

Deductions From Gross Total

Income

[Sec 80C to 80U]

* Deductions only allowed from normal Income

No deduction allowed from

LTCG u/s 112

LTCG u/s 112A

STCG u/s 111A

Casual Income

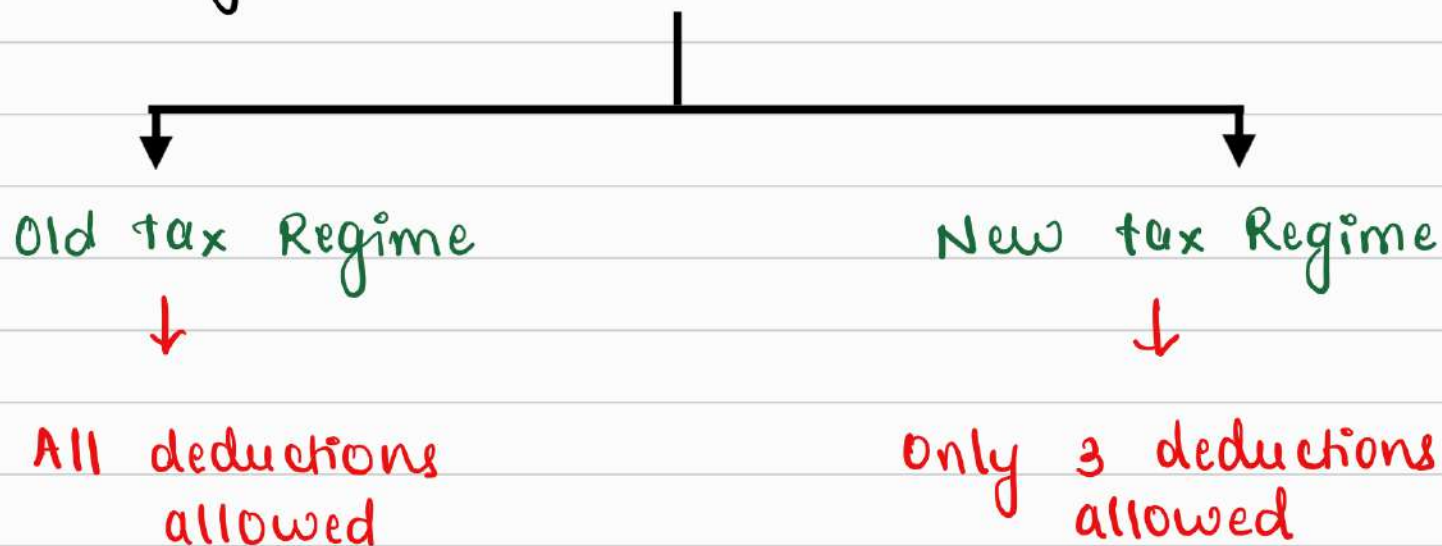
Eg:- Gopu, AY 25-26

Income u/h salary	=	75,000
LTCG	=	2,10,000
Deductions u/s 80C	=	80,000
Casual Income	=	35,000

In this case, Gross total Income = 3,20,000
 Deductions (75,000)
 Net total Income 2,45,000

cannot exceed NT.

* Certain deductions allowed if opt for new tax Regime v/s 115 BAC.



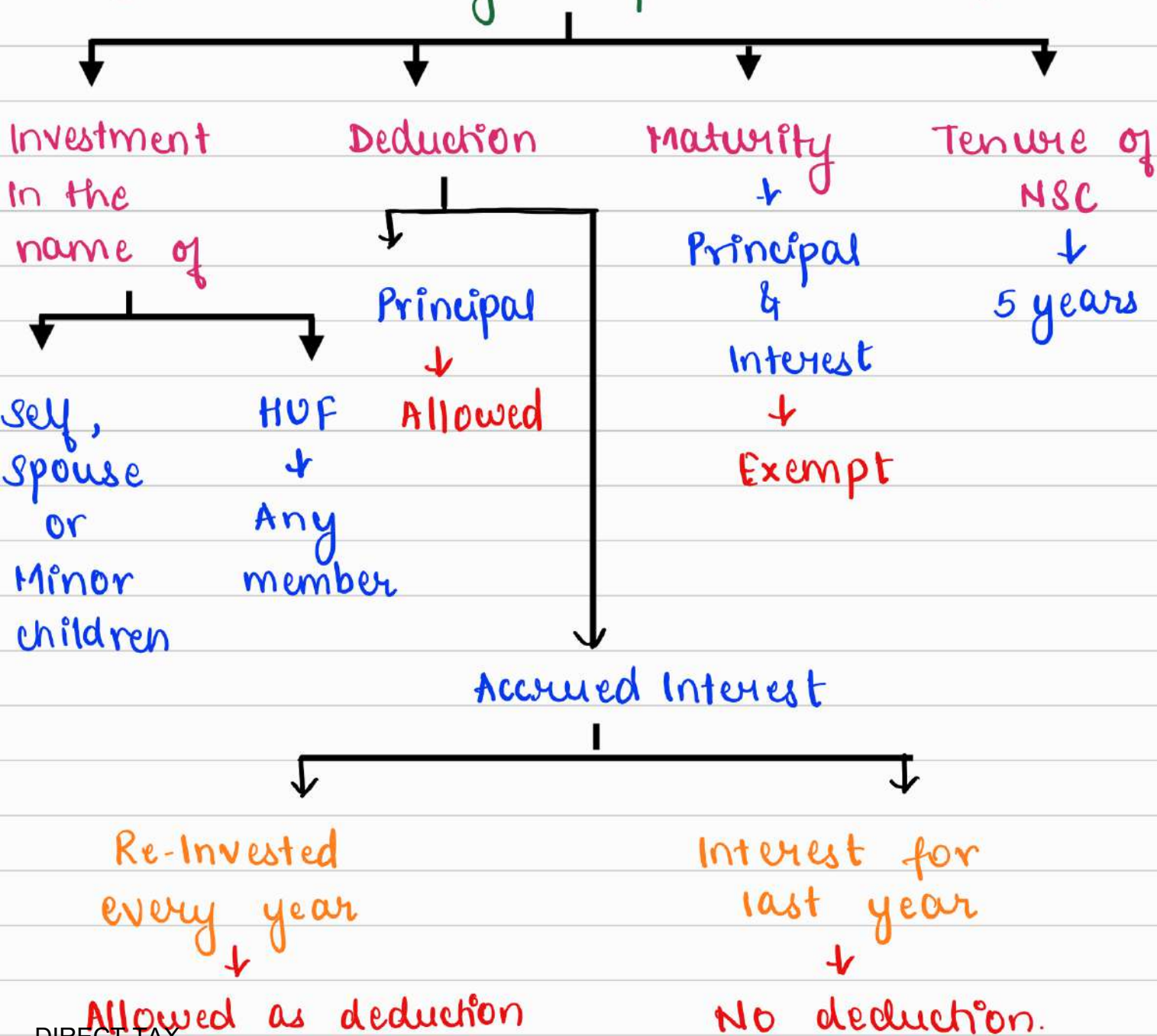
- ↓
- a) Employer's contribution to NPS v/s 80 CC D (2)
 - b) Employment of additional employee's v/s 80 JJ AA.
 - c) CG's contribution to Agnipath Scheme v/s 80 CCH C2)

