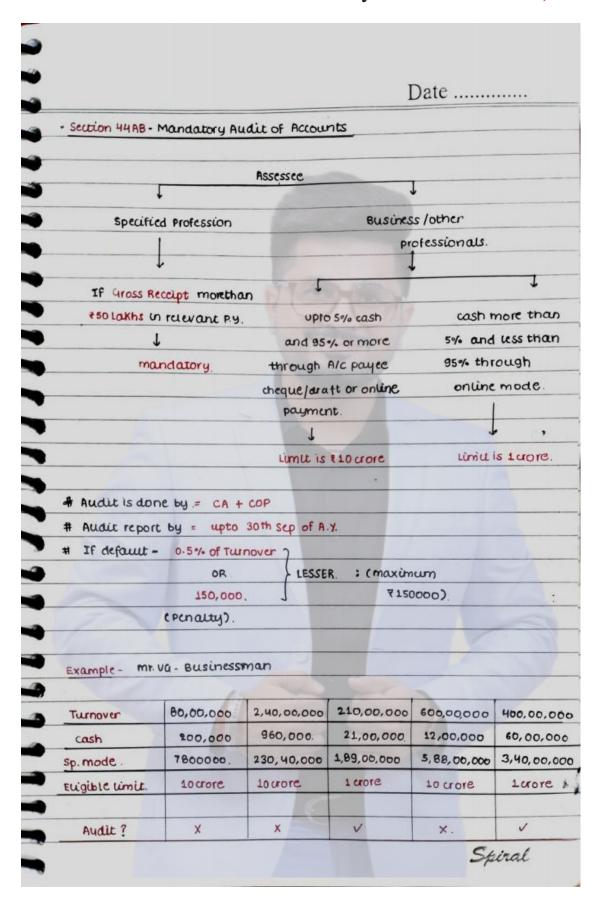
Date
(4). Loss of specified business can be carried forward indefinitely
As per FA 2016 assessee has to file ROI up to due date of ROI
for cif of losses.
(5). If asset (on which deduction claimed uls 35 AD) is sold then
entire sale price shall be taxable as PGBP (section 26).
to the formation to the estable and instrument specified
(6). Loss of specified business can be set off only against specified
business income irrespective of whether the latter is eligible for
deduction us 35 AD.
(7). In case of hotel (2 star or more) if assessee transfers operation to
another person, then assessee shall be deemed to be carrying on
the specified business
t8). Infrastructure facility means-
(i). A road including toll road a bridge or a rail system.
cil) A highway project including housing or other activities
being an integral part of the highway project.
(iii) A port surport inland waterway, inland port or navigation
channel in the sea.
(iv) water supply project, water treatment system vrigation
project, sanitation and sewage system or solid waste
management system.
(9). Assets (on which deduction claimed u/s 35AD) should be exclusively
used for specified business for minimum 8 years from the
year of acquisition.
If it is used for non-specified business within 8 years, then
Spiral

	Date	
following shall be taxable U/H PGBP.		
Amount of deduction claimed uls 3	sap earlier	***
ess: Depreciation that would have been	auowable	(xxx)
if sec 35AD not there		
РИВР		×××
POIDF	COLUMN TO THE PARTY OF THE PART	
PUBP	(10)	
Ver	applicable if co	mpany
NOTE- The above ammendment is not a	applicable if co	mpany
NOTE- The above ammendment is not obecomes sick-industrial company	7 /	
NOTE- The above ammendment is not obecomes sick-industrial company. If asset is transferred from specified	business to a r	non-specifi
NOTE- The above ammendment is not of becomes sick-industrial company. If asset is transferred from specified business within 8 years, then Actual	business to a r	non-specifi
NOTE- The above ammendment is not obecomes sick-industrial company. If asset is transferred from specified	business to a r	non-specifi
NOTE- The above ammendment is not of becomes sick-industrial company. If asset is transferred from specified business within 8 years, then Actual business will be:-	business to a r	non-specifi
NOTE- The above ammendment is not of becomes sick-industrial company. If asset is transferred from specified business within 8 years, then Actual business will be:-	business to a r	non-specifi
NOTE- The above ammendment is not of becomes sick-industrial company. If asset is transferred from specified business within 8 years, then Actual business will be:-	business to a r	non-specifi
NOTE- The above ammendment is not of becomes sick-industrial company. If asset is transferred from specified business within 8 years, then Actual business will be:- cost of such asset. Less: Depreciation allowable if such	Lust for non-s	non-specifi
becomes sick industrial company. If asset is transferred from specified business within 8 years, then Actual business will be:- wost of such asset. Less: Depreciation allowable if such used for non-specified business.	Lust for non-s	non-specifical
NOTE- The above ammendment is not of becomes sick-industrial company. If asset is transferred from specified business within 8 years, then Actual business will be:- cost of such asset. Less: Depreciation allowable if such	twist for non-s	non-specifical



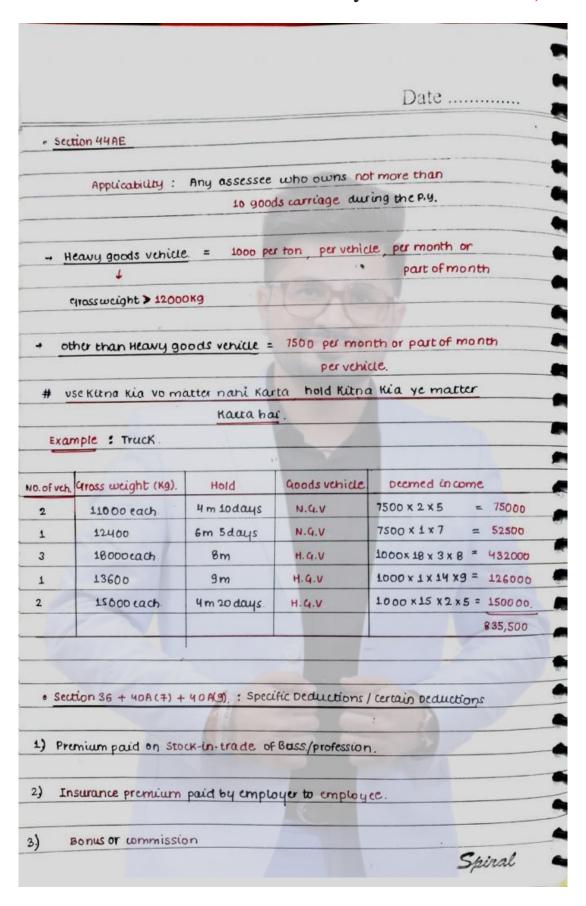
	Date
	Section 37 - General Deduction
1	An expenditure, allowed under section 37, provided - shoulde
•	It is not in the nature of expenditure described under sections 30 to
•	it is not in the nature of capital expenditure.
•	it is not a personal expenditure of the assessee.
•	it is laid out and expended wholly and exclusively for the purpo
	of business/profession.
•	this not incurred for any purpose which is an offence or which is prohibited by law, and [Exp. 1 to sec 37].
•	It is not an expenditure incurred by an assessee on CSR activities referred to in section 135 of companies Act, 2013. [Exp. 2 to sec 37]
	CRUX
	To expenditure sec 30 to 36 the allowed nahi hue, vo sabhi
	expenditure Sec 37 me abowed honge only if-
	Revenue expenditure + 100% related to business + Legal exp.
	+ csr wall exp. ha ho.
×	ample - Adv. exp, SPF contribution, staff salary, petty exp,
	electricity exp. etc.



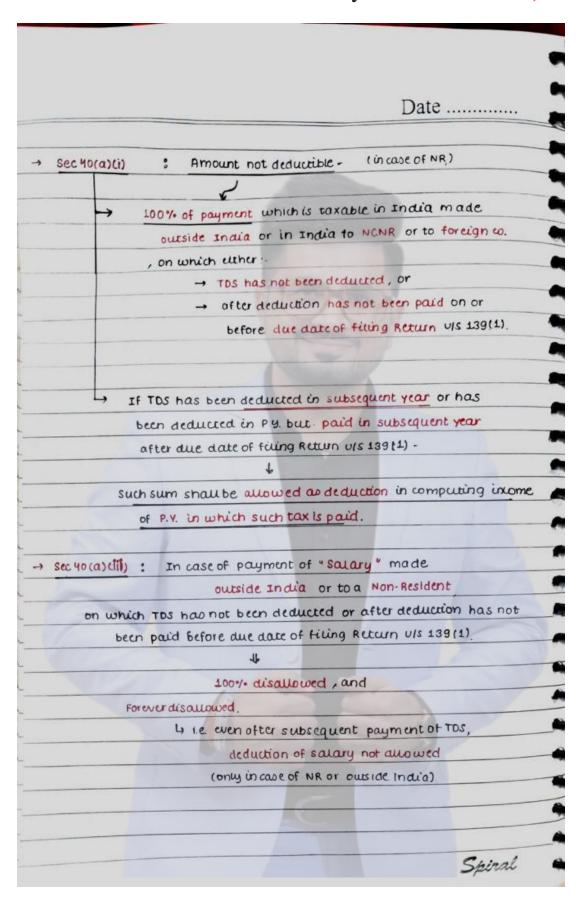


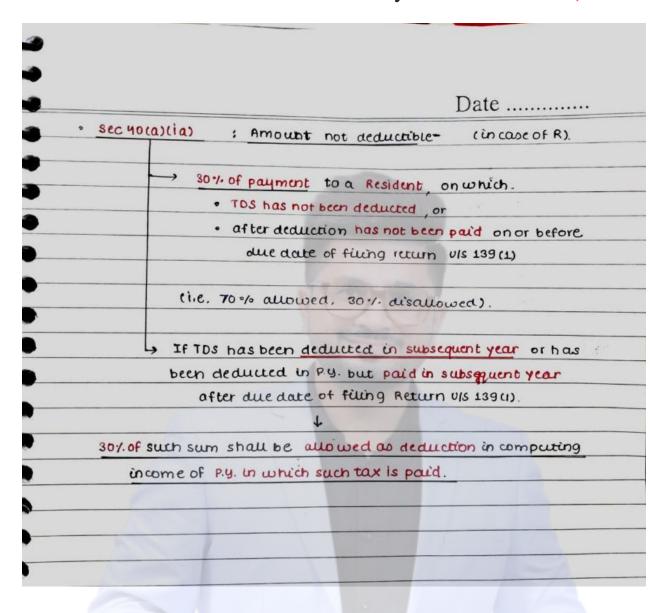
(most	t important)	Date
· Section 44 AD / 44 ADA		
		to to a con-
	44 AD	4 4 ADA
	Resident	Resident
Eligible Assessee.	→ Individual	→ Individual
	→ HUF	- HOR
	+ Firm (TDR)	+ Firm (LDP)
		79
• Section Name	Presumptive Taxation	presumptive Taxation
	for Business or non-	for specified
	specified professional.	professional
• Eligible Turnover.		
upto 5-/. cash	Turnover upto	Gross Receipts upto
95-1. or more sp. mode.	3 crores	75lakhs
If not satisfied.	Turnover upto 2 crore	cuross receipts upto 5010kh
Decmed Pabp	+ 8% of turnover	
Income.	+ 6% of turnover (if payment	50% of Tumover
	received through sp. mode	20 7. 01 10111000
	upto duedate of filing	
P-12-12-12-12-12-12-12-12-12-12-12-12-12-	ROI)	
Expenditure allowed	Not allowed	Not allowed
or Disallowed	Not awallowed	Not disauowed.
Books of Accounts.	Not Required	
and Audit	- Manual	Not required.
		Spiral

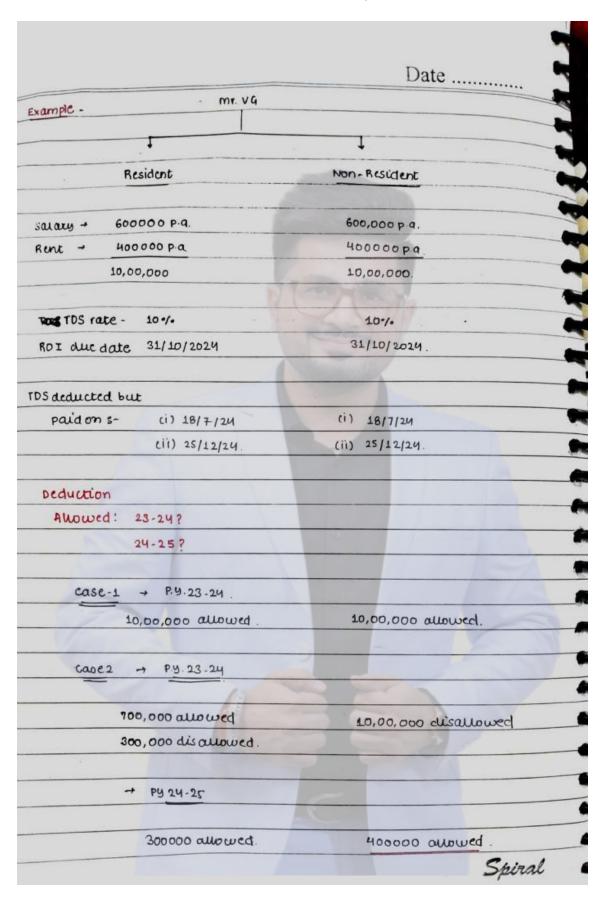
•		44 A	D	44 ADA	
• Set off of Wasses		Auow		Allowed	
		naca	u	Hubacq	
· Deduction U/C V	/I-A	Allowe	ed	Auowed	
· Lock-in period	+	5 A.Y.		No tock-in F	period.
		(uuno lena !	nai to		
		lagatar sy	ears I una hai		
		agar bichn	ne withdraw		
		Kia to, next	5 y cars		
		44AD nani milega)			
Example -	Rec.	Busines	sman	Professio	
Turnover/uross F	Rec	Busines 2,60,00,000 780,000	sman 190,00,000 1,10,00,000	14,00,000	40,00,000 25,00,000
Turnover/uross F	Rea	Busines 2,60,00,000	sman 190,00,000	70,00,000	40,00,000
Turnover/uross F		Busines 2,60,00,000 780,000	sman 190,00,000 1,10,00,000	14,00,000	40,00,000 25,00,000
Turnover/41088 F cash sp. mode	D/ADA	Busines 2,60,00,000 780,000 2,52,20,000	sman 190,00,000 1,10,00,000 80,00,000	70,00,000 14,00,000 68,60,000	40,00,000 25,00,000 15,00,000
Turnover/41055 F cash sp. mode Eligible limit 44 AC	D/ADA r not.	Busines 2,60,00,000 780,000 2,52,20,000 3 crore Yes	sman 190,00,000 1,10,00,000 80,00,000	70,00,000 14,00,000 68,60,000	40,00,000 25,00,000 15,00,000
Turnover/uross F cash sp. mode Etigible limit 44 AC whether eligible of	D/ADA r not.	Busines 2,60,00,000 780,000 2,52,20,000 3 crore Yes	sman 190,00,000 1,10,00,000 80,00,000 2 crore Yes	70,00,000 14,00,000 68,60,000	40,00,000 25,00,000 15,00,000 50 lakh Yes

