

## Chapter 1 - BASIC CONCEPTS

## I. 115 BAC

1.

	Income Tax Rates
Upto 3,00,000	Nil
From 3,00,001 to 7,00,000	5%
From 7,00,001 to 10,00,000	10%
From 10,00,001 to 12,00,000	15%
From 12,00,001 to 15,00,000	20%
Above 15,00,001	30%



FA 2024

## 2. Surcharge

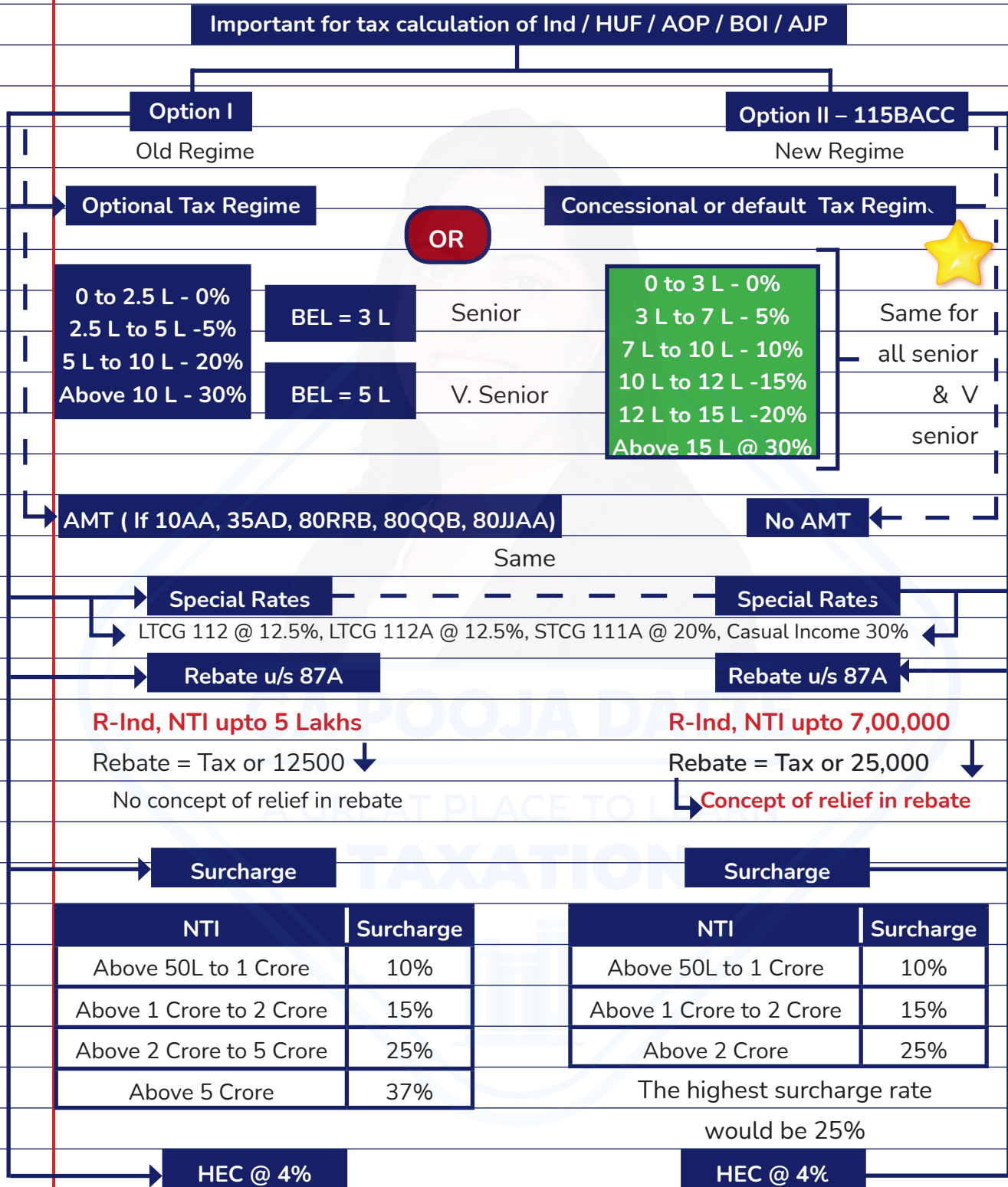
NTI	Surcharge
Above 50L upto 1 Crore	10%
Above 1 Crore upto 2 Crore	15%
Above 2 Crore	25%

## 3. HEC @ 4%

## 4. Rebate Applicable for resident Individual whose NTI is upto 7,00,000 = 25,000 or tax ↓

# CA INTER - AMENDMENTS FOR MAY 25

## II. Let's Summarise



Note : 1. Under option I and option II enhanced rate of surcharge of 25% or 37% would not apply to STCG u/s111A, LTCG u/s112A, LTCG u/s 112, dividend.