* Deduction v/s 80 C [Only old tax regime]

Eligible Assessee - 1) An Individual
2) HUF.

Eligible deduction - Actual Amount invested
but upto ₹1,50,000 v/s 80CCE.

1] National Savings certificates VIII (NSC)



Eg:- Mr. Rohit has income v/h house property ₹10,00,000.

He invested ₹50,000 in Nsc on 1/10/24

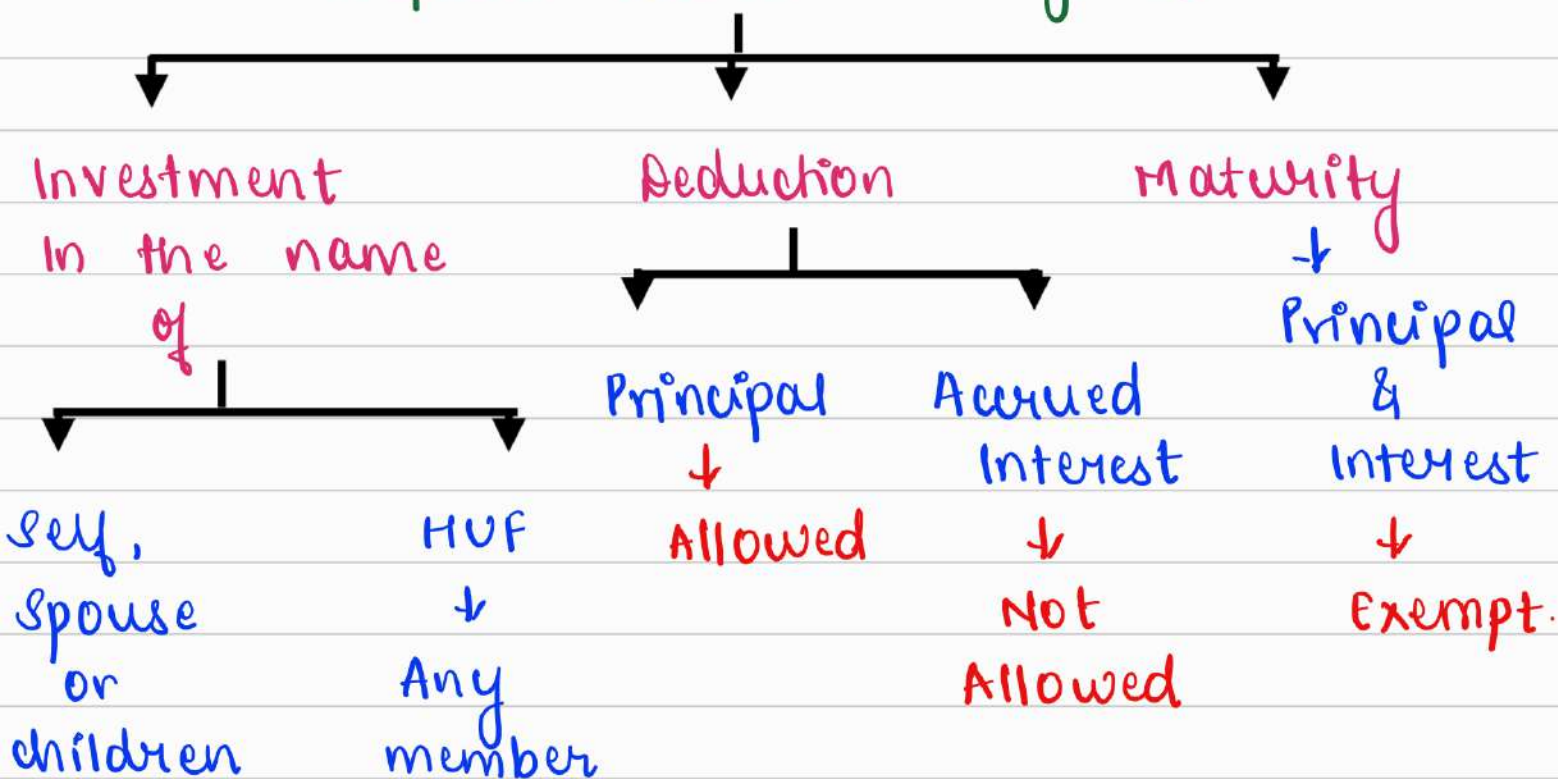
He invested ₹40,000 in PY 2023-24 also & accrued interest for PY 24-25 is ₹4000.

He received ₹1,00,000 on maturity of Nsc (invested during earlier years) for which original amount is ₹60,000 & interest for current year is ₹8,000.