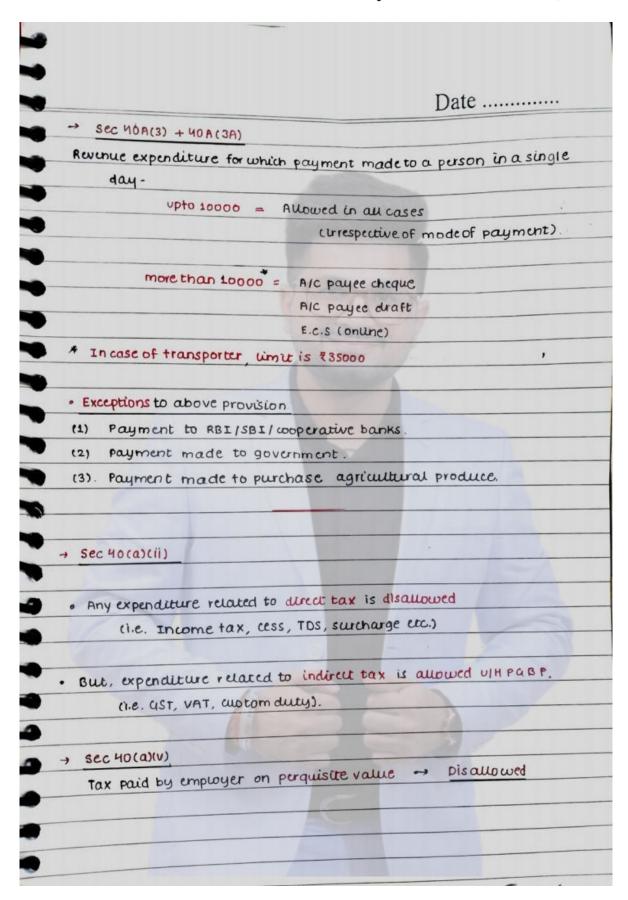


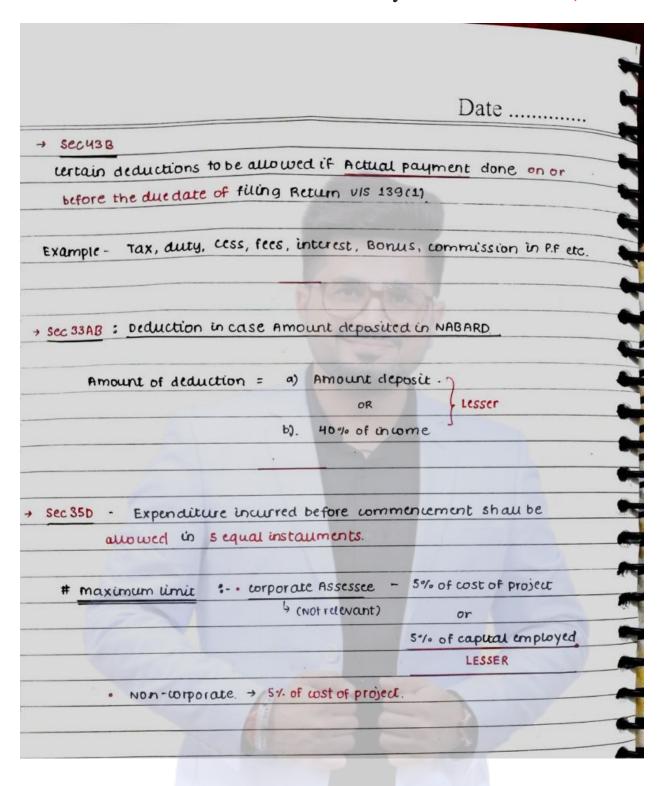
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Date .....
  4).
       Interest on capital borrowed.
  5)
      discount on zero coupon Bond on pro-rata basis.
     Employer contribution in Approved Gratuity Fund Approved Pension
      Fund Approved provident fund or any other employee welfare
       fund - Allowed as deduction.
     If fund are unapproved, Disauowed Uls 40A(7) + 40A(9).
 7).
       Bad Debts written off. (Recovery of bad debts recovered
                                               taxable u/s 41(4))
 8)
      Expenditure on Family Planning -> Allowed to company only
            > Revenue exp. = 100% Aubwed
            4 capital exp. 2 1/5th Allowed. (5 installments)
     STT or CTT paid allowed as deduction.
9)
     Provision for bad and doubtful debts in case of specified Banks
10)
· Section 40(a)(i) + 40(a)(ia) + 40(a)(ii) + 40(a)(ib) + 40(a)(iii) +40(a)(v)
       + 4000) 40A(2) + 40A(3) + 40A(3A).
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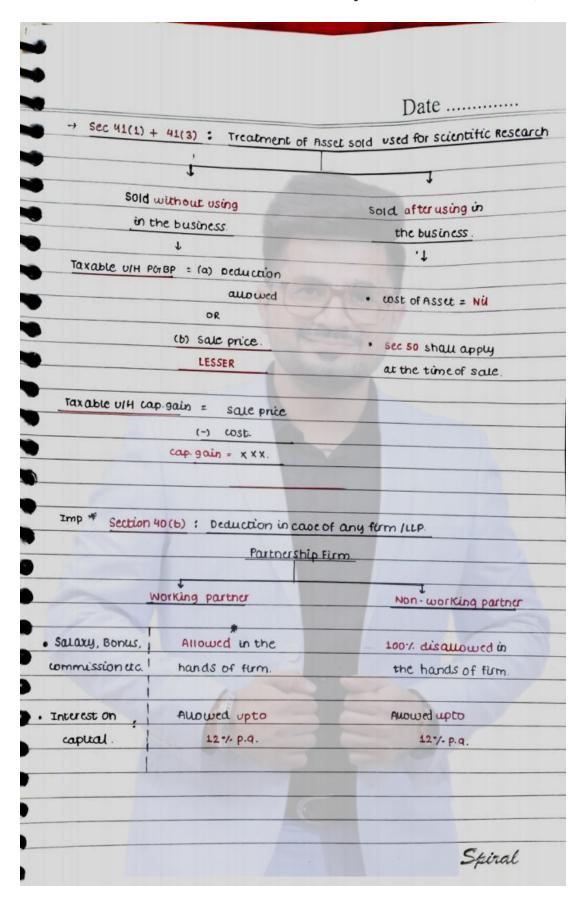




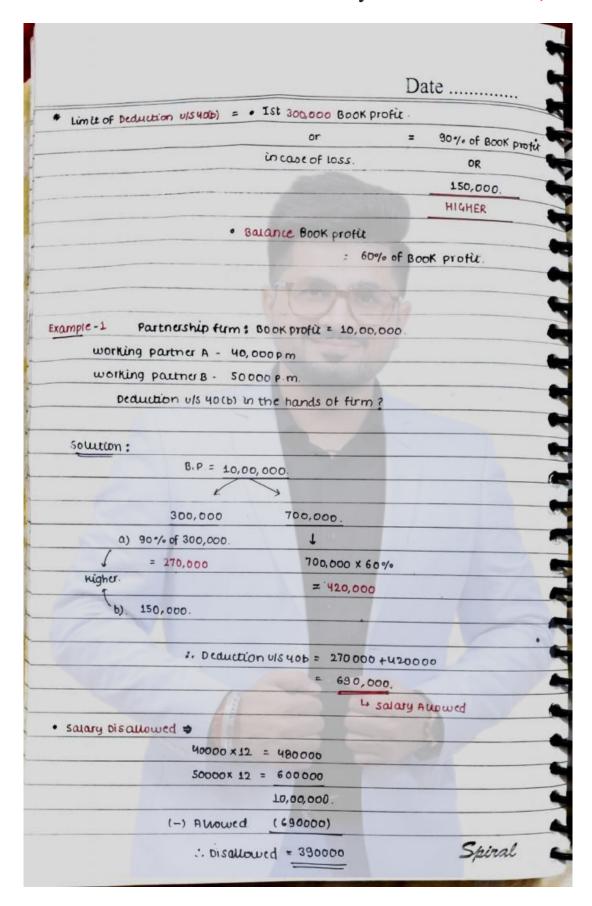








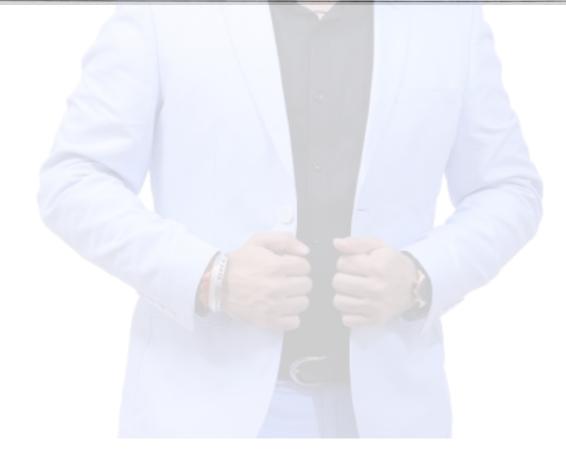
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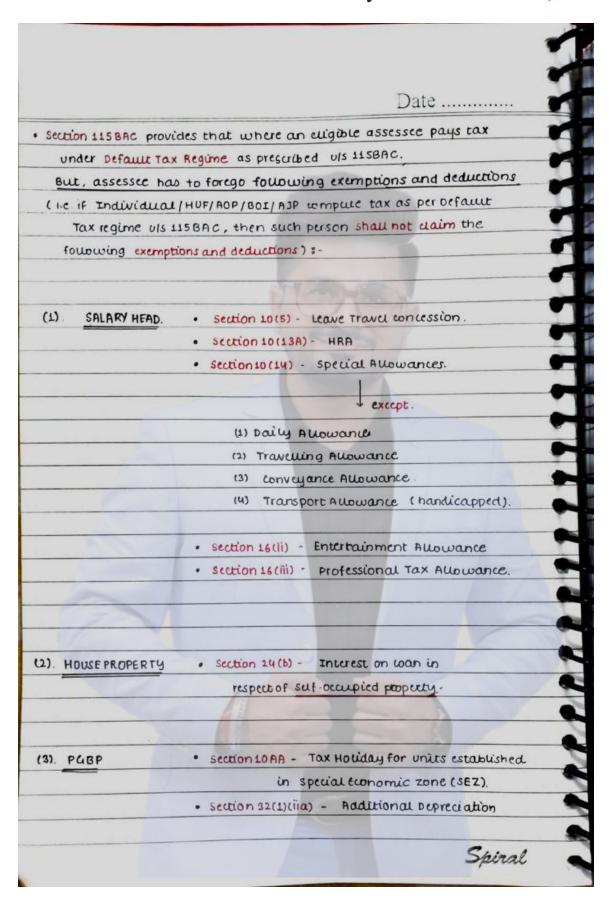


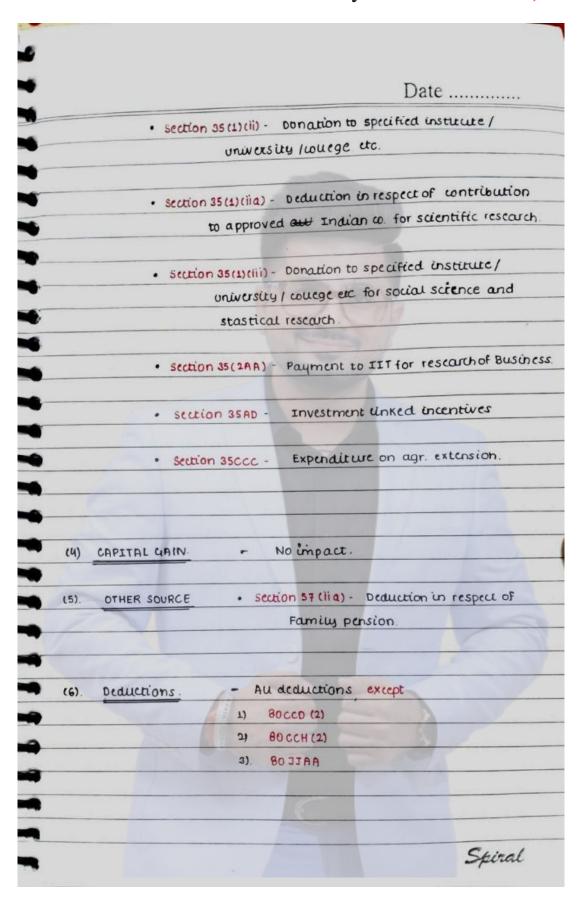
Sau W.PA = 25000 W.PB = 40000 N.W.PC = 20000 De Solution : comput	0 pm. 400,00	Int paid 13-7 00 13-7 00 9-% 14-7 2 Ubwed it = 1500000.	by furn	
W.P-B = 40000 N.W.P-C = 20000 De Solution; comput	D. p.m. 500,000 D. p.m. 400,000 D. p.m. 500,000 D. p.m. 400,000 D. p.m. 400,00	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$,000.	
W.P-B = 40000 N.W.P-C = 20000 De Solution; comput	0 pm. 400,00 0 pm. 400,00 eduction vis 40(b) tation of salary al Total Book profit ⇒ 300,000 x 90 0R 150000.	9% $14%$,000.	
Solution; comput	opm. 400,00 eduction vis 40(b) tation of salary al Total Book profit ⇒ 300,000 x 90 OR 150000.	149 3 Upwed it = 1500000.	,000.	
Solution; comput	tation of salary al Total Book profit 300,000 x 90 0R 150000.	} uowed it = 1500000.	,000.	
Ist.300,000.	Total Book profit ⇒ 300,000 x 90 OR 150000.	Uowed it = 1500000. 0°%.] = 270		
Ist.300,000.	Total Book profit ⇒ 300,000 x 90 OR 150000. 12,00,000 x 60./•	it = 1500000.		
Ist.300,000.	Total Book profit ⇒ 300,000 x 90 OR 150000. 12,00,000 x 60./•	it = 1500000.		
	0R 150000. 12,00,000 × 60*/•	} = 270		
	0R 150000. 12,00,000 × 60*/•	} = 270		
Balance > 1	150000. 12,00,000 × 60./.	,		
Balance > 1	12,00,000 × 60./.	= 7200	0000,	
Balance >:		= 7200	0000.	
	Salary Al			
	Salary Al			
		ubwed 990	000,	
	\			
salary Disauowed	d. ⇒ 25000×12 +	400000 x 12		-100
(W.P.A and	(B) = 780,0	000. → 100%	Awwed.	
Di	isauowed = 0			
-				
N.W.P → C = 20,	,000 × 12 = 24000	oo. (Disallow	edo	
		7		
→ Inverest on capi	ital:- capital	Upto 12%	EXCL	22
	500,000.	60,000 au	wed 5	000 Disauowa
	400,000	36000 auo	wed.	-
	400000	48000 auo	wed Bo	000 Disallowe
		6		

			Date	
Book Profit means the	net profit as s	shown in PILA!	c should be	
increased by remu	neration paid	or payable to	all the partners	
and Interest in excess in	which	en debucq wh	ile computing	
	- 4			
Example -				-
	Profit and	WSS A/C.		
To Rem. to partner.	400000	Ciross profit.	20,00,000.	
To Int.@ 14-1.	14000.	ROW		
To Net profit.	15.01.5			
is is a profit.	15,86,000.			
-				
		N. C.		
• BOOK profit = 1586	000 + 400,00	00 + 2000.		
= 19, 0	8,000.			
computation of Book	Profit.			1
Net profit a	S ner nealit an	4		
wa projec a	s per profit an	a was Aic.	x xxx	
Add! Remuneration po	aid or payable	to au	× ××	
partners of fir			* * X	
Add! Intuest in ex		2	×××	7
1	A	-		
	BOOK Profile		23	
V			10/14	
Added only if the sam	ehas			

Example - Case I	
	case 1
Net profit (after deduction of	Net profit (before deduction of
following items) = 800000	following items) - = 800,000
→ Remuneration to pareners = 300000 →	Remuneration to partners = 300000
The second secon	Interest @ 14% p.a. = 140000.
Book profit = 800000 + 300000	BOOK profut = 800,000
+ 20000 (excess 2./.)	-120,000 (12% int)
= ₹11,20,000.	= ₹ 680,000







Date

• miscellaneous / other topics.

• section 10(17) - Daily Albawance to mp/mlA.

• Isoo per child.

• section 10(32) - Exemption in respect of income of minor child included in the income of parents.

• Additional point.

1) Ho use property loss can be set off only with House property income in case of Default Scheme.