2. Partial Integration in both options.

## CA INTER - AMENDMENTS FOR MAY 25

### Tax liability of other persons

#### 1. Firm/ LLP/ Local Authority

Income Tax	30%(no BEL)	
Surcharge	Total Income > 1 crore	12%
HEC	4%	
Concessional Tax Regime	NA	
Marginal relief	Applicable	

#### 2. Co-operative Society

Income Tax	Total Income (in Rs.)	Rate of Tax
	Upto 10,000	10%
	Rs 10,001 to 20,000	20%
	Above 20,000	30%
Surcharge	Total income > ₹ 1 crore but is ≤ ₹ 10 crore	7%
	Total income is > ₹ 10 crore	12%
HEC	4%	
Concessional Tax Regime	Section 115BAD or section 115BAE (Final)	
Marginal relief	Applicable	

#### A. Domestic Company

Income Tax	Tax Rate
a. Total turnover or gross receipts in the P.Y. 2022-23 ≤ ₹ 400 crore -	25%
b. Other domestic companies	30%
Surcharge	
Total income > ₹ 1 crore but is ≤ ₹ 10 crore	7%
Total income is > ₹ 10 crore	12%
HEC	4%
Concessional Tax Regime	Final (Section 115BAA/115BAB)
Marginal Relief	Applicable

## CA INTER - AMENDMENTS FOR MAY 25

### B. Foreign Company

Income Tax	35%	FA 2024
Surcharge		
a. Total income > ₹ 1 crore but is ≤ ₹ 10 crore	2%	
Total income is > ₹ 10 crore	5%	
HEC	4%	
Concessional Tax Regime	NA.	
Marginal Relief	Applicable	

### Chapter 2 - SALARY

#### 1. Section 16(ia) w.e.f. A.Y. 2019-20

a) Standard deduction = 50,000 or salary whichever is lower under old regime.

b) Standard deduction = 75,000 or salary whichever is lower if opted for 115 BAC

FA 2024

### Chapter 3 - INCOME FROM HOUSE PROPERTY

FA 2024

- Explanation 3 has been inserted in sec 28 which says renting of residential property or a part of residential property will always be taxable under HP and never under PGBP. Even if developers/ builders are into business of renting of residential property it shall be taxed under Income from HP.

### Chapter 4 - PGBP

- Explanation 3 has been inserted in sec 28 which says renting of residential property or a part of residential property will always be taxable under HP and never under PGBP. Even if developers/ builders are into business of renting of residential property it shall be taxed under Income from HP.

- Employer's contribution towards a pension scheme referred to in Section 80CCD not exceeding 14% of salary. (Salary = Basic + DA if terms of employment so Provide Prior to FA 2024 the limit was 10%.

## CA INTER - AMENDMENTS FOR MAY 25

3. A new clause has been inserted It says no deduction shall be allowed for expenditure incurred to settle proceedings. Earlier courts have held that the decision to settle the dispute is based in business interests. It is to ensure that the assessee is able to carry out its business operations without interruption. **FA 2024**  
Thus, any amount paid to settle a dispute was allowed as a business expenditure under Section 37(1) of the IT Act.



**However, with the insertion of the clause (iv) to Explanation 3 to Section 37(1), no deduction shall be allowed for expenditure incurred to settle proceedings.**

### 4. **Section 40 (b): Interest and remuneration to partners of PFAS**

**Basic Concept:**

- i) **POV Firm** → 1) Salary & Interest to partners - Expenditure of firm  
Note - However it should be within limit of 40 (b)
- ii) **POV Partner** → 1) Salary & Interest - Partners Income  
2) Share of profit - Exempt for partners

### 2) **Remuneration to partners of PFAS is allowable expenditure for firm.**

- a) Remuneration should be paid to a **working partner**.
- b) Remuneration must be **authorized by the partnership deed**.
- c) **Remuneration should not exceed the permissible limit as follows.**

**FA 2024**



Book Profit	Limit
On the first Rs.6,00,000 of the Book Profit or In case of loss.	Rs.3,00,000 or at the rate of 90% of Book Profits, Whichever is more.
On the Balance of Book Profits.	At the rate of 60% of Book Profits.