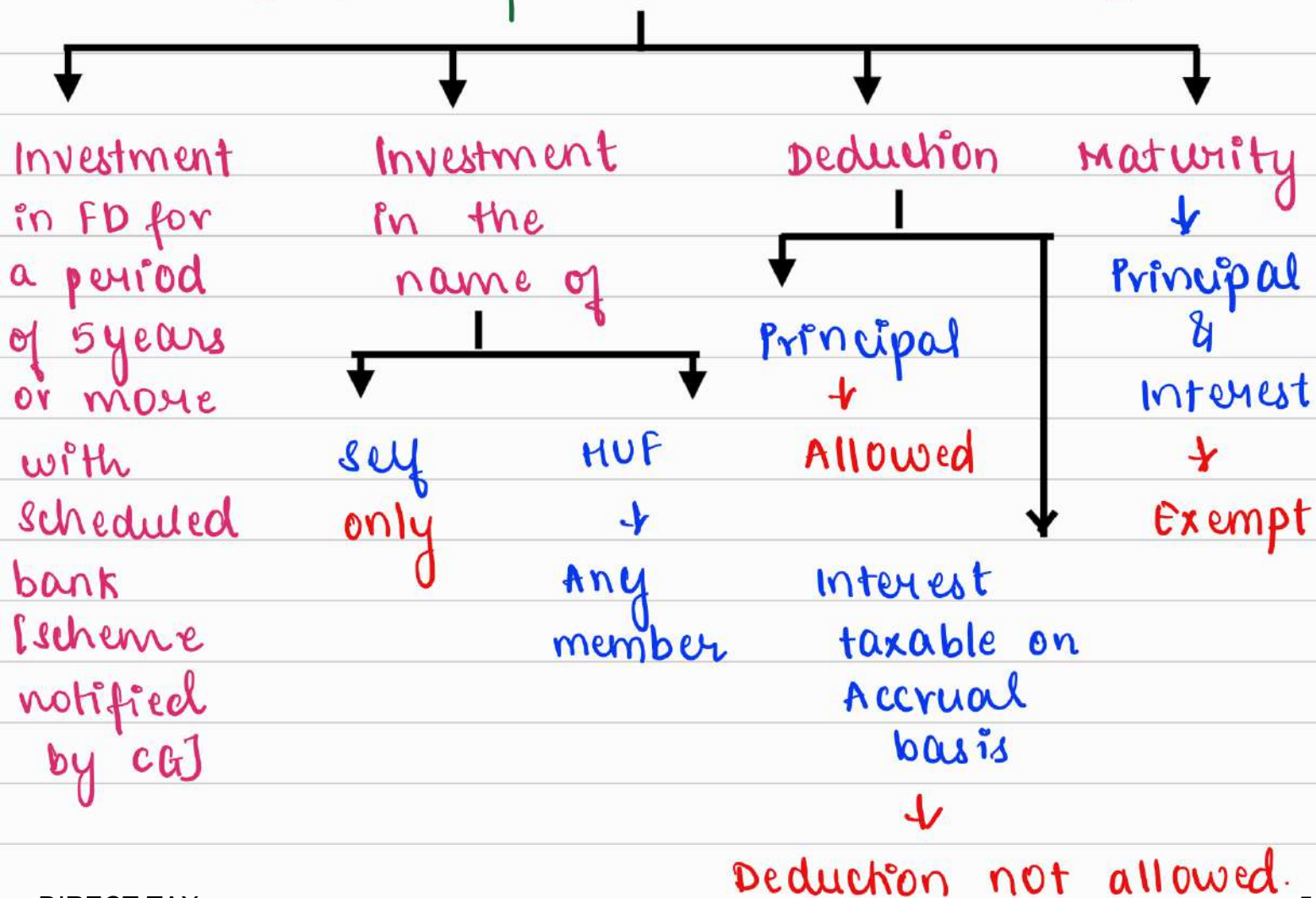
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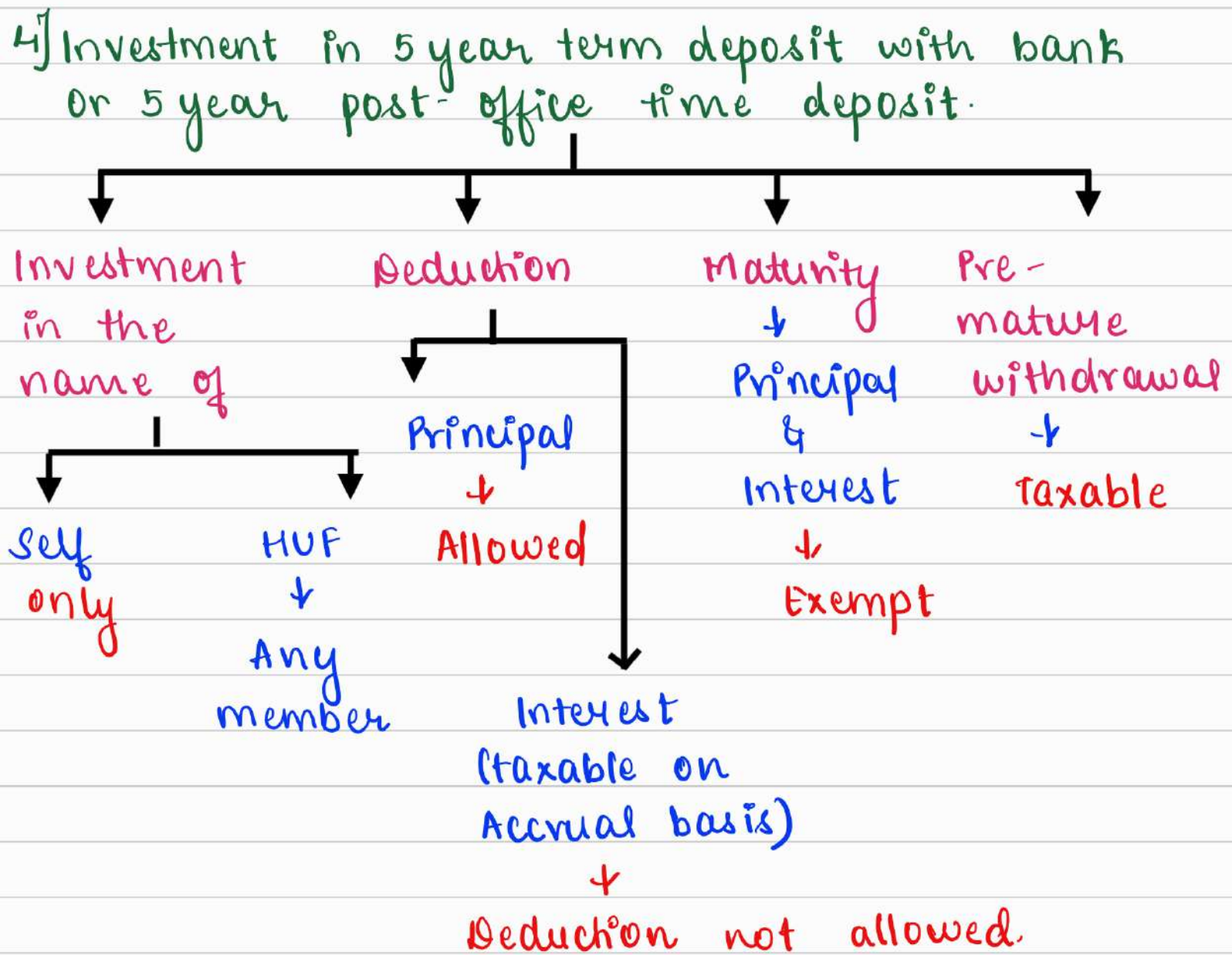
Income v/h HP	10,00,000
Income v/h other sources (4000+8000)	12,000
Gross total income	10,12,000
(-) Deduction u/s 80C (50,000+4000)	(54,000)
Net total income	9,58,000