Assignment	Page No. Q. Date
	CHAPTER-9
1	CLUBBING OF INCOME
	_Section_60-65_
•>	Section - 60: Transfer of Income without transfer of Asset.
•	If any person transfers the Income (whether
	revocable or not) from any asset.
	Without transferring the asset itself. Such income is to be included in the total income of the transferor.
	Example: Powns 5000 15% debentures of CLtd. of 100 each (annual interest being 75000.). On April 1, 2018 he transfers interest income to 5, his friend, without transferring the ownership of these debentures. Interest received in hands of 5 is taxable in the hands of P, as he has transferred income without transfer of asset.
	Example: V transfers income from house property to his friend Mr. 5 without transferring the house property to him. Here the income from house property will be clubbed with the income of Mr. V
•>	Section- 61: Revocable Transfer of Assets.
•	All income arising to any person by virtue of a revocable transfer of assets.
Remarks	

Assignment	Page No. 9. 2 Date
•	Shall be chargeable to Income tax as the income
	of the transferor and ls to be included in the total income of the transferor
•>	Section 63: Revocable Transfer
	It contains any provision for retransfer, directly or indirectly, of the whole or any part of the income or assets to the transferor, or
b.)	It gives, in any way to the transferor, a right to reassume power, directly or indirectly, over the whole or any part of the income of the assets.
	Example: Mr. VG transfers house property to his friend Mr. Y for seven years. Here the transfer is revocable after seven years and therefore, the income from house property will be clubbed with the income of Mr. VG.
	Section 62: Exceptions where clubbing provision are not attracted even in case of revocable transfer (i.e. Irrevocable transfer)
	Transfer not revocable during the lifetime of the beneficiary or the transferee.
•	If there is a transfer of asset which is not revocable During the life time of the transferee. The income from the transferred asset is not includible in the total income of the transferor
Remarks	

Assignment	Page No. 9. 3 Date
•	Provided the transferor derives no direct or indirect benefit from such income.
	Exception
•	If the transferor receives direct or indirect benefit from such income, such income is to be included in his total income of transferor even though the transfer may not be revocable during the life time
	of the transferee. Income shall be clubbed in the income of the transferor, as and when power to revoke arises (i.e on the date of the beneficiary / transferee.
	Actual revocation of asset is not relevant. Section 64 (1)(ii): Remuneration of Spouse
1:	If spouse of an individual is receiving; salary, commission, fees or any other form of remuneration, whether in cash or in kind from a concern in which such individual has a substantia interest shall be included in income of individual. FOCUS AREA Where spouse possesses technical or professional
Remarks	qualifications and the income to the spouse is solely attributable to the application of his/her technical or professional Knowledge or experience the income shall not be clubbed.

Assignment	Page No. 9.4 Date
2:	Substantial Interest: A person is said to have substantial interest in a concern if he is owner of at least 20% of the concern. Ownership of his relatives shall also be included. NOTE: Relative means husband, wife, brother or sister or any lineal ascendant or descendant of the individual.
3.	Technical or professional qualification shall include not only degree or membership but also experience or expertise or natural talent.
	Where both husband and wife have substantial interest in a concern and both are in receipt of income by way of salary etc. from the said concern, such income will be includible in hands of that spouse whose total income excluding such income is higher.
	Where such income is once included in the total income of either spouse, any such income arising in any subsequent year will not be included in the total income of the other spouse unless the assessing officer is satisfied after giving that spouse an opportunity of being heard that it is necessary to do so.
Remarks	

Assignment	Page No. 9.5
•>	Section 64(1)(iv): Income from assets transferr
	to Spouse.
	When any assets is gifted by an individual to
	his/her spouse any income from such assets
1. 1	shall be deemed to be income of transferor
	(This section applies to all assets except house
	property.)
>	EXCEPTION
	(i) If relationship of husband and wife doesn't
	exist either at the time of transfer or of
	accrual of income.
_	(ii) Transfer is under an agreement to live apar
•>	Section 64(1)(vi): Income from assets transferre
-	to son's wife without inadequate consideration
	by Father-in- law or Mother-in-law.
	Asset transferred by an individual to son's wife
	without adequate consideration . Income from
	such asset shall be clubbed in the hands of
	transferor. The relationship must exist at both
	time i.e at the time of transfer and at the
	time of accrual.
•>	Section 64(1)(vii & viji): Income of individual
	to include income of AOP to which assets are
-	transferred for the benefit of spouse & son's wife
	Assets transferred to a person or an AOP (Trust)
emarks	

Assignment	Page No. 9.6 Date
	without inadequate consideration for immediate
-	or deferred benefit of his/her spouse or son's wife. Income from such asset to be clubbed in the hands of the transferor.
•>	Section 64(1A): Income of Minor Child
	All income of a minor is to be included in the income of his parent whose total income is greater before clubbing the income of minor child.
-	If marriage of the parents does not subsist the income of the minor will be includible in the income of that parent who maintains the minor child.
3.	Where such income is once included in the total income of either parent, any such income arising in any subsequent year will not be included in the total income of the other parents unless the A.O is satisfied
	after giving that parent an opportunity of being heard that it is necessary to do so.
ц.	If none of the parent is alive minor shall file reture through legal quardian. There shall be no clubbing even if grand parents are alive or not.
5.	If the minor child become major during the P.Y. then the incomes which have accrued to him till date he attains majority shall be clubbed.
10000	In the following cases income of minor child shall not be included. a) Child suffering from any disability of the nature specified in section 80 U shall not be included in the hands of the parent but assesse
Remarks	

Assignment			Page No. 4, 7 Date		
	in the hands of the child.	= Q			
	b) Income of child on account	of manu	al work		
	or activity involving skill ,to	alent or s	pecialized		
	Knowledge or experience etc	. But if su	ich income		
	is further invested, any suc	h income :	shall be		
	clubbed in the income of m				
7.	Minor includes adopted, step and minor married				
	daughter,	79			
	Section 10(32): If income of an individual includes				
	the income of his minor child, the individual shall				
	be entitled to exemption upto \$\mathcal{E}\$ 1500 per child.				
	This provision is to provide relief to the individua				
	in whose total income, the income of minor child				
	is included.				
	Example: Mr. D has three minor children - 2 twin				
	daughters and one son. Income of twin daughters				
	is 2000 p.a each and that of son is 1200 p.a.				
15.	Compute the income, in respect of minor children				
	to be clubbed in the hands of Mr. D.				
	Solution: Taxable income, in re	espect of	minor		
	children, in the hand	ts of Mr.	A is		
	Particulars	Amount	Amount		
	Twin minor daughter (2000x2)	4000			
Less:	Exemptuls 10(32) (1500 x2)	3000			
	Minor son	1200	1000		
Less:	Exempt uls 10(32)	1200	Nil		
	Income to be clubbed in the		1000		

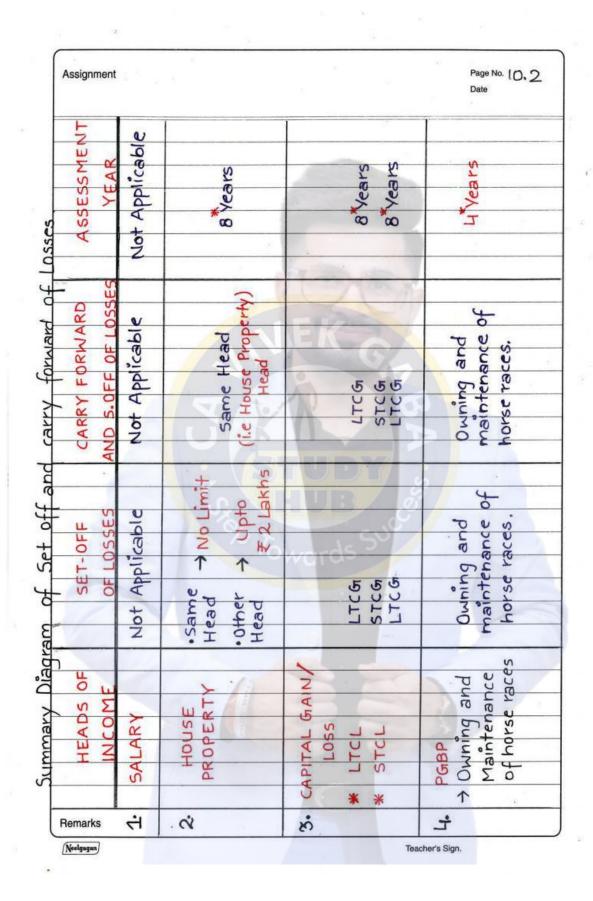
Assignment	Page No. 9.8 Date
•>	Cross Transfers
	As per SC judgement, such cross transfers shall be subjected to clubbing provisions, considering the same as tax evasion device.
•>	Section 64(2): Conversion into HUF Property
	If an individual, who is a member of the HUF converts his self-acquired property as the proper of the HUF, then the income derived by HUF from such property shall be included in the income of member.
•>	Section 65: Liability of the transferee in respect
	If any particular income of one person has been clubbed in the income of a second person but tax cannot be recovered from the second person, then the income tax authorities can demand the tax from the 1st person only to the extent of his income was clubbed in the income of 2nd person
Remarks	

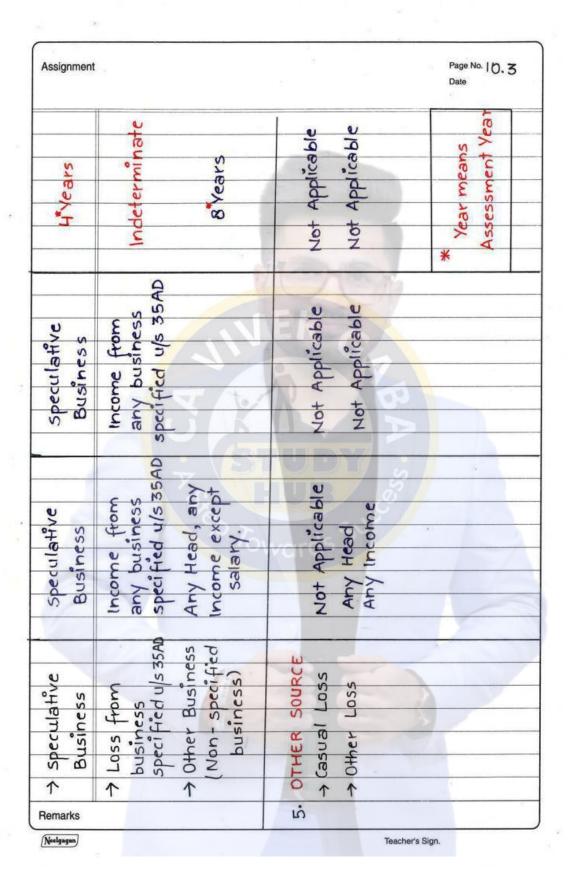
Assignment	Page No. 9.9 Date
•>	Rules for clubbing of Income / How to club Incom
	Clubbing of income will also include clubbing of losses. Income shall be clubbed in the following manner:
STEP-1	Calculate the income/loss in the hands of the
	recepient as if it is the income of the recipient . All
	deductions under the relevant head will be allowed
	while calculating the income.
STEP-2	The income or losses calculated as above will then be clubbed with the income of the transferor under
	the same head (i.e. the head from which such
	income belongs.) Exemption upto Rs. 1500 p.a. per child is available uls 10(32) in respect of clubbing of income of a minor child.
STEP-3	Such clubbed income is the income of transferor
	and the provisions relating to set-off & carry
	forward of losses shall apply in the normal manner
	Deduction u/s 800 to 804 shall also be allowed in
	the normal manner.
•>	Gieneral Law Applicable to Clubbing of Income
7	OTENETAT LAW Applicable to Clubbing of Income
1:	The clubbing shall continue to apply even if the
	transferee has converted the transferred assets to
	Some other form. Income shall include loss also. Therefore, losses
	are also to be clubbed
Remarks	

Assignment	Page No. Q. [O
ჳ.	If the transferee sells the transferred assets, then capital gain shall also be clubbed with the income
4.	of transferor. Income arising out of the income earned on transfer assets shall not be clubbed except in case of minor.
5.	The Supreme court in the case of J.H Gotta held that the clubbed income shall be retained under the
	same head in which it is earned. Therefore, business income of a minor child shall be clubbed in the
	hands of parents under the head "PGBP". The
	business losses of the parent can be set off against such income.
6.	While clubbing the income, the deductions available
	under five heads of income shall be allowed and
~	the income after such deduction shall be clubbed
	clubbing will take place even if the assets are indirectly transferred or transferred to cross
-	transfers
8.	If interest free Loan is given by husband to wife / individual to HUF and the person to whom the loan
	is given purchase an asset out of the loan, then income from such asset shall not be clubbed in the
	hands of the person who has given the loan. This
	is because giving a loan is not a transfer of assets. Clubbing applies when assets are transferred for
	without / inadequate consideration.
q.	The HUF is a partner in firm XYZ though its Karta
	Mr. A and has 25% share in the profits of firm.
	Wife of Mr. A is employed by firm XYZ. In this case
emarks	clubbing shall not apply because Mr. A is partner in

Assignment	Page No. Q . []				
	representative capacity and not in his individual				
	capacity Clubbing applies where an individual is a				
	capacity. Clubbing applies where an individual is a partner in his individual capacity and has substant				
	interest in the firm and his spouse get remuneration				
	from the firm.				
10.	If a trust is created for the benefit of a minor chil				
-	then the income of trust shall be clubbed with the				
	income of parent uls 64 (1A). This shall apply eve				
	if the trust deed provides that the income shall be				
	accumulated by trust and shall be given to minor				
	child when he attains majority. Clubbing provisions				
	uls 64(1A) shall apply since the income accrues for				
	the benefit of minor child although it may be				
4	given on attaining majority ,				
	Chrone S				
	Overds .				
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4					
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Remarks					

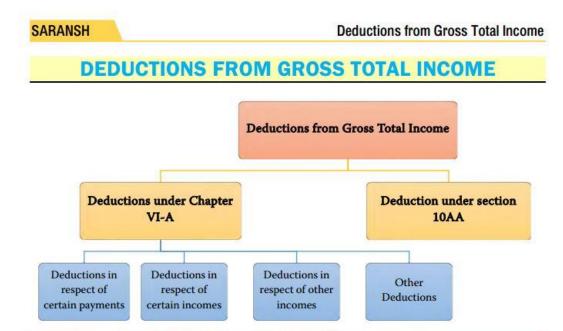
Assignment	Page No. [O •]
	CHAPTER-10
	SET OFF AND CARRY FORWARD OF LOSSES
•>	Steps For Set Off
STEP-1	Loss should be set off from the same source. For example if there is loss from STCL then first it should be set off from STCGI.
	If after setting off loss from same source still there is loss, then it has to be set off from different source under same head.
	After inter-source adjustment only inter-head adj. can be made No order of inter-head adjustment is given by the Act. So, if inter head adjustment is allowed then losses should be set off in any way which is most beneficial to the assessee.
•>	Order of set-off of Losses
	As per section 72(2), Brought forward business Loss is to be set-off before setting off unabsorbed depreciation. Therefore, the order in which carry forward and set off will be affected, is as follows:
	Current year business Expenses.
200	Current year depreciation/current year capital
3.	Brought Forward business loss (section 72)
	Unabsorbed Depriciation (section 32(2) / family planning (section 36)
	picture of Colorina and Colorin





ssignment	2.1			Page No. O. 4 Date
	FOCUS AR	EA_		
J.	Whenever ii	ncome is exen	npt then loss	ses does not
*		ax treatment 1		
2.	Loss from a	any lottery, ca	ird games, ra	aces etc are
	not eligible	for set off ar	nd clf and i	osses cannot
	be set off a	gainst the inc	ome referred	uls 115BB.
	The state of the s	come, crossu	word puzzle	s, incomes in
-	TV shows e			
		rom a busine		t off even if
	Ann The	ss is Not Con		1 0100011
4.	If there is income under any head and eligible			
	losses under any other head, such loss shall be first set off against the income before set off			
	and of of		income bet	re seroff
		osses not per	missible ans	inst unevoluis
		estment, mor		
		169B 169C 169		
		1º Town	155	
•>	Treatment	of Losses in	case of Am	algamation
	Succession	(Sec. 72 A).		J
	Case	Accumulated	Canbe	Time
	3	Business	c/f by	Limit
	MP	Losses	63 1	
1.	Amalgamatio	n Amalgamatin	g Amalgamate	d Fresh perio
	Sec. 2(1B)	Company	Company	of 8A.Y
2.	Demerger	Demerged	Resulting	Remaining
	Sec. 2 (19AA)	Company	Company	period of 8 A
emarks		, ,	, ,	