## CA INTER - AMENDMENTS FOR MAY 25

f) Book profit will be calculated as follows.

Net Profit as per Profit & Loss A/c	XXX
Add/less adjustments u/s 28 to 44	XXX
Add remuneration to partners if debited to Profit & loss A/c	XXX
Less : b/f / unabsorbed dep	(XX)
Book Profit	XXX

**Note :** b/f business loss will not be deducted while computing book profit

### Chapter 5 - CAPITAL GAINS

1. Period of holding of Assets (POHA)

Particulars		Before 23/7/2024	On or after 23/7/2024
1.	Listed shares zero coupon bonds units of UTI equity oriented MF	12 m	12 m
	Listed securities eg. Deb.		
2.	Unlisted shares immovable property	24 m	24 m
3.	Other assets (Gold)	36 m	24 m
4.	Unlisted bonds unlisted debentures	36 m	Always treated as irrespective of POHA
5.	Specified MF market linked debentures	Always ST	Always ST



## CA INTER - AMENDMENTS FOR MAY 25

### 2. Computation of Long term Capital Gains / Trf on / After 23/7/2024

Particulars	Rs.	Rs.
Sale Consideration	XXX	
Less Cost of Acquisition	XXX	
Less Cost of Improvement	XXX	
Capital Gains	XXX	
Less : Exemption u/s 54, 54B, 54D, 54EC, 54EE, 54F	XXX	
<b>Long Term Capital Gain / Loss</b>		<b>XXX</b>

Note : Benefit of indexation is done away on transfer done on or after 23<sup>rd</sup> July 2024. If transfer takes place before 23/7/24 then Indexed cost of Acquisition and indexed cost of improvement will be calculated.



FA 2024

3. Gift / will / Irrevocable transfer by Ind / HUF —————> No Transfer, No Capital Gains.  
 Gift / will / Irrevocable transfer by other —————> Treated as transfer



FA 2024

#### 4. Section 50 AA - CG in case of market linked debentures (w.e.f. FA 2023)

- 1) Section 50 AA is an over riding section
- 2) It is applicable for
  - a. a specified mutual fund acquired on or after 1/4/2023
  - b. market linked debentures



FA 2024

- c. Unlisted bonds and unlisted debentures transferred on or after 23<sup>rd</sup> July 2024

Note : Before 23<sup>rd</sup> July for unlisted bonds and unlisted debentures POHA criteria will be 24 months.

- 3) Irrespective of POHA these assets would be **deemed to be STCA**
- 4) The STCG will be taxable at **normal rate of tax.**
- 5) Computation of capital Gain.

## CA INTER - AMENDMENTS FOR MAY 25

Particulars	Rs.
Sale consideration (sale price redemption or maturity value)	xx
Less COA	xx
Less COI (Financial assets like share, debentures, mutual funds do not have any COI)	NIL
Less exp on trf (STT not allowed)	xx
STC Gain	xx

- 6) Market linked debenture means any security classified as a market linked debenture by SEBI. Its returns are linked to market returns or underlying securities. Generally underlying security is nifty index / Gold Bonds / Securities
- 7) Specified Mutual Funds  
 Mutual Fund → Max 35% of its proceeds is invested

### 5. **Buyback of shares:**

This is allowed as per Section 68 of Companies Act 2013.

(1)	(2)	(3)
Taxability in the hands of the -	Buyback of shares by domestic companies	Buyback of shares other than shares referred to in column(2) or other
Company	Subject to additional income tax @ 20% + (surcharge 12% and education cess @ 4 %).	Not subject to tax in the hands of the Company.
Shareholders	Income arising to shareholders exempt under section 10(34A).	Income arising to shareholders taxable as capital gains under section 46A.

- Now consideration received on buy back of shares by the shareholder will be treated as deemed u/s 2(22) (f). This amendment will take be effective from 1/10/2024.
- ∴ On buy back on or after 1/10/24 there will be capital loss in hands of shareholders.