2] Public Provident Fund [Deposit scheme run by CG]

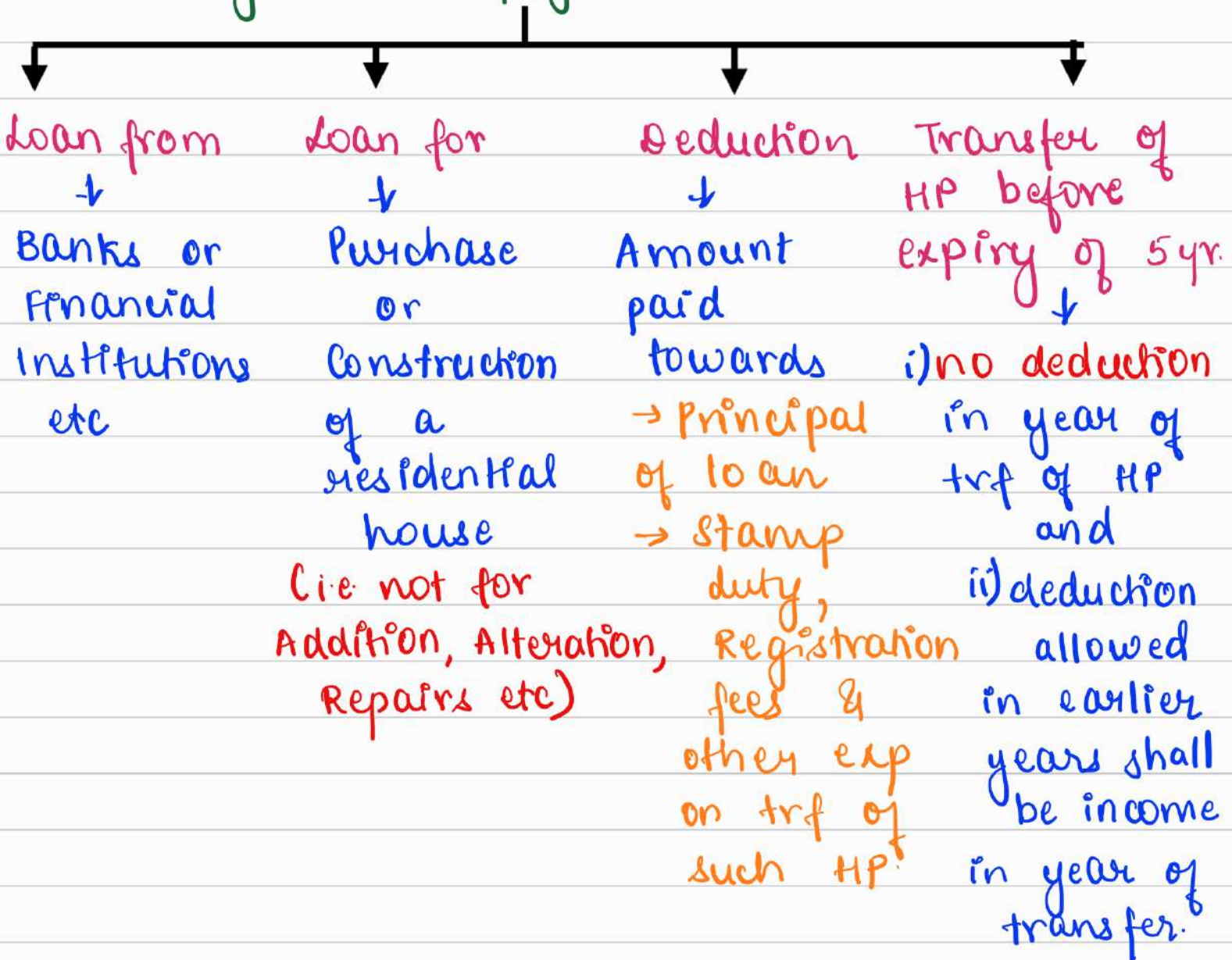


3] Fixed Deposit [5 Years or More]