Assignmen	t			Page No. 10.5 Date
3.	Conversion of	Firm/	Successor	Fresh
	Firm/Proprietory		Company	period of
	into Co.	concern	1 1	8 A.Y
	Sec. 47(xiii)/			
-	(xiv)			× ×
4.	Unlisted Co.	Unlisted	LLP	Fresh
	into LLP	Company	(3)	period of
79	(Sec. 47 (xiiib)			8 A.Y
	NOTE:		O.	
	Unabsorbed di	epricialion car	TOC CAPTICU	- Control
	Unabsorbed de by Amalgama LLP for unlimi	ted Co. / Resulted Period.	ting Co. 1 suc	ccessor Co.
	by Amalgama	ted Co. / Resulted Period .	speculative	ccessor Co.
2:	by Amalgama LLP for unlimi Only business	ted Co. / Resulted Period . losses except by successo	speculative	business
2:	by Amalgama LLP for unlimi Only business loss can be clf Section 79: C in the case of	ted Co. / Resulted Period . losses except by successor arry Forward certain com	speculative and Set of	business
2:	by Amalgama LLP for unlimi Only business loss can be clf Section 79: C in the case of	losses except by successo arry Forward certain com	speculative land Set of panies.	business f of Losse
2:	Donly business loss can be clf Section 79: Con the case of the ca	losses except by successor certain com	speculative I and Set of panies, mpany, whe	business f of Losse reachang then no
2:	by Amalgama LLP for unliming Only business loss can be clf Section 79: Con the case of the case of a clin shareholding loss incurred in	losses except by successor certain com asely held com any year p	speculative I and Set of panies, mpany, whe	business f of Losse re a change then no P.y shall
2:	by Amalgama LLP for unlimi Only business loss can be clf Section 79: C in the case of In case of a cl in shareholding loss incurred in be carried forw	losses except by successor arry Forward certain com asely held com any year prize and and set	speculative land Set of panies. mpany, whe lace in a P.Y. off against.	the income
2:	Dnly business loss can be clf Section 79: C in the case of In case of a cl in shareholding be carried forw of the P.Y unle	losses except by successor arry Forward certain com bas taken p has taken p hand set ss on the las	speculative I and Set of panies. mpany, whe lace in a P.Y. the off against to such the day of the	business f of Losse re a change then no P.y shall
2:	Donly business loss can be clf Section 79: Con the case of loss incurred in the last clay of the Ry unle	losses except by successor arry Forward certain com basely held com has taken p hand set ss on the lase	speculative land Set of panies, mpany, whe lace in a P.Y. off against that of the which loss	the income P. y and or Was
2:	Donly business loss can be clf Section 79: Con the case of the case of a clin shareholding be carried forw of the P.Y unlet the last day of incurred, the sincurred, the sincurred sincur	losses except by successor arry Forward certain com basely held com has taken p hand set ss on the lase	speculative of and Set of panies. mpany, whe lace in a P.Y. which to such the which loss company ca	the income P. y and or Was



DEDUCTIONS IN RESPECT OF CERTAIN PAYMENTS

Section	Eligible Assessee	Eligible Payments	Permissible Deduction
80C	Individual or HUF	Contribution to PPF, Payment of LIC premium, etc. Sums paid or deposited in the previous year by way of - Life insurance premium - Contribution to PPF/SPF/RPF and approved superannuation fund - Repayment of housing loan taken from Govt., bank, LIC, specified employer etc. - Tuition fees to any Indian university, college, school for full-time education of any two children - Term deposit for a fixed period of not less than 5 years with schedule bank - Subscription to notified bonds of NABARD - Five year post office time deposit	Sum paid or deposited, subject to a maximum of ₹ 1,50,000

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Deductions from Gross Total Income

Section	Eligible	Eligible Payments	Permissible Deduction
	Assessee	- Senior Citizen's Savings Scheme	
		Account etc.	
		- Contribution by Central	
		Government employee to	
		additional account (Tier II A/c)	
		of NPS referred to u/s 80CCD	
80CCC	Individual	Contribution to certain pension	Amount paid or deposited,
		funds	subject to a maximum of
		Any amount paid or deposited to	₹ 1,50,000
		keep in force a contract for any	24-24
		annuity plan of LIC of India or any	
		other insurer for receiving pension	
		from the fund.	
80CCD	Individuals	Contribution to Pension Scheme of	Employee's Contribution/
	employed by	Central Government	Individual's Contribution
	the Central	An individual employed by the	In case of a salaried individual,
	Government	Central Government on or after	deduction of own contribution u/s
	or any other	1.1.2004 or any other employer or any	80CCD(1) is restricted to 10% of his
	employer;	other assessee, being an individual,	salary.
	Any other	who has paid or deposited any	In any other case, deduction u/s
	individual	amount in his account under a	80CCD(1) is restricted to 20% of
	assessee	notified pension scheme [to his	gross total income.
		individual pension account [Tier I A/c] under National Pension Scheme	Further, additional deduction of
		& Atal Pension Yojana]	upto ₹ 50,000 is available u/s
		& Atal Felision Tojanaj	80CCD(1B).
			Employer's Contribution
			The entire employer's contribution
			would be included in the salary of
			the employee. The deduction of
			employer's contribution u/s 80CCD(2) would be restricted to
			14% of salary, where the employer is
			the Central Government or State
			Government; and 10%, in case of
			any other employer.
Mata		OCCE maximum namically deduction	

Note - As per section 80CCE, maximum permissible deduction u/s 80C, 80CCC & 80CCD(1) is ₹ 1,50,000. However, the limit ₹ 1,50,000 u/s 80CCE does not apply to deduction u/s 80CCD(2) and 80CCD(1B).

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Deductions from Gross Total Income

Section	Eligible Assessee	Eligible Payments	Permissible Deduction
80CCH	Individual	Contribution to Agniveer Corpus Fund An individual enrolled in the Agnipath Scheme and subscribing to the Agniveer Corpus Fund on or after 1.11.2022, who has paid or deposited any amount in his account in the Agniveer Corpus Fund	Individual's Contribution Whole of the amount paid or deposited Central Government's Contribution The entire Central Government's contribution to the Agniveer Corpus Fund would be included in the salary of the assessee. Thereafter, deduction u/s 80CCH(2) would be available for the same.
80D	Individual and HUF	Medical Insurance Premium (1) Any premium paid, otherwise than by way of cash, to keep inforce an insurance on the health of— in case of self, spouse and dependent children individual in case of family member HUF (2) In case of an individual, contribution, otherwise than by way of cash, to CGHS or any other scheme as notified by Central Government.	Maximum ₹ 25,000 (₹ 50,000, in case the individual or his or her spouse is a senior citizen)
		(3) Any premium paid, otherwise than by way of cash, to keep in force an insurance on the health of parents, whether or not dependent on the individual. Notes: (i) Any amount paid, otherwise than by way of cash, on account of medical expenditure incurred on the health of the assessee or his family member or his parent, who is a senior citizen and no amount has been paid to effect or to keep	Maximum ₹ 25,000 (₹ 50,000, in case either or both of the parents are senior citizen(s)) Amount paid subject to a cap of ₹ 50,000 (in case one parent is a senior citizen, in respect of whom insurance premium is paid, and the other is a senior citizen on whom medical expenditure is incurred, the total deduction

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Deductions from Gross Total Income

Section	Eligible Assessee	Eligible Payments	Permissible Deduction
		in force an insurance on the health of such person. (ii) Payment, including cash payment, for preventive health check up of himself, spouse, dependent children and parents. (4) In case where medical premium is paid lumpsum for more than one year	cannot exceed ₹ 50,000) Amount paid subject to a cap of ₹ 5,000, in aggregate (subject to the overall individual limits of ₹ 25,000/ ₹ 50,000, as the case may be) Deduction for each of the relevant previous year = 1/number of relevant previous year Relevant previous year means previous year in which such lumpsum is paid and the subsequent previous years during which the insurance would be in force.
80DD	Resident Individual or HUF	Maintenance including medical treatment of a dependant disabled Any amount incurred for the medical treatment (including nursing), training and rehabilitation of a dependent disabled and / or Any amount paid or deposited under the scheme framed in this behalf by the LIC or any other insurer or Administrator or Specified Company and approved by Board. Meaning of Dependant	Flat deduction of ₹75,000. In case of severe disability (i.e., person with 80% or more disability) the flat deduction shall be ₹1,25,000.
		(1) (2) In case of Dependant An Spouse, children, individual parents, brothers, sisters A HUF Any member Persons mentioned in column (2) should be wholly or mainly dependant on the person mentioned in corresponding column (1) for support and maintenance. Such persons should not have claimed deduction under section 80U in computing total income of that year.	

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Deductions from Gross Total Income

Section	Eligible	Eligible Payments	Permissible Deduction
	Assessee		
80DDB	Resident Individual or HUF	Deduction for medical treatment of specified diseases or ailments Amount paid for specified diseases or ailment	Actual sum paid or ₹ 40,000 (₹ 1,00,000, if the payment is for medical treatment of a senior citizen), whichever is less,
		Assessee Amount spent An For himself or his individual dependant being spouse, children, parents, brothers or sisters, wholly or mainly dependant on the individual for support and maintenance A HUF For any member	(-) the amount received from the insurance company or reimbursed by the employer.
80E	Individual	Interest on loan taken for higher education Interest on loan taken from any financial institution or approved charitable institution. Such loan is taken for pursuing his higher education or higher education of his or her relative i.e., spouse or children of the individual or the student for whom the individual is the legal guardian.	The deduction is available for interest payment in the initial assessment year (year of commencement of interest payment) and seven assessment years immediately succeeding the initial assessment year (or) until the interest is paid in full by the assessee, whichever is earlier.
80EE	Individual	Deduction for interest on loan borrowed from any financial institution [bank/housing finance company (HFC)] for acquisition of residential house property	Deduction of upto ₹ 50,000 would be allowed in respect of interest on loan taken from a financial institution. Conditions: Loan should be sanctioned during P.Y.2016-17 Loan sanctioned ≤ ₹ 35 lakhs Value of house ≤ ₹ 50 lakhs The assessee should not own any residential house on the date of sanction of loan.
80EEA	Individual	Deduction in respect of interest payable on loan taken from a financial institution (bank/HFC) for	Deduction of upto ₹ 1,50,000 would be allowed in respect of interest payable on loan taken

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Deductions from Gross Total Income

Section	Eligible Assessee	Eligible l	Payments	Permissible Deduction		
		acquisition of property	residential ho	from a financial institution for acquisition of house property. Conditions: • Loan should be sanctioned during the period between 1.4.2019 to 31.3.2022. • Stamp Duty Value of house ≤ ₹ 45 lakhs • The individual should not own any residential house on the date of sanction of loan. • The individual should not be eligible to claim deduction u/s 80EE.		
80EEB	Individual	Deduction in re payable on loar financial institu certain NBFCs) electric vehicle	n taken from ition (bank	would be allowed in respect of interest payable on loan taken for		
80G	All assessees	Donations to certain funds, charitable institutions etc. There are four categories of deductions —				
			egory	Donee		
		(I) 100% deduction of Prim amount donated, Nation without any qualifying Bharm		Prime Minister's National Relief Fund, National Children's Fund, Swachh Bharat Kosh, National Defence Fund, PM CARES Fund etc.		
		(II) 50% deduction of Prim		Prime Minister's Drought Relief Fund.		
		amount donated, subject instit to qualifying limit plant		Sovernment or local authority, institution for promotion of family blanning etc.		
		(IV) 50% deduction of Gove amount donated, be us subject to qualifying than limit notifi		Government or any local authority to be used for charitable purpose, other han promotion of family planning, notified temple, church, gurudwara, mosque etc.		

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Deductions from Gross Total Income

Section	Eligible	Eligible Payments	Permissible Deduction	
	Assessee			
	1230000	Calculation of Qualifying limit for Category III & IV donations: Step 1: Compute adjusted total income, i.e., the gross total income as reduced by the following: 1. Deductions under Chapter VI-A, except u/s 80G 2. Capital gains taxable u/s 111A, 112 & 112A Step 2: Calculate 10% of adjusted total income. Step 3: Calculate the actual donation, which is subject to qualifying limit Step 4: Lower of Step 2 or Step 3 is the maximum permissible deduction. Step 5: The said deduction is adjusted first against donations qualifying for 100% deduction (i.e., Category III donations). Thereafter, 50% of balance qualifies for deduction under section 80G. Note - No deduction shall be allowed for donation in excess of ₹ 2,000, if		
		paid in cash.		
80GG	Individual not in receipt of house rent allowance	Rent paid for residential accommodation	Least of the following is allowable as deduction: (1) 25% of total income; (2) Rent paid − 10% of total income (3) ₹ 5,000 p.m. No deduction if any residential accommodation is owned by the assessee/his spouse/minor child/HUF at the place where he ordinarily resides or performs the duties of his office or employment or carries on his business or profession.	
80GGA	Any assessee	Donations for scientific research or	Actual donation	
	not having income chargeable under the head "Profits and gains of business or profession"	rural development	[No deduction shall be allowed for donation in excess of ₹ 2,000, if paid in cash]	
80GGB	Indian	Contributions to political parties	Actual contribution	
	company	Any sum contributed by it to a registered political party or an electoral trust.	(otherwise than by way of cash)	

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Deductions from Gross Total Income

Section	Eligible Assessee	Eligible Payments	Permissible Deduction
80GGC	Any person, other than local authority and an artificial juridical person funded by the Government	Contributions to political parties Amount contributed to a registered political party or an electoral trust.	Actual contribution (otherwise than by way of cash)

DEDUCTIONS IN RESPECT OF CERTAIN INCOMES

Section	Eligible Assessee	Eligible Income	Permissible Deduction
80ЈЈАА	An assessee to whom section 44AB applies, whose gross total income includes profits and gains derived from business	Deduction in respect of employment of new employees	30% of additional employee cost incurred in the previous year. Deduction is allowable for 3 assessment years including assessment year relevant to the previous year in which such employment is provided.
80M	A domestic company	Deduction in respect of inter- corporate dividend The gross total income of domestic company includes in any P.Y., any income by way of dividends from any other domestic company or foreign company or a business trust.	Amount of dividend received from other domestic company or foreign company or business trust or the amount of dividend distributed by such domestic company on or before the due date, whichever is less. Due date means one month prior to the date of furnishing return of income u/s 139(1).
80QQB	Resident individual, being an author	Royalty income, etc., of authors of certain books other than text books Consideration for assignment or grant of any of his interests in the copyright of any book, being a work of literary, artistic or scientific nature or royalty or copyright fee received as lumpsum or otherwise	Income derived in the exercise of profession or ₹ 3,00,000, whichever is less. In respect of royalty or copyright fee received otherwise than by way of lumpsum, income to be restricted to 15% of value of books sold during the relevant previous year.

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Deductions from Gross Total Income

Section	Eligible Assessee	Eligible Income	Permissible Deduction
80RRB	Resident individual, being a patentee	Royalty on patents Any income by way of royalty on patents registered on or after 1.4.2003	

As per section 80AC, furnishing return of income on or before due date specified u/s 139(1) is mandatory for claiming deduction in respect of certain incomes. Deductions u/s 80-IA to 80-IE are discussed after this table.

DEDUCTIONS IN RESPECT OF CERTAIN INCOMES: SECTIONS 80-IA TO 80-IE

Section	1	Eligible Business	Year of commencement of eligible business	Period of Deduction	Quantum of Deduction
80-IA	(1)	(i) Developing or (ii) Operating and maintaining or (iii) Developing, operating and maintaining any infrastructure facility	1.4.1995 but not later than 1.4.2017	Facility of road, or a bridge or a rail system or a highway project or a water supply project: 10	100% of the profits and gains derived from such business for 10 consecutive assessment years
	(2)	Industrial parks	Industrial parks: Notified by the Central Government for the period on or after 1.4.1997 & ending on 31.3.2011	years beginning from the year in which the	
3	(3)	Power undertakings	Generation and distribution: Set	begins to operate the eligible business.	