Sale consideration	NIL
Less COA	Purchase price
ST/LT capital loss	(XX)





# CA INTER - AMENDMENTS FOR MAY 25

## 6. Taxation of Capital Gain: (V. IMP)



### Taxability of Long Term Capital Gains

Generally - LT CG u/s 112	Section 112 A
1. No BEL [ However benefit of unexhausted BEL available to R Ind RHUF ]	1. Equity shares Equity oriented MF
2. No VI A deduction	2. Equity shares (Exception Bonus Share)
3. 87A Available	STT → Purchase ✓ Sale ✓
4. Tax Rates	Equity oriented MF STT → Sale ✓
<div> <div>Before 23/7/24</div> <div>Tax @ 20%</div> <div>Indexation</div> </div>	
<div> <div>On or after 23/7/24</div> <div>Tax @ 12.5%</div> <div>No Indexation</div> </div>	
<div> <div>Exception (all 4 conditions)</div> <div>1. R Ind / RHUF</div> <div>2. Trf. Immovable prop. Land / Building</div> <div>3. Immovable prop purchased before 23/7/24</div> <div>4. Sale of immovable prop after 23/7/24</div> </div>	3. Tax @ 10% Before 23/7/24 @ 12.5% on or after 23/7/24 on Gain exceeding 1,25,000
<div> <div>Only for Tax Calculation</div> <div> <div>Option I</div> <div>With Indexation</div> <div>Tax @ 20%</div> </div> <div>Or</div> <div> <div>Option II</div> <div>w/o Indexation</div> <div>Tax @ 12.5%</div> </div> </div>	4. Indexation × 5. BEL × [ However benefit of unexhausted BEL available to R Ind RHUF ] 6. Chapter VI A × 7. 87A × 8. Grandfathering effect
	<div> <div>If shares are acquired before 31/1/2018</div> <div>+ 112 A</div> <div>COA = FMV as on 31/1/2018</div> <div>Lower amt</div> </div> <div> <div>or</div> <div>Sale consid</div> <div>or</div> <div>Actual cost</div> </div>