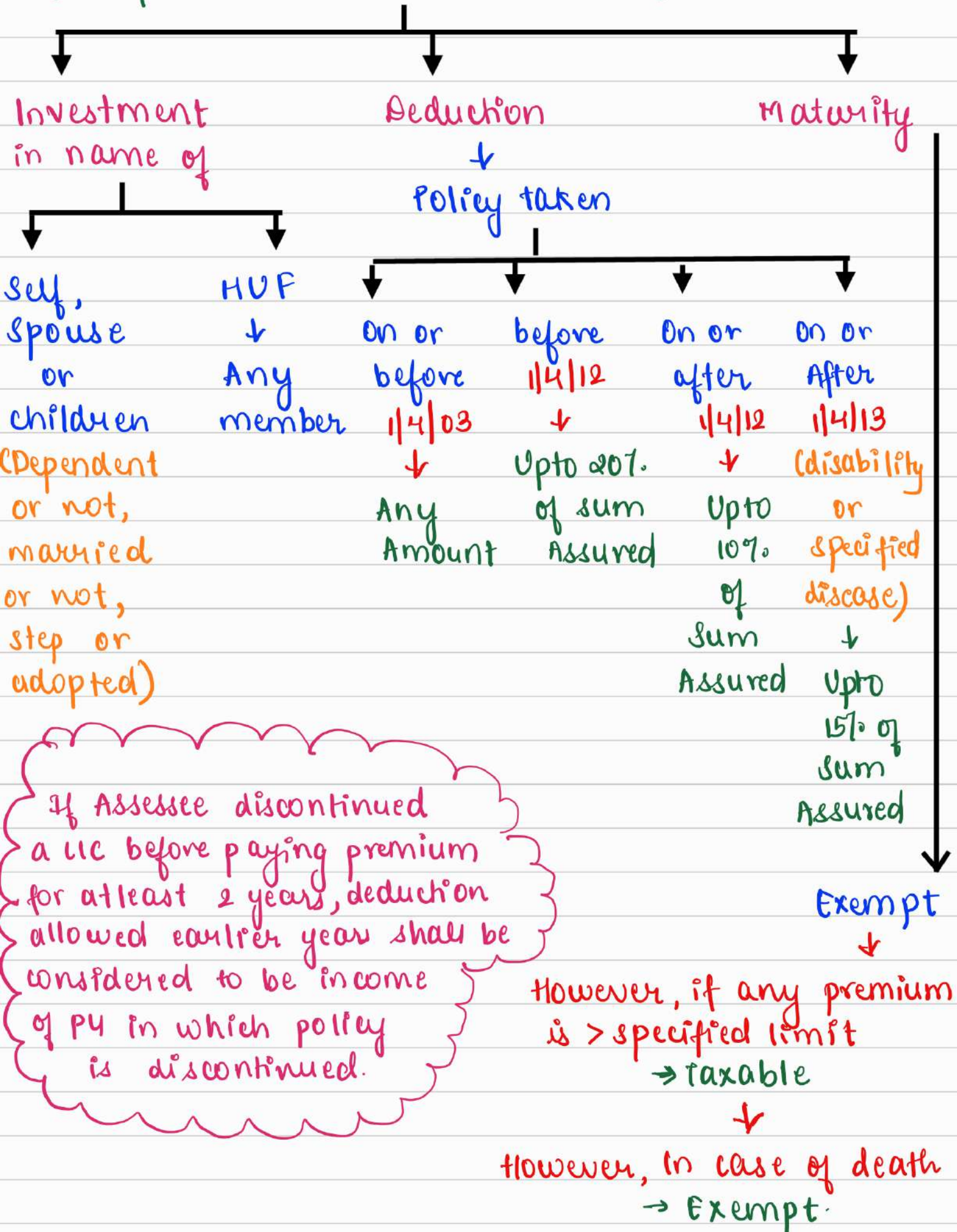




5) Housing loan Repayment



6] Life Insurance Premium (LIP)



Eg:- Policy taken on 1/4/11
Sum assured ₹ 5,00,000
Premium paid during PY 24-25 = ₹ 1,10,000

→ Deduction u/s 80C = ₹ 1,00,000.

Eg:- Policy taken on 1/5/12 for person suffering from specified disease.

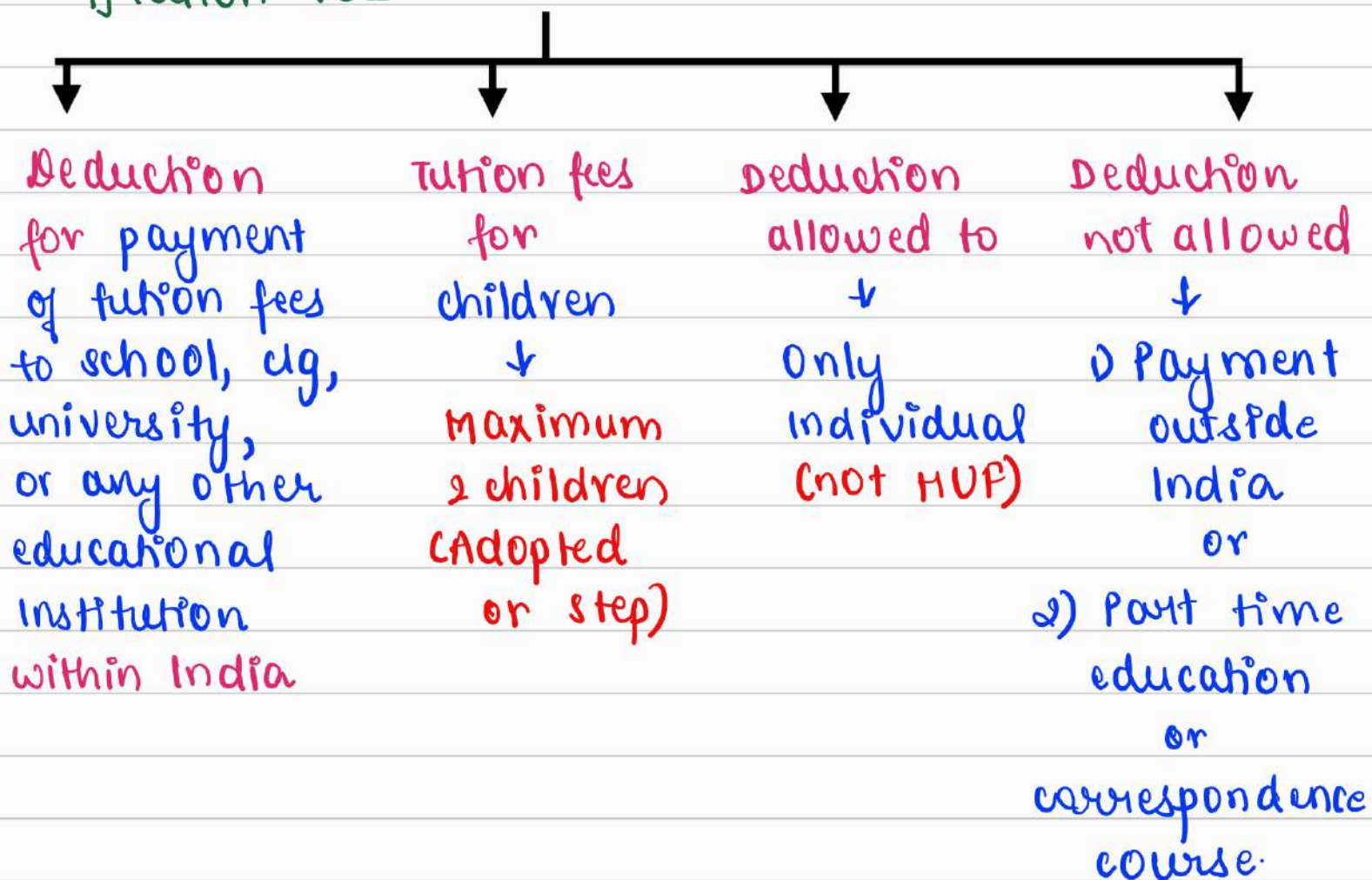
Sum assured ₹ 8,00,000
Premium paid during PY 24-25 ₹ 1,30,000