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Deductions from Gross Total Income

DEDUCTION UNDER SECTION 10AA

Section	Eligible	Eligible Income	Permissible Deduction
	Assessee		
10AA	An assessee	Profits derived from	Deduction for 15 consecutive assessment
	who derives	exports of such articles or	years
	profits from an	things or export of	Amount of deduction =
	under-taking,	services (including	Profits of Unit in SEZ × Export tumover of Unit SEZ
	being a Unit	Control of the Contro	Total turnover of Unit SEZ
	established in		
	SEZ, which		Years 1 to 5 - 100% of such profits would be
	begins to	Proceeds to be received	exempt in the first five years;
	manufacture or	in convertible foreign	Years 6 to 10 - 50% of such profits in the
	produce	exchange within 6	next five years; and
	articles or	months from the end of	Years 11 to 15 - In the last five years, 50% of
	things or	the P.Y. or such further	such profits subject to transfer to SEZ Re-
	provide any	period as the	investment Reserve Account.
	service on or	competent authority	
	after	may allow in this	
	1.4.2005 but	behalf.	
	before 1.4.2021	2. The report of	
		Chartered	
		Accountant certifying	
		that the deduction has	
		been correctly	
		furnished before the	
		date specified in section 44AB.	
		3. Return of income to	
		be filed on or before	
0	0	due date u/s 139(1).	

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TDS, TCS and Advance Tax

TDS, TCS AND ADVANCE TAX

TAX DEDUCTION AT SOURCE

Section	Nature of	Threshold Limit	Payer	Payee	Rate of TDS	Time of
	payment	for deduction of	- 10	100		deduction
		tax at source				
192	Salary	Basic exemption limit [₹ 3,00,000 (in case assessee pays tax under default tax regime u/s 115BAC), ₹ 2,50,000 / ₹ 5,00,000, as the case may be, if the assessee has exercised the option of shifting out of the default tax regime providing u/s 115BAC]. This is taken care of in computation of	Any person responsible for paying any income chargeable under the head "Salaries"	Individual (Employee)	Average rate of income-tax	At the time of payment
192A	Premature withdrawal from EPF	the average rate of income-tax Payment or aggregate payment ≥ ₹ 50,000	Trustees of the EPF Scheme or any authorised	Individual (Employee)	10% on premature taxable withdrawal	At the time of payment
193	Interest on Securities	> ₹ 10,000 in a F.Y., in case of interest on 8% Savings (Taxable) Bonds, 2003/ 7.75% Savings (Taxable) Bonds, 2018. > ₹ 5,000 in a F.Y., in case of	person under the Scheme Any person responsible for paying any income by way of interest on securities	Any resident	10%	At the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier

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		interest on debentures issued by a Co. in which the public are substantially interested, paid or credited to a resident individual or HUF by an account payee cheque > No threshold specified in any other case				
194	Dividend (including dividends on preference shares)	Amount or aggregate amount > ₹ 5,000 in a F.Y., in case of dividend paid or credited to an individual shareholder by any mode other than cash > No threshold in other cases	company or a company which has made the prescribed arrangements for the	Resident shareholder	10%	Before making any payment by any mode in respect of any dividend or before making any distribution or payment of dividend
194A	Interest other than interest on securities	Amount or aggregate amount > ₹ 40,000 in a F.Y., in case of interest credited or paid by - (i) a banking company; (ii) a cooperative society engaged in banking business; and (iii) a post office on any deposit	Any person (other than an individual or HUF whose total sales, gross receipts or turnover ≤ ₹ 1 crore in case of business or ≤ ₹ 50 lakhs in case of profession during the immediately preceding	Any Resident	10%	At the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier

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		under a notified Scheme. In all the above cases, if payee is a resident senior citizen, tax deduction limit is > ₹ 50,000. > ₹ 5,000 in a F.Y., in other cases				
194B	Winnings from any lottery, crossword puzzle or card game or other game of any sort or from gambling or betting of any form or nature	Amount or the aggregate of amount > ₹ 10,000 in a F.Y.	40.55	Any Person	30%	At the time of payment
194BA	Winnings from online games	On the net winnings in a person's user account as computed in prescribed manner	responsible	Any person	30%	At the end of the F.Y. In case there is withdrawal from user account during the F.Y., tax would be deducted at the time of such withdrawal on net winnings comprised in such withdrawal. In addition, tax would also be deducted on the remaining amount of net

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						winnings in
						the user account as computed in prescribed manner at the end of the F.Y.
194BB	Winnings from horse race	Amount or the aggregate of amount > ₹ 10,000 in a F.Y.	Book Maker or a person holding licence for horse racing or for arranging for wagering or betting in any race course	Any Person	30%	At the time of payment
194C	Payments to Contractors	Single sum credited or paid > ₹ 30,000 (or) The aggregate of sums credited or paid to a contractor during the F.Y. > ₹ 1,00,000 Individual/HUF need not deduct tax where sum is credited or paid exclusively for personal purposes	Central/State Govt., Local authority, Central/ State/ Provincial Corpn., company, firm, trust, registered society, co- operative society, university established under Central/ State/ Provincial Act, declared university under the UGC Act, Government of Foreign State or a foreign enterprise, individual/ HUF/AoP/	Any Resident contractor for carrying out any work (including supply of labour)	1% of sum paid or credited, if the payee is an Individual or HUF 2% of sum paid or credited, if the payee is any other person	At the time of credit of such sum to the account of the contractor or at the time of payment, whichever is earlier

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			BoI whose total sales, gross receipts or turnover > ₹ 1 crore in case of business or > ₹ 50 lakhs in case of profession during the immediately preceding F.Y.			
194D	Insurance Commission	Amount or aggregate amount > ₹ 15,000 in a F.Y.	Any person responsible for paying any income by way of remuneration or reward for soliciting or procuring insurance business	Any Resident	5%, if the payee is a non-corporate resident 10%, if the payee is a domestic company	At the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier
194DA	Any sum under a Life Insurance Policy not fulfilling the conditions specified u/s 10(10D)	Amount or aggregate amount ≥ ₹ 1,00,000 in a F.Y.	Any person responsible for paying any sum under a LIP, including the sum allocated by way of bonus	Any resident	5% of the amount of income comprised	At the time of payment
194EE	Payment of deposit under National Saving Scheme	Amount or aggregate amount ≥ ₹ 2,500 in a F.Y.	Any person responsible for paying	Individual or HUF	10%	At the time of payment
194G	Commission on sale of lottery tickets	> ₹ 15,000 in a F.Y.	Any person responsible for paying any income by way of commission, remuneration or prize (by whatever	Any person stocking, distributing, purchasing or selling lottery tickets	5%	At the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier

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			name called) on lottery			
			tickets			
194H	Commission or brokerage	> ₹ 15,000 in a F.Y.	Any person (other than an Individual or HUF whose total sales, gross receipts or turnover ≤ ₹ 1 crore in case of business or ≤ ₹ 50 lakhs in case of profession during the immediately preceding F.Y.) responsible for paying commission or brokerage	Any resident	5%	At the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier
194-I	Rent	> ₹ 2,40,000 in a F.Y.	Any person (other than an individual or HUF whose total sales, gross receipts or turnover ≤ ₹ 1 crore in case of business or ≤ ₹ 50 lakhs in case of profession during the immediately preceding F.Y.) responsible for paying rent	Any resident	For P & M or equipment - 2% For land or building, land appurtenant to a building, furniture or fittings - 10%	At the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier
194-IA	Payment on transfer of	William Colds and Science Colds	Any person, being a	Resident transferor	1% of consideration	At the time of credit of such

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	certain immovable property other than agricultural land	for transfer or SDV)	transferee (other than a person referred to in section 194LA responsible for paying compensation for compulsory acquisition of immovable property other than rural agricultural land)		for transfer or SDV, whichever is higher	sum to the account of the transferor or at the time of payment, whichever is earlier
194-IB	Payment of rent by certain individuals or HUF	> ₹ 50,000 for a month or part of a month	Individual/ HUF (other than Individual/ HUF whose total sales, gross receipts or turnover > ₹ 1 crore in case of business or > ₹ 50 lakhs in case of profession during the immediately preceding F.Y.) responsible for paying rent	Any Resident	5%	At the time of credit of rent, for the last month of the P.Y. or the last month of tenancy, if the property is vacated during the year, as the case may be, to the account of the payee or at the time of payment, whichever is earlier
194-IC	Payment under specified agreement referred to in section 45(5A)	No threshold specified	Any person responsible for paying any sum by way of consideration, not being consideration in kind, under a registered agreement,	Any Resident	10%	At the time of credit of such sum to the account of the payee or at the time of payment, whichever is earlier

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wherein L or B or both are handed over by the owner for development of real estate project, for a consideration, being a share in L or B or both in such project, with payment of part consideration in cash or technical services/ income Royalty/ (However, this Non- limit does not compete apply in case of fees/ payment made to Director's director of a remuneration company) **Non- limit does not compete apply in case of fees/ payment made to Director's director of a remuneration company) **However, in company of findividual or so the company of fees/ payment made to Director's director of a fees/ payment made to Director's director of a fees/ payment made to director of a
F.Y., is liable to deduct tax u/s 194J, except where FPS is credited or

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194K	Income from units other than in the nature of capital gains	Amount or aggregate amount > ₹ 5,000 in a F.Y.	Any person responsible for paying any income in respect of units of a mutual fund/ Administrator of the specified undertaking/ specified company	Any resident	10%	At the time of credit of such income to the account of the payee or at the time of payment, whichever is earlier
194LA	Compensation on acquisition of certain immovable property other than agricultural land situated in India	Amount or aggregate amount > ₹ 2,50,000 in a F.Y.	Any person responsible for paying any sum in the nature of compensation or enhanced compensation on compulsory acquisition of immovable property	Any Resident	10%	At the time of payment
194M	- Payments to Contractors - Commission or brokerage - FPS	>₹ 50,00,000 in a F.Y.	Individual or HUF other than those who are required to deduct tax at source u/s 194C or 194H or 194J	Any Resident	5%	At the time of credit of such sum or at the time of payment, whichever is earlier
194N	Cash withdrawals	> ₹ 3 crore if the recipient is a co- operative society > ₹ 1 crore in case of others	a banking company or any bank or banking institution a cooperative society engaged in carrying on the business of banking or	Any person	@2% of such sum In case the recipient has not filed ROI for all the 3 immediately preceding P.Y.s, for which time limit u/s 139(1) has	At the time of payment of such sum

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			- a post office who is responsible for paying any sum, being the amount or the aggregate of amounts, as the case may be, in cash > ₹ 1 crore/ ₹ 3 crore in case the recipient is a cooperative society, during the previous year, to any person from one or more accounts maintained by the recipient		expired, such sum shall be the amount or aggregate of amounts, in cash > 7 20 lakh during the P.Y. TDS - @2% of the sum, where cash withdrawal > 7 20 lakhs but \$ \$ 1 \text{ crore}/ 7 3 \text{ crore in case } the recipient is a co-operative society - @5% of the sum, where cash withdrawal > 7 1 \text{ crore}/ 7 3 \text{ crore in case } the recipient is a co-operative society - \$ 3 \text{ crore in case } the recipient is a co-operative society - \$ 3 \text{ crore in case } the recipient is a co-operative society	
194-O	Sale consideration or consideration for services facilitated through digital or electronic facility or platform	> ₹ 5 lakhs, being gross amount of sales or service or both in a F.Y. to an e-commerce participant, being individual or HUF and such e-commerce participant has furnished PAN or Aadhar number to the e-commerce operator > No threshold in other cases	facilitates sale of goods or provision of services of an e-commerce participant through digital or electronic facility or	E-commerce participant	1% of gross amount of sale or service or both [In case of failure to furnish PAN, Maximum TDS@5%]	At the time of credit of amount of sale or services or both to the account of an e-commerce participant or at the time of payment, whichever is earlier

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TDS, TCS and Advance Tax

1045	D	D. J	M-HC-1	C :C !	D	
194P	Pension	Basic exemption		Specified	Rates in force,	
	(along with	limit	specified bank	senior citizen	where the	
	interest on	[₹ 3,00,000 (in		i.e., An	individual has	
	bank	case specified		individual,	exercised the	
	account)	senior citizen		being a	option of	
	100	pays tax under		resident in	shifting out of	
		default tax		India, who	the default tax	
		regime u/s		- is of the age	regime.	
		115BAC),		of 75 years		
				100		
				or more at	The second secon	
		₹ 5,00,000, as the		any time		
		case may be, if		during the	The second secon	
		specified senior		PY;	individual	
		citizen has		- is having	pays tax under	
		exercised the		pension	the default tax	
		option of shifting		income and	regime.	
		out of the default		no other	1.570	
		tax regime		income		
		providing u/s		except		
		115BAC] [i.e., TI		interest		
		after giving effect		income		
		to the deduction		received or		
		allowable under		receivable		
		Chapter VI-A, if		from any		
		any allowable		account		
		should exceed		maintained		
		the basic		by such		
		exemption limit.		individual		
		Further, in case		in the same		
		the individual is		specified		
		entitled to rebate		bank in		
		u/s 87A from tax		which he is		
		payable, then the		receiving		
		same should be				
		The state of the s		his pension		
		given effect to]		income;		
				and		
				- has		
				furnished a		
				declaration		
				to the		
				specified		
				bank		
				24/03/2007		
194Q	Purchase of	> ₹ 50 lakhs in a	Buyer, who is	Any resident	0.1% of sum	At the time of
	goods	P.Y.	responsible		exceeding	credit of such
	Soous	1.1.	for paying any		₹ 50 lakhs [In	sum to the
			Control of the second profession		Service and College of Physics and College	
			sum for	Ų.	case of failure	account of the

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SARA	NSH			TDS, 1	CS and Ad	vance Tax
			purchase of goods Buyer means a person whose total sales, gross receipts or turnover from business > ₹ 10 crores during the F.Y. immediately preceding the F.Y. in which the purchase of goods is		to furnish PAN, maximum TDS @5%]	seller or at the time of payment, whichever is earlier
194R	Any benefit or perquisite, whether convertible into money or not, arising from business or the exercise of a profession The provisions would apply to any benefit or perquisite, whether in cash or in kind or partly in cash and partly in kind	Value or aggregate of value of benefit or perquisite > ₹ 20,000 in a F.Y.	Any person (other than an individual or HUF whose total sales, gross receipts or turnover ≤ ₹ 1 crore in case of business or ≤ ₹ 50 lakhs in case of profession during the immediately preceding F.Y.) responsible for providing to a resident, any benefit or perquisite.	Any resident	10% of value or aggregate of value of such benefit or perquisite	Before providing such benefit or perquisite
206AA	Section 206AA has to deduct t (i) at the ra (ii) at the ra	requires furnishing ax at the higher of the ate prescribed in the ate or rates in force; ate of 20% [5%, in cas	ne following rates Act; or or	namely, -	luctor, failing wh	ich the deductor

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TDS, TCS and Advance Tax

206AB

Section 206AB requires tax to be deducted at source under the provisions of this Chapter on any sum or income or amount paid, or payable or credited, by a person to a specified person, at higher of the following rates –

- (i) at twice the rate prescribed in the relevant provision of the Act;
- (ii) at twice the rate or rates in force i.e., the rate mentioned in the Finance Act; or
- (iii) at 59

However, section 206AB is **not** applicable in case of tax deductible at source under sections 192, 192A, 194B, 194BB, 194-IA, 194-IB, 194LBC, 194M and 194N.

Meaning of "specified person" – A person who has not furnished the ROI for the A.Y. relevant to the P.Y. immediately preceding the F.Y. in which tax is required to be deducted, for which the time limit for furnishing the ROI u/s 139(1) has expired, and the aggregate of TDS and TCS in his case is ₹ 50,000 or more in the said P.Y.

However, the specified person would not include -

- a non-resident who does not have a PE in India; or
- a person who is not required to furnish the ROI for the A.Y. relevant to the said P.Y. and is notified by the Central Government in this behalf.

In case the provisions of section 206AA are also applicable to the specified person, in addition to the provisions of this section, then, tax is required to be deducted at higher of the two rates provided in section 206AA and section 206AB.

The threshold limit given in the table is with respect to each payee.