FA 2024

BEL : - Basic Exemption Limit

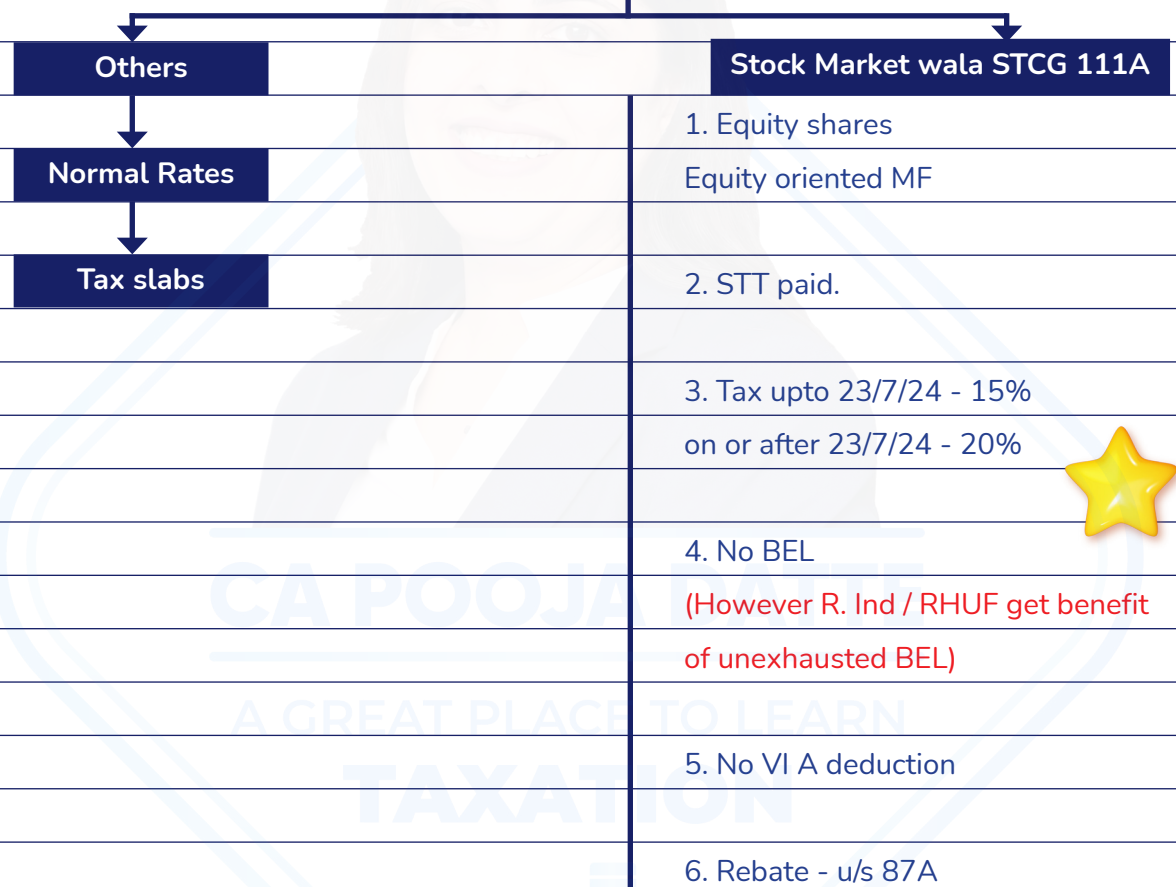
## CA INTER - AMENDMENTS FOR MAY 25

FMV as on 31/1/2018 for grandfathering effect

1. Take highest price quoted on 31/1/2018.
2. If no trading on 31/1/2018 then consider FMV of latest date of trading
3. If on 31/1/2018 share are not listed then its

$$\text{FMV} = \frac{\text{COA}}{\text{Index of acquisition}} \times (\text{Index of 17-18}) 272$$


### Taxability of Short Term Capital Gains



BEL : - Basic Exemption Limit

## CA INTER - AMENDMENTS FOR MAY 25

### Chapter 6 - INCOME FROM OTHER SOURCES

1. **Dividend under the Income Tax Act Sec.2 (22):-** The following payments or distribution by a company to its shareholders are **deemed as dividend to the extent of accumulated profits** of the company.
  - a) Any distribution entailing the **release of company's assets**.
  - b) Any distribution of **debentures, debenture-stock, deposit certificates and bonus to preference shareholders**.
  - c) Distribution on **liquidation of company**.
  - d) Distribution on **reduction of capital and**;
  - e) Any payment by **way of loan or advance by a closely-held company to a shareholder**, holding substantial interest, provided the loan should not have been made in the ordinary course of business and money-lending should not be substantial part of the company's business
  - f) **Any sum received by shareholder from a company on purchase of its own share under buyback scheme of section 68 of companies Act 2013. It will be treated as deemed dividend in hands of shareholder. No expenses/ deduction allowed from such income.**  **FY 2024**

2. **Family Pension**  
**"Family Pension"** means a regular monthly amount payable by the employer to a person Belonging to the family of an employee in the event of his death.

Family Pension will be taxable under the head income from other sources. It cannot be taxed Under Salaries as there is no employer and employee relationship.

**Standard deduction allowable = 15000 or 1/3rd of total pension whichever is lesser.**

**u/s 115BAC this std ded = 25,000 or 1/3<sup>rd</sup> of total pension whichever is lower**  **FY 2024**

E.g. Mrs. X receives family pension of Rs 120000. Calculate the tax implication.

Ans.: **Mrs. X - No 115 BAC**

Pension =	1,20,000
Less std deduction	15,000
	1,05,000

15,000 or 1/3 of 1,20,000 ↓

**Mrs. X - No 115 BAC**

Pension =	1,20,000
Less std deduction	25,000
	95,000

25,000 or 1/3 of 1,20,000 ↓

## CA INTER - AMENDMENTS FOR MAY 25

3. Shares issued at premium by a company in which public are not substantially interested.

If two conditions are satisfied

a) Shares issued at premium AND b) Issue price is more than the FMV.

Then, Income = Issue price – FMV

FY 2024

This provision is applicable only to a company in which public are not substantially interested.

Provision deleted wef AY 25-26.