→ Deduction u/s 80C ₹ 80,000
(8,00,000 × 10%)

Eg:- If above policy was taken on 1/5/13

→ Deduction u/s 80C = ₹ 1,20,000
(8,00,000 × 15%)

7] Tuition fees



8] Contribution to Employee Provident Fund (EPF), Recognised provident fund (RPFF), Statutory Provident Fund (SPFF)

Employee's contribution to EPF, RPFF, SPFF
→ Allowed as deduction.

9] Investment in units of UTI, Mutual Funds (ELSS) etc

→ Allowed as deduction.

10] Contribution to National Housing Bank (Tax saving) Term Deposit Scheme, 2008.

→ Subscription to Home loan account NHB and National Housing Bank (tax savings) term deposit scheme 2008.

11] Subscription to certain equity shares or debentures forming part of an eligible issue.

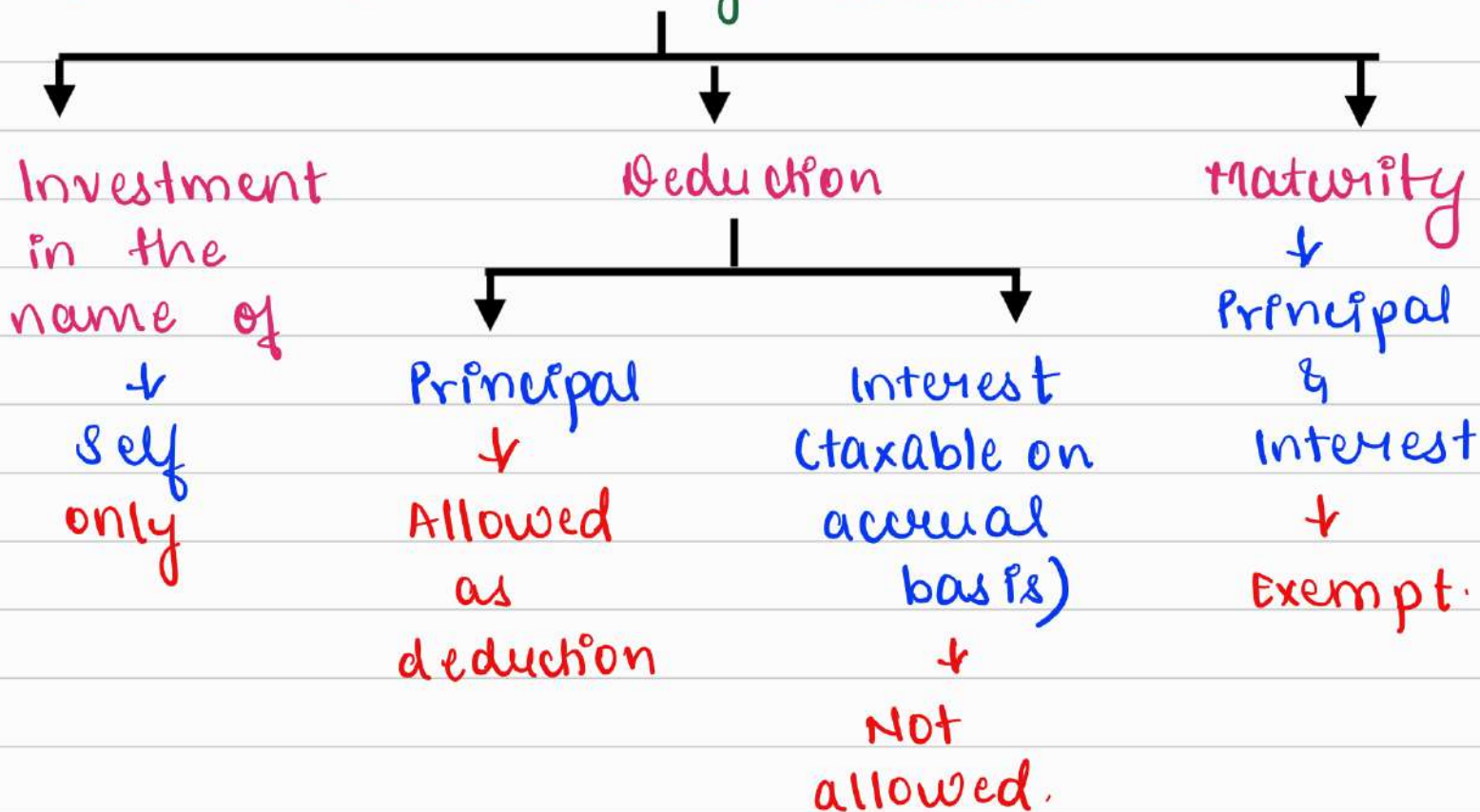
Eligible issue means an issue made by an Indian Public Ltd. Co. or a Public Financial Institution, a Mutual Fund etc & funds so collected are utilised for developing, maintaining and operating infrastructure facility.

If such equity shares sold within 3 years from the date of purchase, in such case, deduction earlier allowed shall be income of such year.