TAX COLLECTION AT SOURCE [SECTION 206C]

(1) Sellers of certain goods are required to collect tax from the buyers at the rates specified u/s 206C(1). The specified percentage for collection of tax at source is as follows:

	Nature of goods	Percentage
(i)	Alcoholic liquor for human consumption	1%
(ii)	Tendu leaves	5%
(iii)	Timber obtained under a forest lease	2.5%
(iv)	Timber obtained by any mode other than (iii)	2.5%
(v)	Any other forest produce not being timber or tendu leaves	2.5%
(vi)	Scrap	1%
(vii)	Minerals, being coal or lignite or iron ore	1%

However, no collection of tax shall be made in the case of a resident buyer, if such buyer furnishes a declaration in writing in duplicate to the effect that goods are to be utilised for the purpose of manufacturing, processing or producing articles or things or for the purposes of generation of power and not for trading purposes.

- (2) Lease or a licence of parking lot, toll plaza or mine or a quarry [Section 206C(1C)] Every person who grants a lease or a licence or enters into a contract or otherwise transfers any right or interest in any
 - parking lot or
 - toll plaza or
 - a mine or a quarry

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to another person (other than a public sector company) for the use of such parking lot or toll plaza or mine or quarry for the purposes of business. The tax shall be collected as provided, from the licensee or lessee of any such licence, contract or lease of the specified nature, at the rate of 2%, at the time of debiting of the amount payable by the licensee or lessee to his account or at the time of receipt of such amount from the licensee or lessee, whichever is earlier.

- (3) Sale of motor vehicle of value exceeding ₹ 10 lakhs [Section 206C(1F)] Every person, being a seller, who receives any amount as consideration for sale of a motor vehicle of the value exceeding ₹ 10 lakhs, shall, at the time of receipt of such amount, collect tax from the buyer@1% of the sale consideration u/s 206C(1F).
- (4) Remittance under LRS of RBI or purchase of an overseas tour package [Section 206C(1G)] Every person,
 - being an authorized dealer, who receives amount under the LRS of the RBI for remittance from a buyer, being a person remitting such amount,
 - being seller of an overseas tour programme package who receives any amount from the buyer who purchases the package

has to collect tax at the time of debiting of the amount payable by the buyer or at the time of receipt of such amount from the said buyer by any mode, whichever is earlier.

Rate of TCS in case of collection by an authorized dealer/ seller of an overseas tour programme package

S. No.	Amount and purpose of remittance	Rate of TCS upto 30.9.2023	Rate of TCS on or after 1.10.2023
(i)	Remittances for the purpose of education [other than (ii) below] or medical treatment;	7,000,000,000	S upto ₹ 7 lakhs egate of amounts in excess of ₹ 7 lakh
(H)	Remittances out of loan obtained from any financial institution as referred under section 80E, for the purpose of pursuing any education	0.5% of the amount or a	5 upto ₹ 7 lakhs ggregate of amounts in excess of ₹ 7 lakh
(iii)	Remittances for purposes other than mentioned in (i) to (ii)	No TCS upto ₹ 7 lakhs 5% on the amount or aggregate of amounts in excess of ₹ 7 lakhs	No TCS upto ₹ 7 lakhs 20% on the amount or aggregate of amounts in excess of ₹ 7 lakhs
(iv)	Overseas tour programme package	5% without any threshold limit	5% upto ₹ 7 lakhs and 20% above ₹ 7 lakhs

Cases where no tax is to be collected

(i)	No TCS by the authorized dealer on an amt in respect of which the sum has been collected by the seller
(ii)	No TCS, if the buyer is liable to deduct tax at source under any other provision of the Act and has deducted such tax
(iii)	No TCS, if the buyer is the Central Government, a State Government, an embassy, a High

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TDS, TCS and Advance Tax

Commission, a legation, a commission, a consulate, the trade representation of a foreign State, a local authority or any other person notified by the Central Government, subject to fulfillment of conditions stipulated thereunder.

Accordingly, the CBDT has, vide notification no. 99/2022 dated 17.8.2022, notified that the provisions of section 206C(1G) would not apply to a person (being a buyer) who is a non-resident in terms of section 6 and does not have a PE in India.

(5) Sale of goods of value exceeding ₹ 50 lakh [Section 206C(1H)] - Every person, being a seller, who receives any amount as consideration for sale of goods of the value exceeding ₹ 50 lakhs in a P.Y., other than exported goods or goods covered in (1)/(3)/(4)], is required to collect tax at source, at the time of receipt of such amount, @0.1% of the sale consideration exceeding ₹ 50 lakhs.

However, tax is not required to be collected if the buyer is liable to deduct tax at source under any other provision of the Act on the goods purchased by him from the seller and has deducted such tax [Section 206C(1H)].

- (6) In case of non-furnishing of PAN [PAN or Aadhaar number in case of section 206C(1H)] by the collectee to the collector, tax is required to be collected at the higher of
 - (i) twice the rate specified in the relevant provisions of the Act; or
 - (ii) at 5% [1%, in case tax is required to be collected at source u/s 206C(1H)]. [Section 206CC]

However, w.e.f. 1.7.2023, the maximum the rate of TCS under this section shall not exceed 20%.

The provisions of section 206CC do not apply to a non-resident who does not have a PE in India.

- (7) Section 206CCA requires tax to be collected at source on any sum or amount received by a person from a specified person, at higher of the following rates -
 - (a) at twice the rate specified in the relevant provision of the Act;
 - (b) at 5%

However, w.e.f. 1.7.2023, the maximum the rate of TCS under this section shall not exceed 20%.

In case the provisions of section 206CC are also applicable to the specified person, in addition to the provisions of section 206CCA, then, tax is required to be collected at higher of the two rates provided in section 206CCA and section 206CCA.

Meaning of "specified person" - A person who has not furnished the ROI for A.Y. relevant to the P.Y. immediately preceding the F.Y. in which tax is required to be collected, for which the time limit for furnishing the ROI u/s 139(1) has expired, and the aggregate of TDS and TCS in his case is ₹ 50,000 or more in the said P.Y.

However, the specified person would not include -

- a non-resident who does not have a PE in India; or
- a person who is not required to furnish the ROI for the A.Y. relevant to the said P.Y. and is notified by the Central Government in this behalf.

ADVANCE PAYMENT OF TAX

Liability for payment of advance tax [Sections 207 & 208]

Tax shall be payable in advance during any F.Y. in respect of the total income of the assessee which
would be chargeable to tax for the A.Y. immediately following that F.Y.

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TDS, TCS and Advance Tax

- Advance tax is payable during a F.Y. in every case where the amount of such tax payable by the
 assessee during the year is ₹ 10,000 or more.
- However, an individual resident in India of the age of 60 years or more at any time during the P.Y., who does not have any income chargeable under the head PGBP, is not liable to pay advance tax.

Instalments of advance tax and due dates [Section 211]

Advance tax payment schedule for corporates and non-corporates (other than an assessee computing profits on presumptive basis u/s 44AD or section 44ADA) – Four instalments

Due date of instalment	Amount payable
On or before 15th June	Not less than 15% of advance tax liability.
On or before 15 th September	Not less than 45% of advance tax liability (-) amount paid in earlier instalment.
On or before 15 th December	Not less than 75% of advance tax liability (-) amount paid in earlier instalment or instalments.
On or before 15 th March	The whole amount of advance tax liability (-) amount paid in earlier instalment or instalments.

Advance tax payment by assessees computing profits on presumptive basis under section 44AD(1) or section 44ADA(1)

An eligible assessee, computing PGBP on presumptive basis in respect of eligible business referred to in section 44AD(1) or in respect of eligible profession referred to in section 44ADA(1), shall be required to pay advance tax of the whole amount on or before 15th March of the F.Y.

However, any amount paid by way of advance tax on or before 31st March shall also be treated as advance tax paid during the F.Y. ending on that day.

Interest for defaults in payment of advance tax [Section 234B]

- Interest u/s 234B is attracted for non-payment of advance tax or payment of advance tax of an amount less than 90% of assessed tax.
- (2) The interest liability would be 1% per month or part of the month from 1st April following the F.Y. upto the date of determination of total income u/s 143(1) and where regular assessment is made, upto the date of such regular assessment.
- (3) Such interest is calculated on the amount of difference between the assessed tax and the advance tax paid.
- (4) "Assessed tax" means the tax on total income determined u/s 143(1) less TDS & TCS, any relief of tax allowed u/s 89, any relief of tax allowed under section 90 or 90A, any deduction of tax allowed under section 91, any tax credit allowed to be set off in accordance with the provisions of section 115JAA or section 115JD.

Tax on the TI determined under section 143(1) shall not include the additional income-tax, if any, payable u/s 140B.

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TDS, TCS and Advance Tax

Where self-assessment tax is paid by the assessee u/s 140A or otherwise, interest shall be calculated upto the date of payment of such tax and reduced by the interest, if any, paid u/s 140A towards the interest chargeable under this section. Thereafter, interest shall be calculated at 1% on the amount by which the tax so paid together with the advance tax paid falls short of the assessed tax.

Interest for deferment of advance tax [Section 234C]

(1) Manner of computation of interest u/s 234C for deferment of advance tax by corporate and non-corporate assessees:

In case an assessee, other than an assessee who declares profits and gains in accordance with the provisions of section 44AD(1) or section 44ADA(1), who is liable to pay advance tax u/s 208 has failed to pay such tax or the advance tax paid by such assessee on its current income on or before the dates specified in column (1) below is less than the specified percentage [given in column (2) below] of tax due on returned income, then simple interest@1% per month for the period specified in column (4) on the amount of shortfall, as per column (3) is leviable u/s 234C.

Specified date	Specified %	Shortfall in advance tax	Period
(1)	(2)	(3)	(4)
15 th June	15%	15% of tax due on returned income (-) advance tax paid up to 15th June	3 months
15 th September	45%	45% of tax due on returned income (-) advance tax paid up to 15th September	3 months
15 th December	75%	75% of tax due on returned income (-) advance tax paid up to 15th December	3 months
15 th March	100%	100% of tax due on returned income (-) advance tax paid up to 15 th March	1 month

Note – However, if the advance tax paid by the assessee on the current income, on or before 15th June or 15th September, is not less than 12% or 36% of the tax due on the returned income, respectively, then, the assessee shall not be liable to pay any interest on the amount of the shortfall on those dates.

Tax due on returned income = Tax chargeable on total income declared in the return of income – TDS – TCS - any relief of tax allowed u/s 89 - any relief of tax allowed under section 90 or 90A - any deduction of tax allowed under section 91- any tax credit allowed to be set off in accordance with the provisions of section 115JAA or section 115JD.

(2) Computation of interest u/s 234C in case of an assessee who declares profits and gains in accordance with the provisions of section 44AD(1) or section 44ADA(1):

In case an assessee who declares profits and gains in accordance with the provisions of section 44AD(1) or section 44ADA(1), who is liable to pay advance tax u/s 208 has

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TDS, TCS and Advance Tax

- failed to pay such tax or
- the advance tax paid by the assessee on its current income on or before 15th March is less than the tax due on the returned income,

then, the assessee shall be liable to pay simple interest at the rate of 1% on the amount of the shortfall from the tax due on the returned income.

(3) Non-applicability of interest u/s 234C in certain cases:

Interest u/s 234C shall **not** be leviable in respect of any shortfall in payment of tax due on returned income, where such shortfall is on account of under-estimate or failure to estimate –

- (i) the amt of capital gains;
- income of nature referred to in section 2(24)(ix) i.e., winnings from lotteries, crossword puzzles etc.;
- (iii) income under the head "PGBP" in cases where the income accrues or arises under the said head for the first time.
- (iv) the amount of dividend income other than deemed dividend referred u/s 2(22)(e).

However, the assessee should have paid the whole of the amount of tax payable in respect of such income referred to in (i), (ii), (iii) and (iv), as the case may be, had such income been a part of the total income, as part of the remaining instalments of advance tax which are due or where no such instalments are due, by 31st March of the F.Y.

SARANSH

Assessment of Various Entities

TAXATION PROVISIONS IN RESPECT OF BUYBACK OF SHARES AND SPECIFIED SECURITIES

(1)	(2)	(3)	(4)
Taxability in the hands of	Buyback of shares (listed or unlisted) by domestic companies	Buyback of shares by a company, other than a domestic company	Buyback of specified securities by any company
Company	Subject to additional income-tax @23.296% on distributed income	Not subject to tax in the hands of the company	Not subject to tax in the hands of the company
Shareholder/ holder of specified securities	Income arising to shareholders exempt under section 10(34A)	Income arising to shareholder taxable as capital gains u/s 46A	Income arising to holder of specified securities taxable as capital gains u/s 46A

Such additional tax should be paid by domestic company to the credit of the Central Government within 14 days from the date of payment of any consideration for such buyback to the shareholder.

TAXATION OF OTHER ENTITIES

ALTERNATE MINIMUM TAX (AMT) [SECTIONS 115JC TO 115JF]

Applicability of AMT [Section 115JEE(1)]

Any person other than a company, who has claimed deduction

- ◆ under any section (other than section 80P) included in Chapter VI-A under the heading "C - Deductions in respect of certain incomes" or
- u/s 10AA or
- ♦ u/s 35AD

Non-applicability [Section 115JEE(2)]

The provisions of AMT would not be applicable to

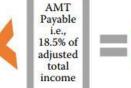
- ♦ an individual, HUF, AoP, BoI or artificial juridical person, if the adjusted total income of such person ≤ ₹ 20 lakhs
- ♦ a resident co-operative society who has exercised the option u/s 115BAD or section 115BAE
- ♦ an individual, HUF, AoP, BoI or artificial juridical person who is paying tax under default tax regime u/s 115BAC
- ◆ a specified fund referred in clause (c) of Explanation to section 10(4D)

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Assessment of Various Entities

Income-tax payable
by a person, other
than a company,
computed as per
regular provisions
of the Income-tax
Act, 1961



Adjusted total income would be deemed to be the total income of the person

Such person is liable to pay AMT @18.5% on the adjusted total income

Computation of adjusted total income

Total income before giving effect to AMT provisions as increased by the deductions claimed, if any, under

any section (other than section 80P) included in Chapter VI-A under the heading "C – Deductions in respect of certain incomes" (Section 80-IA to 80RRB)

section 10AA (SEZ) section 35AD **as reduced** by the depreciation allowable under section 32, as if no deduction under section 35AD was allowed in respect of the asset for which such deduction is claimed

Set off of AMT credit u/s 115JD

AMT credit =
 AMT as per
section 115JC (-)
Tax payable under
the regular
provisions of the
Act. No interest
would be payable
on the tax credit
allowed.

AMT credit is allowed to be carried forward for **15 AYs** succeeding the AY in which the credit became allowable

AMT credit would be

AMT credit would be allowable to set off in a year when tax payable under the regular provisions of the Act > AMT

AMT credit adjustment = Tax on the total income under regular provisions of the Act (-) AMT as per section 115JC Tax Credit allowable even if Adjusted Total Income does not exceed ₹ 20 lakh in the year of set-off

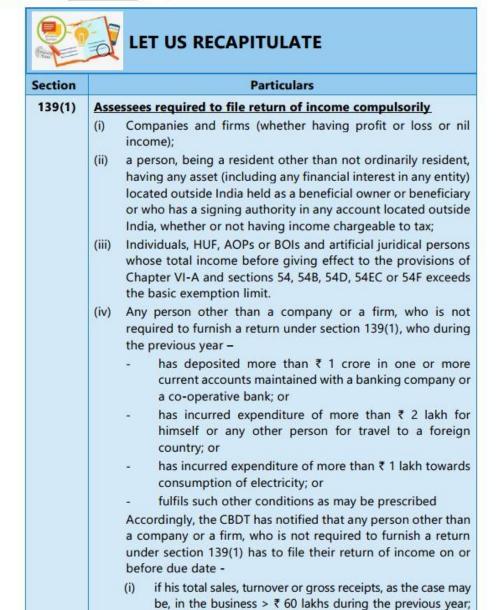
provisions of AMT credit shall not apply to a resident cooperative society who has exercised the option u/s 115BAD or section 115BAE or an individual, HUF, AoP, BoI or artificial juridical person who is paying tax under default tax regime u/s 115BAC

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^{*} In case of a person, being a unit located in IFSC and deriving its income solely in convertible foreign exchange, AMT rate would be 9% and in case of co-operative society, AMT rate would be 15%.