4. No expenses will be allowed from dividend income u/s 2(22) (f) - buyback of share - FA 2024.

FY 2024

### Chapter 7 - AGGREGATION OF INCOME, SET OFF AND CARRY FORWARD OF LOSSES

1. Concept 6 : 115 BAC Impact :

Exemptions	115 BAC	Old Regime
Interhead adj of HP loss	x	Allowed only upto 2 lakhs (balance c/f)
c/f HP loss	x	✓

### Chapter 8 - PROVISION FOR FILING RETURN OF INCOME AND SELF ASSESSMENT

FA 2024


1. Where a person does not have Aadhar Number it is mandatory to quote 28 digit enrollment identification number.

Note : Given the widespread adoption of Aadhaar since 2017, the option to use the Enrollment ID is now seen as a potential source of PAN duplication and misuse. Therefore, it is proposed that the provision allowing the use of the Aadhaar Enrollment ID will be discontinued from 01.10.2024.

## CA INTER - AMENDMENTS FOR MAY 25

### Chapter 9 - DEDUCTION FROM GROSS TOTAL INCOME

#### 1) Deductions u/s 80G

Sr. No.	Done	Maximum Limit	Deduction (%)
21.	National Sports development Fund or National Cultural Fund or Fund for Technology Development and Application.	N.A.  FY 2024	100 %

#### 2) Imp points about 10AA.

1. Taxpayer can claim 10AA only if the manufacturing activity starts from 1/4/2006 to 31/3/2021.
2. No amendment in 10AA.