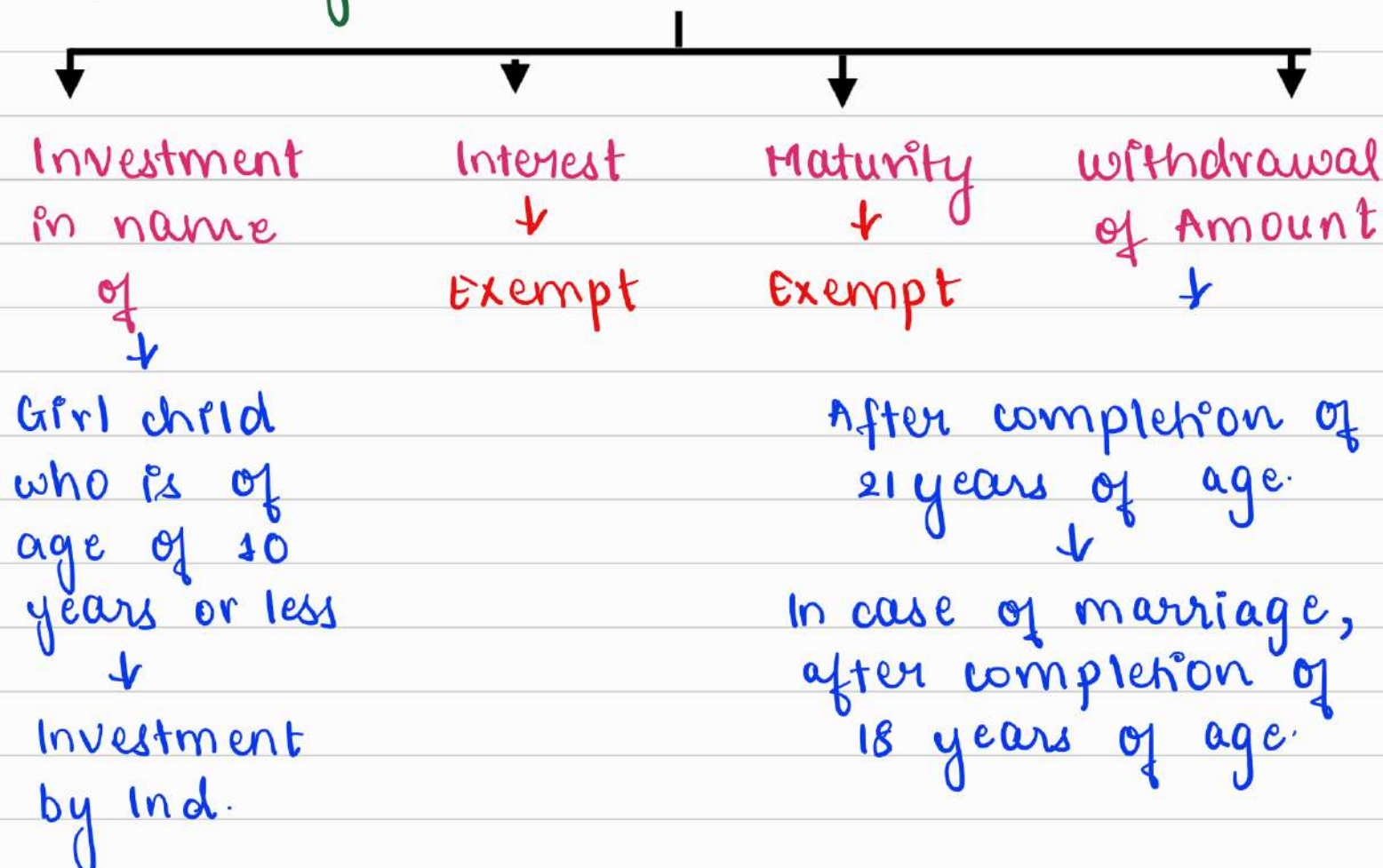
12] NABARD

→ Investment in notified bonds issued by the National Bank for Agriculture and Rural Development.

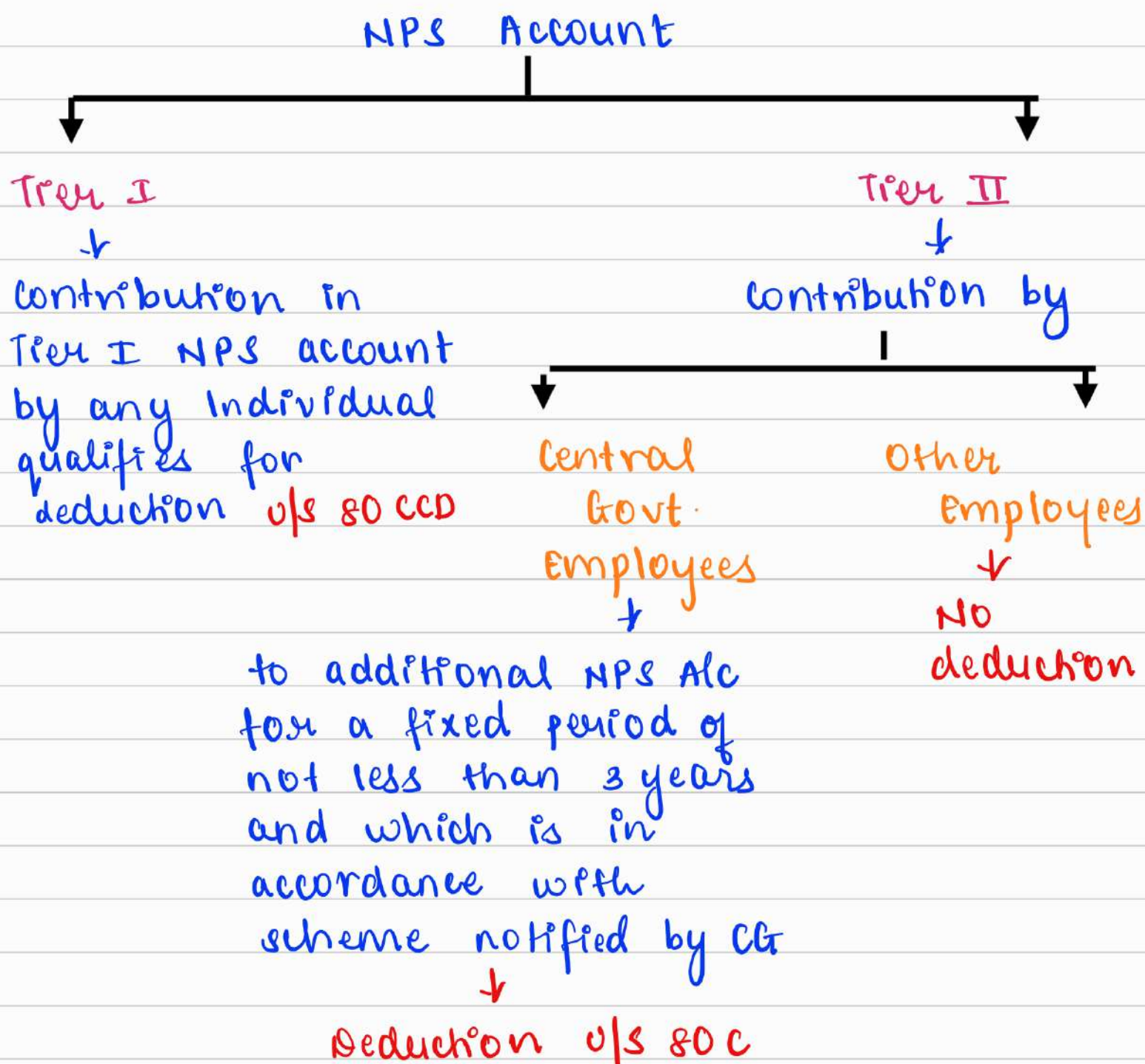
13] Senior citizen savings scheme.