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INCOME TAX LAW



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PROVISIONS FOR FILING RETURN OF INCOME AND SELF ASSESSMENT

8.45

- (ii) if his total gross receipts in profession > ₹ 10 lakhs during the previous year; or
- (iii) if the aggregate of TDS and TCS during the previous year, in the case of the person, is ₹ 25,000 or more; or However, a resident individual who is of the age of 60 years or more, at any time during the relevant previous year, if the aggregate of TDS and TCS during the previous year, in his case, is ₹ 50,000 or more
- (iv) the deposit in one or more savings bank account of the person, in aggregate, is ₹ 50 lakhs or more during the previous year.

Due date of filing return of income

- 31st October of the assessment year, in case the assessee (other than an assessee referred to in (ii) below) is:
 - (a) a company;
 - (b) a person (other than company) whose accounts are required to be audited; or
 - a partner of a firm whose accounts are required to be audited.
- (ii) 30th November of the assessment year, in the case of an assessee including the partners of the firm being such assessee who is required to furnish a report referred to in section 92E.
- (iii) 31st July of the assessment year, in case of any other assessee.

139(3) Return of loss

An assessee can carry forward or set off his/its losses provided he/it has filed his/its return under section 139(3), within the due date specified under section 139(1).

Exceptions

Loss from house property and unabsorbed depreciation can be carried forward for set-off even though return has not been filed before the due date.

139(4) Belated Return

A return of income for any previous year, which has not been furnished within the time allowed u/s 139(1), may be furnished at any time before the:

	(i) three months prior to the (i.e., 31.12.2024 for P.Y.	ne end of the relevant assessment year 2023-24); or	
	(ii) completion of the asses		
	whichever is earlier.		
139(5)	Revised Return		
	If any omission or any wrong statement is discovered in a return		
	furnished u/s 139(1) or belated return u/s 139(4), a revised return may be furnished by the assessee at any time before the:		
		e end of the relevant assessment ye	
	(i.e., 31.12.2024 for P.Y. 2023-24); or		
	(ii) completion of assessment,		
	whichever is earlier.		
	Thus, belated return can also be revised.		
234A	Interest for default in furnishing return of income		
	Interest under section 234A is payable where an assessee furnishe the return of income after the due date or does not furnish the seturn of income.		
	return of income	ne due date of does not familian to	
	return of income.		
	Assessee shall be liable to pay	simple interest @1% per month or pa	
	Assessee shall be liable to pay	simple interest @1% per month or pa ommencing from the date immediate	
	Assessee shall be liable to pay of the month for the period co	simple interest @1% per month or pa ommencing from the date immediate	
	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is	simple interest @1% per month or pa ommencing from the date immediate ling on the following dates – Ending on the following dates	
	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date	simple interest @1% per month or pa ommencing from the date immediate ling on the following dates – Ending on the following dates the date of furnishing of the return	
	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is	simple interest @1% per month or pa ommencing from the date immediate ling on the following dates – Ending on the following dates the date of furnishing of the return the date of completion of	
	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is furnished	simple interest @1% per month or participation on the following dates – Ending on the following dates the date of furnishing of the return the date of completion or assessment	
	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is furnished	simple interest @1% per month or participation on the following dates – Ending on the following dates the date of furnishing of the return the date of completion or assessment has paid taxes in full on or before the	
140A	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is furnished However, where the assessee	simple interest @1% per month or participations on the following dates – Ending on the following dates the date of furnishing of the return the date of completion of assessment has paid taxes in full on or before the	
140A	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is furnished However, where the assessee due date, interest under sections Self-Assessment tax Where any tax is payable on the section of the secti	simple interest @1% per month or parametering from the date immediated ling on the following dates – Ending on the following dates the date of furnishing of the return the date of completion or assessment has paid taxes in full on or before the condition of the completion of the paid taxes in full on or before the condition of the completion of the co	
140A	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is furnished However, where the assessee due date, interest under section Self-Assessment tax Where any tax is payable on furnished under section 139,	simple interest @1% per month or parametering from the date immediated ling on the following dates — Ending on the following dates the date of furnishing of the return the date of completion or assessment has paid taxes in full on or before the control of the date of t	
140A	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is furnished However, where the assessee due date, interest under section Self-Assessment tax Where any tax is payable on furnished under section 139, (i) the amount of tax, already	simple interest @1% per month or parametering from the date immediated ling on the following dates – Ending on the following dates the date of furnishing of the return the date of completion of assessment has paid taxes in full on or before the condition of the completion of the c	
140A	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is furnished However, where the assessee due date, interest under section Self-Assessment tax Where any tax is payable on furnished under section 139, (i) the amount of tax, alread (ii) the tax deducted or coll	simple interest @1% per month or parametering from the date immediated ling on the following dates – Ending on the following dates the date of furnishing of the return the date of completion of assessment has paid taxes in full on or before the condition of the date of assessment leviable. the basis of any return required to be after taking into account – ady paid, lected at source	
140A	Assessee shall be liable to pay of the month for the period of following the due date and end Circumstances Where the return is furnished after due date Where no return is furnished However, where the assessee due date, interest under section date interest under section 139, (i) the amount of tax, alreation the tax deducted or coll (iii) any relief of tax claimed	simple interest @1% per month or parametering from the date immediated ling on the following dates – Ending on the following dates the date of furnishing of the return the date of completion of assessment has paid taxes in full on or before the condition of the leviable. the basis of any return required to be after taking into account – ady paid, lected at source	

provisions of section 115JD, in case the assessee has exercised

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the option of shifting out of the default tax regime provided under section 115BAC(1A); and

(v) any tax and interest payable as per the provisions of section 191(2)

the assessee shall be liable to pay such tax together with interest and fee payable under any provision of this Act for any delay in furnishing the return or any default or delay in payment of advance tax before furnishing the return.

Where the amount paid by the assessee under section 140A(1) falls short of the aggregate of the tax, interest and fee as aforesaid, the amount so paid shall first be adjusted towards the fee payable and thereafter, towards interest and the balance shall be adjusted towards the tax payable.

139(8A) Updated Return

Any person may, whether or not he has furnished a return under section 139(1) or belated return under section 139(4) or revised return under section 139(5) for that assessment year, furnish an updated return of his income or the income of any other person in respect of which he is assessable, for the previous year relevant to the assessment year at any time within 24 months from the end of the relevant assessment year.

The provisions of updated return would not apply, if the updated return of such person for that assessment year –

- (i) is a loss return; or
- (ii) has the effect of decreasing the total tax liability determined on the basis of return furnished under section 139(1) or section 139(4) or section 139(5); or
- (iii) results in refund or increases the refund due on the basis of return furnished under section 139(1) or section 139(4) or section 139(5).

No updated return can be furnished by any person for the relevant assessment year, where –

- (a) an updated return has been furnished by him under this subsection for the relevant assessment year; or
- (b) any proceeding for assessment or reassessment or recomputation or revision of income is pending or has been completed for the relevant assessment year in his case; or

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(c) he is such person or belongs to such class of persons, as may be notified by the CBDT.

140B

Tax on Updated Return

Payment of tax, additional tax, interest and fee before furnishing updated return of income if no return is furnished earlier - Where no return of income has been furnished by an assessee and tax is payable, on the basis of updated return to be furnished by such assessee under section 139(8A), the assessee would be liable to pay such tax together with interest and fee payable under any provision of this Act for any delay in furnishing the return or any default or delay in payment of advance tax, along with the payment of additional tax computed under section 140B(3), before furnishing the return.

The updated return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.

The tax payable is to be computed after taking into account the following -

- (i) the amount of tax, if any, already paid, as advance tax
- (ii) the tax deducted or collected at source
- (iii) any relief of tax claimed under section 89; and
- (iv) any tax credit claimed to set-off in accordance with the provisions of section 115JD, in case the assessee has exercised the option of shifting out of the default tax regime provided under section 115BAC(1A).

In a case, where no earlier return has been furnished, the interest payable under section 234A has to be computed on the amount of the tax on the total income as declared in the updated return under section 139(8A), in accordance with the provisions of section 140A(1A).

Payment of tax, additional tax, interest and fee before furnishing updated return of income if return is furnished earlier

Where, return of income under section 139(1) or 139(4) or 139(5) has been furnished by an assessee and tax is payable, on the basis of updated return to be furnished by such assessee under section 139(8A), the assessee would be liable to pay such tax together with interest payable under any provision of this Act for any default or delay in payment of advance tax, along with the payment of

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additional tax computed u/s 140B(3), as reduced by the amount of interest paid under the provisions of this Act in the earlier return, before furnishing the return.

The updated return shall be accompanied by proof of payment of such tax, additional income-tax and interest.

The tax payable has to be computed after taking into account the following -

- the amount of relief or tax referred to in section 140A(1), the credit for which has been taken in the earlier return
- (ii) the tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing total income and which has not been included in the earlier return
- (iii) any tax credit claimed, to set-off in accordance with the provisions of section 115JD, which has not been claimed in the earlier return, in case the assessee has exercised the option of shifting out of the default tax regime provided under section 115BAC(1A).

The aforesaid tax would be increased by the amount of refund, if any, issued in respect of such earlier return.

Additional income-tax payable at the time of updated return

The additional tax payable at the time of furnishing the updated return under section 139(8A) would be –

- (i) 25% of aggregate of tax and interest payable, as determined above, if such return is furnished after expiry of the time available under section 139(4) or 139(5) and before completion of the period of 12 months from the end of the relevant assessment year; or
- (ii) 50% of aggregate of tax and interest payable, as determined above, if such return is furnished after the expiry of 12 months from the end of the relevant A.Y. but before completion of the period of 24 months from the end of the relevant A.Y.

139(9) Defective Return

Where the Assessing Officer considers that the return of income is defective, he may intimate the defect to the assessee and give him an opportunity to rectify the defect within 15 days from the date of

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intimation or within such further period, which, the Assessing Officer may allow in his discretion on an application made by the assessee in this behalf.

If the defect is not rectified within such period, the return would be treated as an invalid return. Consequently, the provisions of the Income-tax Act, 1961 would apply as if the assessee had failed to furnish the return.

However, where the assessee rectifies the defect after the expiry of 15 days or further period allowed by the Assessing Officer but before the assessment is made, the Assessing Officer may condone the delay and treat the return as a valid return.

234F Fee for default in furnishing return of income

Where a person who is required to furnish a return of income under section 139, fails to do so within the prescribed time limit under section 139(1), he shall pay, by way of fee, a sum of ₹ 5,000.

However, if the total income of the person does not exceed ₹ 5 lakhs, the fees payable shall not exceed ₹ 1,000

139A Permanent Account Number (PAN)

Quoting of PAN is mandatory in all documents pertaining to the following prescribed transactions:

- in all returns to, or correspondence with, any income-tax authority;
- (b) in all challans for the payment of any sum due under the Act;
- (c) in all documents pertaining to such transactions entered into by him, as may be prescribed by the CBDT in the interests of revenue. For example, sale or purchase of a motor vehicle, payment in cash of an amount exceeding ₹ 50,000 to a hotel against a bill or bills at any one time, etc.

Inter-changeability of PAN with the Aadhaar number

Every person who is required to furnish or intimate or quote his PAN may furnish or intimate or quote his Aadhaar Number in lieu of the PAN if he

- has not been allotted a PAN but possesses the Aadhaar number
- has been allotted a PAN and has intimated his Aadhaar number to prescribed authority in accordance with the requirement contained in section 139AA(2).

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139AA

Quoting of Aadhaar Number

To be quoted by every person on or after 1.7.2017 in the application for allotment of PAN and in return of income.

If a person does not have Aadhaar Number, the Enrolment ID of Aadhaar application form issued to him at the time of enrolment shall be quoted.

Every person who has been allotted PAN as on 1.7.2017 and who is eligible to obtain Aadhaar Number, has to intimate his Aadhaar Number to the prescribed authority on or before 31.3.2022.

If such person has failed to intimate the same on or before 31st March, 2022, the PAN of such person would become inoperative and he would be liable for payment of fee in accordance with section 234H read with Rule 114(5A) i.e., ₹ 1,000.

Where such person who has not intimated his Aadhaar number on or before 31st March, 2022, has intimated his Aadhaar number under section 139AA(2) after 31st March, 2022, after payment of fee specified in section 234H read with Rule 114(5A), his PAN would become operative within 30 days from the date of intimation of Aadhaar number.

The consequences of inoperative PAN would be effective from the date specified by the Board i.e., **1.7.2023** [Circular No. 3/2023 dated 28th March, 2023]

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- (5) A return of income would be regarded as defective unless the annexures, statements and columns therein relating to computation of income chargeable under each head of income, gross total income and total income have been duly filled in.
- (6) A return of income u/s 139 would also be regarded as defective if it is not accompanied by proof of payment of taxes, whether by way of advance tax or self-assessment tax.

12. FEE FOR DEFAULT IN FURNISHING RETURN OF INCOME [SECTION 234F]

Where a person, who is required to furnish a return of income under section 139, fails to do so within the prescribed time limit under section 139(1), he shall pay, by way of fee, a sum of \mathfrak{T} 5,000.

However, if the total income of the person does not exceed ₹ 5 lakhs, the fees payable shall not exceed ₹ 1,000.

(PAN) [SECTION 139A]

(1) Sub-section (1) requires the following persons mentioned in column (2), who have not been allotted a permanent account number (PAN), to apply to the Assessing Officer within the time specified in column (3) for the allotment of a PAN –

(1)	(2)	(3)
	Persons required to apply for PAN	Time limit for making such application (Rule 114)
(i)	Every person, if his total income or the total income of any other person in respect of which he is assessable under the Act during any previous year exceeds the maximum amount which is not chargeable to income-tax	On or before 31st May of the assessment year for which such income is assessable

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(ii)	Every person carrying on any business or profession whose total sales, turnover or gross receipts are or is likely to exceed ₹ 5 lakhs in any previous year	Before the end of that financial year.
(iii)	Every person being a resident, other than an individual, which enters into a financial transaction of an amount aggregating to ₹ 2,50,000 or more in a financial year	On or before 31st May of the immediately following financial year
(iv)	Every person who is a managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of any person referred in (iii) above or any person competent to act on behalf of such person referred in (iii) above	into financial transaction

Further, every person who has not been allotted a PAN and intends to enter into such transaction as prescribed by the CBDT is also required to apply for PAN to the Assessing Officer. Accordingly, Rule 114BA has been inserted to prescribe the following transactions:

	Person required to apply for PAN [Rule 114BA]	Time limit for making application for PAN [Rule 114]
<i>(i)</i>	Every person, who intends to deposit cash in his one or more accounts with a banking company, cooperative bank or post office, if the cash deposit or the aggregate amount of cash deposit in such accounts during a financial year is ₹20 lakh or more	At least 7 days before the date on which he intends to deposit cash over the specified limit, i.e., ₹ 20 lakh or more.
(ii)	Every person, who intends to withdraw cash from his one or more accounts with a banking company, co-operative bank or post office, if the cash withdrawal or the aggregate amount of cash	At least 7 days before the date on which he intends to withdraw cash over the specified limit, i.e., ₹20 lakh or more.