CA POOJA DATTE

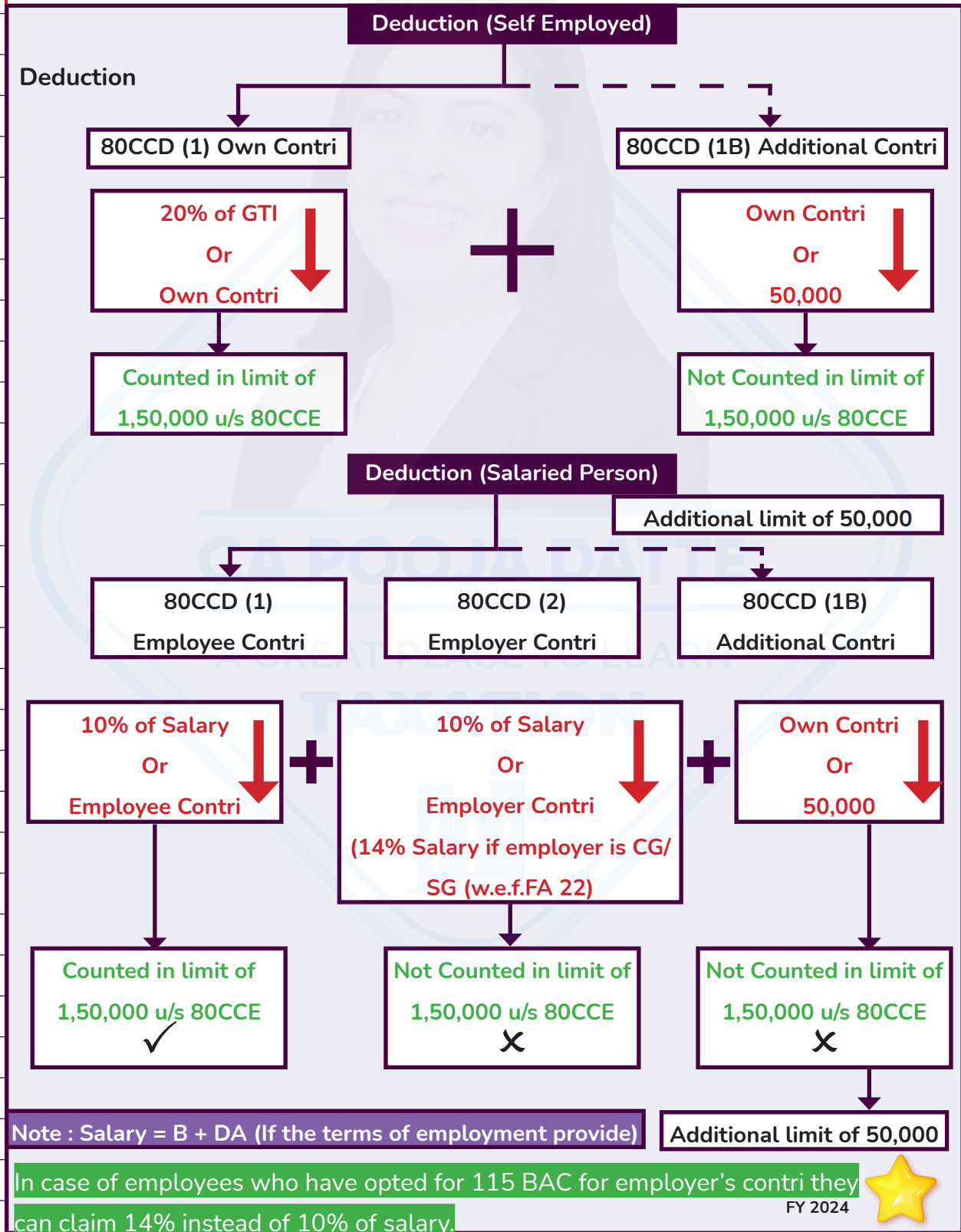
A GREAT PLACE TO LEARN  
TAXATION



## CA INTER - AMENDMENTS FOR MAY 25

### 3. Deductions- Simplified

Sec & Eligible Assessee	Eligible payment's	Deduction
<b>80CCD</b> <b>Ind</b>	This is deduction is in respect of new pension scheme. In case of employees there is contribution from employee as well as the employer. Non-Salaried person can also contribute towards the pension Plan.	





## CA INTER - AMENDMENTS FOR MAY 25

### Chapter 10 - COMPUTATION OF TOTAL INCOME AND TAX PAYABLE

#### 1. 115 BAC - Comparison

Exemptions	115 BAC	Old Regime
1. Constituency Allowance (MLA)	x	✓
2. HRA	x	✓
3. LTC	x	✓
4. Exemptions for Allowances	x	✓
a. Travelling Allowance T	✓	✓
b. Transport Allowance T	✓	✓
c. Daily Allowance D	✓	✓
d. Conveyance allowance for office C	✓	✓
5. Deductions u/s 16		
Std Deduction	75,000	50,000
PT	x	✓
EA	x	✓
6. Exemption of ₹ 50 Per meal for lunch facility	x	✓

#### II. PGBP

Exemptions	115 BAC	Old Regime
1. 35 AD	x	✓
2. Additional Depreciation	x	✓
3. Donation contribution for Scientific Research	x	✓
4. Employers contri to NPS allowable exp	14% of salary	14% of salary

Note : If 35 AD not taken then we can claim depreciation

FA 2024

#### III. House Property

Exemptions	115 BAC	Old Regime
1. Int on borrowed capital for SO property (24b)	x	✓
2. Int on borrowed capital is allowed in both regime for LO/DLO properties. (24b)	✓	✓

## CA INTER - AMENDMENTS FOR MAY 25

### IV. IOS

Exemptions	115 BAC	Old Regime
Std deduction for family pension	25,000 or 1/3 <sup>rd</sup> of pension	15,000 or 1/3 <sup>rd</sup> of pension



### V. Clubbing

Exemptions	115 BAC	Old Regime
Exemption of 1500 u/s 10 (32) for minor clubbing	x	✓

### VI. Set off

Exemptions	115 BAC	Old Regime
Interhead adj of HP loss	x	Allowed only upto 2 lakhs
Loss under head HP	Cannot be c/f	Can be c/f

### VII. Deductions

Exemptions	115 BAC	Old Regime
1. 10 AA	x	✓
2. 80CCD(2) employers contri to NPS	14% of salary	10% of salary
3. 80CCH(2) employers contri to Agniveer Corpus	✓	✓
4. 80JJAA	✓	✓
5. All other deductions under chapter VI A	x	✓














## Chapter 11 - TAX DEDUCTION AT SOURCE AND INTRODUCTION TO TAX COLLECTION AT SOURCE

Following are the threshold limits for 194A - Interest

A)	Interest on Securities	Threshold limit
1)	Interest on debentures paid to I/HUF	5000
2)	Interest on Central Government/State Government Securities	No TDS deductible
3)	Interest on 7.75% savings bonds	10,000
4)	Interest on 8% Saving Bonds	10,000
5)	Int on FRSB 2020 (w.e.f 1/10/2024)	10,000
6)	Interest on other Securities	No threshold limit
Interest other than on securities		
1)	Bank/post office paying any assessee	40,000
2)	Bank /post office paying interest to senior citizen	50,000
3)	Assessee (other than bank ) paying interest	5,000


FRSB - Floating Rate Savings Bond

Nature of payment	Rate	Payment in excess of	Remarks
Insurance Commission 194D <b>194 C</b>		Rs. 15,000	N.A.
Payee	Rate	<b>194 D</b>	
Non Corporate Domestic Company	5 % or <b>2% wef 1/10/24</b>		
Life Insurance payment 194DA <b>P</b> 	5% <b>2% wef 1/10/24</b>	1,00,000 or more <b>194 DA</b>	Conditions: Amount should not be exempt/s 10(10D) 5% TDS is to be deducted on income component wef 1/09/2019 of Insurance payout.
Commission on sale of Lottery tickets	5% <b>2% wef 1/10/24</b> 	Rs. 15,000 <b>194 G</b>	
Commission, Brokerage 	5% <b>2% wef 1/10/24</b>	Rs. 15,000 <b>194 H</b>	1. In case of any payment payable by BSNL or MTNL towards commission or brokerage to PCO. 2. Ind/HUF whose turnover or gross receipts in preceeding FY does not exceed the amount specified (1Cr/50 lakhs) shall not be liable to deduct TDS.
Rent Payment of rent by certain Individual/HUF	5% 2% <b>wef 1/10/24</b> <b>194 IB</b>  <b>FA 2024</b>	Exceeds Rs. 50,000 p.m	1) This is applicable to Ind or HUF whose TO or Gross receipts in preceding FY does not exceed 1 Cr or 50 lakhs 2) Tax is to be deducted on credit of rent of last month of PY or last month of tenancy. 3) TDS should be paid to the Govt. within 30 days from end of the month of deduction 4) Deductor not required to obtain TAN. 5) Where the tax is required to be deducted as per rates in force or 20% such deduction shall not exceed amount rent payable for the last month of previous year or last month of tenancy as the case may be .

Nature of payment	Rate	Payment in excess of	Remarks
Payment to contractors Commission or Brokerage Fees for Professional Services	5% 2% <b>wef 1/10/24</b>  <b>FA 2024</b>	50,00,000  <b>194 M</b>	1. Ind/HUF who are making payment to contractor, commission or brokerage Or fees for professional services but not getting covered u/s 194C, 194H, Or 194J need to be deduct TDS u/s 194M. 2. ie. Ind/HUF whose TO/ receipts does not exceed 50L /1 Crore will get covered u/s 194M 3. Also exclusive personal payments covered in 194M
194O  Payments made by ECO Finance Act, 2020  Wef AY 21-22	1% 0.1% <b>wef 1/10/24</b>  <b>FA 2024</b>  <b>194 O</b>	No threshold limit	1) Every ECO shall deduct TDS on amounts paid to the e-commerce Participant. 2) Rate of TDS shall be 5% if PAN or Aadhar is not furnished by the Participant 3) No TDS shall be deducted in case the participant is Individual/HUF and the Amount paid/payable does not exceed 5 lakhs during the year. Also Ind/HUF Should furnish his PAN or Aadhar in such case. 4) TDS shall be deducted on gross amount of such sales or services or both. 5) Any payment made by purchaser of Good or Services directly to e-commerce participant shall be included in the gross amount of sales for The purpose of TDS
Payment in the nature of salary, remuneration, commission, bonus or interest to partners of the firm	10%  <b>194 T</b>	20,000  <b>FA 2024</b>	1. Payee can be any Resident Person. 2. Deduct TDS on payment or credit. 3. Firm <u>Salary / Remuneration</u> Partners Comm / Int TDS@ 10%

## CA INTER - AMENDMENTS FOR MAY 25

### 1) TCS

Section	Nature of Transaction	Rate	Collector (Seller)	Collectee (Buyer)
206C(1F)	Sale of a motor vehicle of the value exceeding 10 lakhs Any notified luxury goods value exceeding 10 lakhs (wef 1/1/2025)	1%	Same as section 206C(1)  FA 2024	Any person other than mentioned in Note - 1

#### Notes :

1. Public Sector Co engaged in the business of carrying passengers, CG, SG, Embassy, High comm, legation, consulate, trade representation, Local authority.
2. TCS will apply only in case of sale of motor vehicle at retail level. No TCS under this section on sale by manufactures to dealers /distributors.
3. Threshold limit of ₹ 10 lakhs has to be looked at on each individual purchase and not on aggregate purchase made during the year.

CA POOJA DATTE

A GREAT PLACE TO LEARN  
TAXATION