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	withdrawal from such accounts during a financial year is ₹20 lakh or more	
(iii)	Any person, who intends to open a current account or cash credit account with a banking company or a co-operative bank, or a post Office	

- (2) The Central Government is empowered to specify, by notification in the Official Gazette, any class or classes of persons by whom tax is payable under the Act or any tax or duty is payable under any other law for the time being is force. Such persons are required to apply within such time as may be mentioned in that notification to the Assessing Officer for the allotment of a PAN [Sub-section (1A)].
- (3) For the purpose of collecting any information which may be useful for or relevant to the purposes of the Act, the Central Government may notify any class or classes of persons, and such persons shall within the prescribed time, apply to the Assessing Officer for allotment of a PAN [Sub-section (1B)].
- (4) The Assessing Officer, having regard to the nature of transactions as may be prescribed, may also allot a PAN to any other person (whether any tax is payable by him or not) in the manner and in accordance with the procedure as may be prescribed [Sub-section (2)].
- (5) Any person, other than the persons mentioned in (1) or (4) above, may apply to the Assessing Officer for the allotment of a PAN and the Assessing Officer shall allot a PAN to such person immediately.
- (6) Such PAN comprises of 10 alphanumeric characters.
- (7) Quoting of PAN is mandatory in all documents pertaining to the following prescribed transactions [Section 139A(5)]:
 - (a) in all returns to, or correspondence with, any income-tax authority;
 - (b) in all challans for the payment of any sum due under the Act;
 - (c) in all documents pertaining to such transactions entered into by him, as may be prescribed by the CBDT in the interests of revenue. In this connection, CBDT has notified the following transactions vide Rule 114B, namely:

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S. No.	Nature of transaction	Value of transaction
1.	Sale or purchase of a motor vehicle or vehicle, as defined in the Motor Vehicles Act, 1988 which requires registration by a registering authority under that Act, other than two wheeled vehicles.	All such transactions
2.	Opening an account [other than a time-deposit referred to at SI. No.12 and a Basic Savings Bank Deposit Account] with a banking company or a co-operative bank to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in section 51 of that Act).	All such transactions
3.	Making an application to any banking company or a co-operative bank to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act) or to any other company or institution, for issue of a credit or debit card.	All such transactions
4.	Opening of a demat account with a depository, participant, custodian of securities or any other person registered under section 12(1A) of the SEBI Act, 1992.	All such transactions
5.	Payment to a hotel or restaurant against a bill or bills at any one time.	Payment in cash of an amount exceeding ₹ 50,000.
6.	Payment in connection with travel to any foreign country or payment for purchase of any foreign currency at any one time.	Payment in cash of an amount exceeding ₹ 50,000.
7.	Payment to a Mutual Fund for purchase of its units	Amount exceeding ₹ 50,000

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8.	Payment to a company or an institution for acquiring debentures or bonds issued by it.	Amount exceeding ₹ 50,000
9.	Payment to the Reserve Bank of India for acquiring bonds issued by it.	Amount exceeding ₹ 50,000
10.	Deposit with a banking company or a co-operative bank to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act); or post office	Cash deposits exceeding ₹ 50,000 during any one day.
11.	Purchase of bank drafts or pay orders or banker's cheques from a banking company or a co-operative bank to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in section 51 of that Act).	Payment in cash of an amount exceeding ₹ 50,000 during any one day.
12.	A time deposit with, - (i) a banking company or a cooperative bank to which the Banking Regulation Act, 1949 applies (including any bank or banking institution referred to in section 51 of that Act); (ii) a Post Office; (iii) a Nidhi referred to in section 406 of the Companies Act, 2013; or (iv) a non-banking financial company which holds a certificate of registration under section 45-IA of the Reserve Bank of India Act, 1934, to hold or accept deposit from public.	Amount exceeding ₹ 50,000 or aggregating to more than ₹ 5 lakh during a financial year.

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13.	Payment for one or more pre-paid payment instruments, as defined in the policy guidelines for issuance and operation of pre-paid payment instruments issued by Reserve Bank of India under the Payment and Settlement Systems Act, 2007, to a banking company or a co-operative bank to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act) or to any other company or institution.	Payment in cash or by way of a bank draft or pay order or banker's cheque of an amount aggregating to more than ₹ 50,000 in a financial year.
14.	Payment as life insurance premium to an insurer as defined in the Insurance Act, 1938.	Amount aggregating to more than ₹ 50,000 in a financial year.
15.	A contract for sale or purchase of securities (other than shares) as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956.	Amount exceeding ₹ 1 lakh per transaction.
16.	Sale or purchase, by any person, of shares of a company not listed in a recognised stock exchange.	Amount exceeding ₹ 1 lakh per transaction.
17.	Sale or purchase of any immovable property.	Amount exceeding ₹ 10 lakh or valued by stamp valuation authority referred to in section 50C at an amount exceeding ₹ 10 lakh
18.	Sale or purchase, by any person, of goods or services of any nature other than those specified at Sl. No. 1 to 17 of this Table, if any.	Amount exceeding ₹ 2 lakh per transaction

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PROVISIONS FOR FILING RETURN OF INCOME AND SELF ASSESSMENT

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Minor to quote PAN of parent or guardian

Where a person, entering into any transaction referred to in this rule, is a minor and who does not have any income chargeable to income-tax, he shall quote the PAN of his father or mother or guardian, as the case may be, in the document pertaining to the said transaction.

Declaration by a person not having PAN

Further, any person who does not have a PAN and who enters into any transaction specified in this rule, shall make a declaration in Form No.60 giving therein the particulars of such transaction either in paper form or electronically under the electronic verification code in accordance with the procedures, data structures, and standards specified by the Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems).

Non-applicability of Rule 114B

The provisions of this rule shall not apply to the following class or classes of persons, namely:-

- the Central Government, the State Governments and the Consular Offices;
- (ii) the non-residents referred to in section 2(30) in respect of the transactions other than a transaction referred to at SI. No. 1 or 2 or 4 or 7 or 8 or 10 or 12 or 14 or 15 or 16 or 17 of the Table.

Meaning of certain phrases:

	Phrase	Inclusion
(1)	Payment in connection with travel	Payment towards fare, or to a travel agent or a tour operator, or to an authorized person as defined in section 2(c) of the FEMA, 1999
(2)	Travel agent or tour operator	A person who makes arrangements for air, surface or maritime travel or provides services relating to accommodation, tours, entertainment, passport, visa, foreign exchange, travel related insurance or other travel related services either severally or in package
(3)	Time deposit	Any deposit which is repayable on the expiry of a fixed period.

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(14) Quoting and authentication of PAN or Aadhaar number

- (a) Every person entering into such prescribed transactions is required to quote his PAN or Aadhaar number, as the case may be, in the documents pertaining to such transactions and also authenticate such PAN or Aadhaar number in the prescribed manner [Section 139A(6A)].
- (b) Every person receiving such document relating to transactions referred to in (a) has to ensure that PAN or Aadhaar number has been duly quoted in such document and also ensure that such PAN or Aadhaar number is so authenticated [Section 139A(6B)].

Accordingly, Rule 114BB has been inserted to prescribe that every person has to, at the time of entering into a transaction specified in column (2) of the Table below, quote his permanent account number or Aadhaar number, as the case may be, in documents pertaining to such transaction, and every person specified in column (3) of the said Table, who receives such document, has to ensure that the said number has been duly quoted and authenticated:

(1)	(2)	(3)	
S. No.	Nature of transaction	Person	
1.	Cash deposit or deposits aggregating to ₹ 20 lakhs or more in a financial year, in one or more account of a person with a bank or a co-operative bank or Post Office.	A bank or a co-operative bank or Post Master General of a Post Office.	
2.	Cash withdrawal or withdrawals aggregating to ₹20 lakhs or more in a financial year, in one or more account of a person with a bank or a co-operative bank or Post Office	A bank or a co-operative bank or Post Master General of a Post Office.	
3.	Opening of a current account or cash credit account by a person with a bank or a co-operative bank or Post Office	A bank or a co-operative bank or Post Master General of a Post Office.	

Note – Quoting of PAN or Aadhaar number is, however, not required in case where the person depositing money as per Sl. No.1 or withdrawing money as per Sl. No.2 or opening a current account or cash credit account as per Sl. No.3 is the Central Government, the State Government or the Consular Office.

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(17) Penalty for failure to comply with the provisions of section 139A [Section 272B]

Section	Default	Penalty	
272B(1)	Failure to comply with the provisions of section 139A	₹ 10,000	
272B(2)	Failure to quote PAN/Aadhaar number in any document referred to in section 139A(5)(c)	₹ 10,000 for each such	
	Failure to intimate PAN/Aadhaar number as required by section 139A(5A)/(5C)		
	Knowingly quoting or intimating a number which is false		
272B(2A)	Failure to quote PAN/Aadhaar Number in ₹ 10,000 for documents referred to in section 139A(6A) or authenticate such number in accordance with the provisions contained therein		
272B(2B)	(i) Failure to ensure that PAN/Aadhaar Number is duly quoted in the documents relating to transactions referred to in section 139A(5)(c) or section 139A(6A)	each such	
	(ii) Failure to ensure that PAN/Aadhaar Number has been duly authenticated in respect of transactions referred to under section 139A(6A)		

Note – It is necessary to give an opportunity to be heard to the person on whom the penalty under section 272B is proposed to be imposed.

(SECTION 139AA)

NUMBER

(1) Mandatory quoting of Aadhaar Number

Every person who is eligible to obtain Aadhaar Number is required to mandatorily quote Aadhaar Number:

- (a) in the application form for allotment of Permanent Account Number (PAN)
- (b) in the return of income

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Quoting of Aadhaar Number mandatory in returns filed on or after 1.4.2019 [Circular No. 6/2019 dated 31.03.2019]

As per section 139AA(1)(ii), with effect from 01.07.2017, every person who is eligible to obtain Aadhaar number has to quote Aadhaar number in the return of income.

The Apex Court in a series of judgments has upheld the validity of section 139AA. Consequently, with effect from 01.04.2019, the CBDT has clarified that it is mandatory to quote Aadhaar number while filing the return of income unless specifically exempted as per any notification issued under section 139AA(3) [detailed in point no. (5) in the next page]. Thus, returns being filed either electronically or manually on or after 1.4.2019 cannot be filed without quoting the Aadhaar number.

(2) Mandatory quoting of Enrolment Id, where person does not have Aadhaar Number

If a person does not have Aadhaar Number, he is required to quote Enrolment ID of Aadhaar application form issued to him at the time of enrolment in the application form for allotment of Permanent Account Number (PAN) or in the return of income furnished by him.

Enrolment ID means a 28 digit Enrolment Identification Number issued to a resident at the time of enrolment

(3) Intimation of Aadhaar Number to prescribed Authority

Every person who has been allotted Permanent Account Number (PAN) as on 1st July, 2017, and who is eligible to obtain Aadhaar Number, shall intimate his Aadhaar Number to prescribed authority on or before 31st March, 2022.

Notwithstanding the last date of intimating/linking of Aadhaar Number with PAN being 31.03.2022, it is clarified that w.e.f. 01.04.2019, it is mandatory to quote and link Aadhaar number while filing the return of income, either manually or electronically, unless specifically exempted in cases detailed in point (5) below.

(4) Consequences of failure to intimate Aadhaar Number

If a person fails to intimate the Aadhaar Number, the permanent account Number (PAN) allotted to such person shall be made inoperative after the date so notified in the prescribed manner.

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Accordingly, Rule 114AAA specifies the manner of making permanent account number inoperative.

Sub- Rule	Provision	
(1)	If a person, who has been allotted PAN as on 1st July, 2017 and is required to intimate his Aadhaar number under section 139AA(2), has failed to intimate the same on or before 31st March, 2022, the PAN of such person would become inoperative and he would be liable for payment of fee in accordance with section 234H read with Rule 114(5A) i.e., ₹ 1,000³.	
(2)	Where such person who has not intimated his Aadhaar number on or before 31st March, 2022, has intimated his Aadhaar number under section 139AA(2) after 31st March, 2022, after payment of fee specified in section 234H read with Rule 114(5A), his PAN would become operative within 30 days from the date of intimation of Aadhaar number.	
(3)	A person, whose PAN has become inoperative, would be liable for following further consequences for the period commencing from the date as specified under (4) below till the date it becomes operative –	
	 (i) no refund of any amount of tax or part thereof, due under the provisions of the Act; 	
	(ii) interest would not be payable on such refund for the period, beginning with the date specified under (4) below and ending with the date on which it becomes operative;	
	(iii) where tax is deductible at source in case of such person, such tax shall be deducted at higher rate, in accordance with provisions of section 206AA;	
	(iv) where tax is collectible at source in case of such person, such tax shall be collected at higher rate, in accordance with provisions of section 206CC:	
(4)	The consequences in (3) above would be effective from the dispecified by the Board i.e., 1.7.2023 [Circular No. 3/2023 da 28 th March, 2023]	

³ The fee was ₹ 500 if Aadhaar number was intimated on or before 30.06.2022

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Note - It may be noted that as per section 139B(3), an employee of the "specified class or classes of persons" is not authorized to act as a Tax Return Preparer. Therefore, it follows that employees of companies and persons whose accounts are required to be audited under section 44AB or any other law for the time being in force (since they are not falling in the category of specified class or classes of persons), are eligible to act as Tax Return Preparers.

ILLUSTRATION 3

Mrs. Hetal, an individual engaged in the business of Beauty Parlour, has got her books of account for the financial year ended on 31st March, 2024 audited under section 44AB. Her total income for the A.Y. 2024-25 is ₹6,35,000. She wants to furnish her return of income for A.Y. 2024-25 through a tax return preparer. Can she do so?

SOLUTION

Section 139B provides a scheme for submission of return of income for any assessment year through a Tax Return Preparer. However, it is not applicable to persons whose books of account are required to be audited under section 44AB. Therefore, Mrs. Hetal cannot furnish her return of income for A.Y.2024-25 through a Tax Return Preparer.



16. PERSONS AUTHORISED TO VERIFY RETURN OF **INCOME [SECTION 140]**

This section specifies the persons who are authorized to verify the return of income under section 139.

	Assessee	Circumstance	Authorised Persons
1.	Individual	(i) In circumstances not covered under (ii), (iii) & (iv) below	- the individual himself
		(ii) where he is absent from India	- the individual himself; or - any person duly authorised by him in this behalf holding a valid power of attorney from the individual (Such power of attorney should be

PROVISIONS FOR FILING RETURN OF INCOME AND SELF ASSESSMENT

8.41

1	201	No.	
			attached to the return of income)
		(iii) where he is mentally incapacitated from attending to his affairs	 his guardian; or any other person competent to act on his behalf
		(iv) where, for any other reason, it is not possible for the indi- vidual to verify the return	authorised by him in this behalf holding a valid
2.	Hindu Undivided Family	(i) in circumstances not covered under (ii) and (iii) below	
		(ii) where the karta is absent from India	- any other adult member of the HUF
		(iii) where the karta is mentally incapacitated from attending to his affairs	
3.	Company	(i) in circumstances not covered under (i) to (vi) below	
		(ii) (a) where for any unavoidable reason such managing director is not able to verify the return; or (b) where there is no managing director	any director of the company or any other person as may be prescribed for this purpose
		(iii) where the company is not resident in India	 the managing director of the company (or) a person who holds a valid power of attorney

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		. Ha			from such company to do so (such power of attorney should be attached to the return).
		(b)	Where the company is being wound up (whether under the orders of a court or otherwise); or where any person has been appointed as the receiver of any assets of the company	•	Liquidator Liquidator
		.,	Where the management of the company has been taken over by the Central Government or any State Government under any law	-	the principal officer of the company
			Where an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016.	(+)	insolvency professiona appointed by such Adjudicating Authority
4.	Firm	(i) ii	n circumstances not overed under (ii) below		the managing partner of the firm
			where for any unavoidable reason such managing partner is not able to verify the return; or	_	any partner of the firm not being a mino
		100	where there is no managing partner.	-	any partner of the firm not being a minor

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PROVISIONS FOR FILING RETURN OF 8.43 INCOME AND SELF ASSESSMENT 5. LLP Designated partner in circumstances not covered under (ii) below (ii) (a) where for any unavoidable reason any partner of the LLP or such designated any other person as may partner is not able to be prescribed for this verify the return; or purpose where there is no designated partner. Local the principal officer authority Political the chief executive officer party 4 of such party (whether he is known as secretary or by any other designation) Any other any member of the association association principal officer of such association Any other that person or some person other person competent to act on his behalf.

Any other person in case of company and LLP - The CBDT has, vide Notification No. 93/2021 dated 18.8.2021, specified that "any other person" referred to in section 140(c) and 140(cd) for company and LLP, respectively, shall be the person, appointed by the Adjudicating Authority (i.e., National Company Law Tribunal constituted under section 408 of the Companies Act, 2013) for discharging the duties and functions of an interim resolution professional, a resolution professional, or a liquidator, as the case may be, under the Insolvency and Bankruptcy Code, 2016 and the rules and regulations made thereunder.

⁴ Referred to in section 139(4B), which will be dealt with at the Final level.

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