14] Sukanya Samriddhi Account



15] Contribution to additional account under NP's in hands of CG employee.



16] Contribution to unit linked Insurance Plan 1971 or Unit linked Insurance Plan of LIC Mutual fund.

→ In name of self, spouse & children of individual.

→ In name of any member by HUF.

17] Any sum deducted from the salary payable of a Government employee for securing a deferred annuity.

→ Excess over $\frac{1}{5}$ th of the salary to be ignored.

18] Premium paid in respect of a contract for deferred annuity

→ In the name of self, spouse or any children.

19] Contribution to approved annuity plan of LIC.

20] Contribution to notified pension fund set up by mutual fund or UTI.

21] Subscription to notified deposit scheme.

* Deduction in case of Contribution to LIC/
Insurance Pension Fund
[only old tax regime]

[Sec 80 CCC]

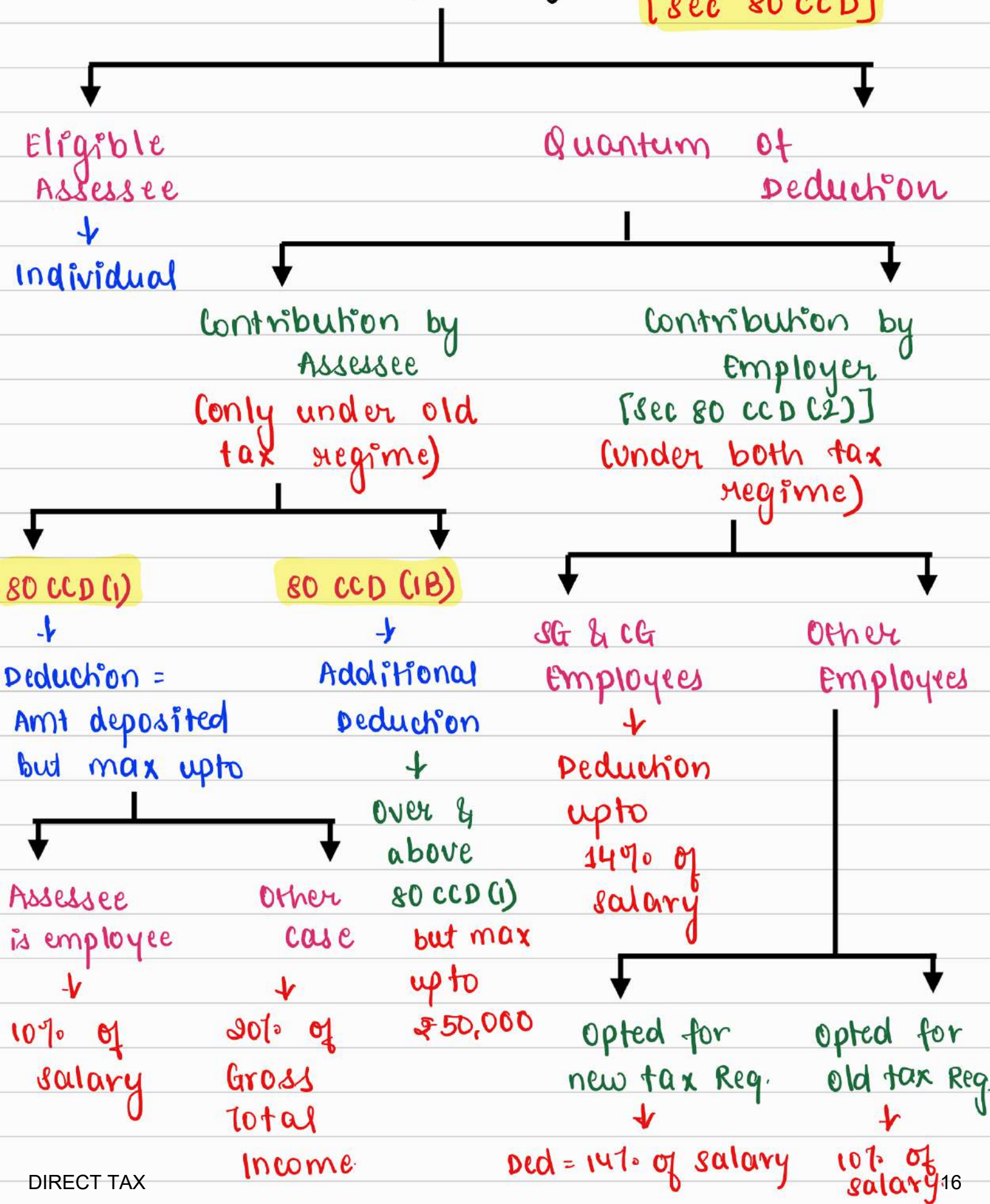
In general, lumpsum amount is paid to policyholder but in case of some of life policies, pension is given instead of lumpsum amount

Eg:- Jeevan Suraksha Policy.

Eligible Assessee ↓ Individual (in his own name)	Eligible Deduction ↓ Amount Invested (Max 1,50,000 v/s 80 CCC)	Maturity Amount ↓ Pension taxable v/h other sources	Surrender of Policy. ↓ Taxable v/h other sources.
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* Deduction in respect of Contribution to pension scheme notified by CG

[Sec 80 CCD]



Key Note :-

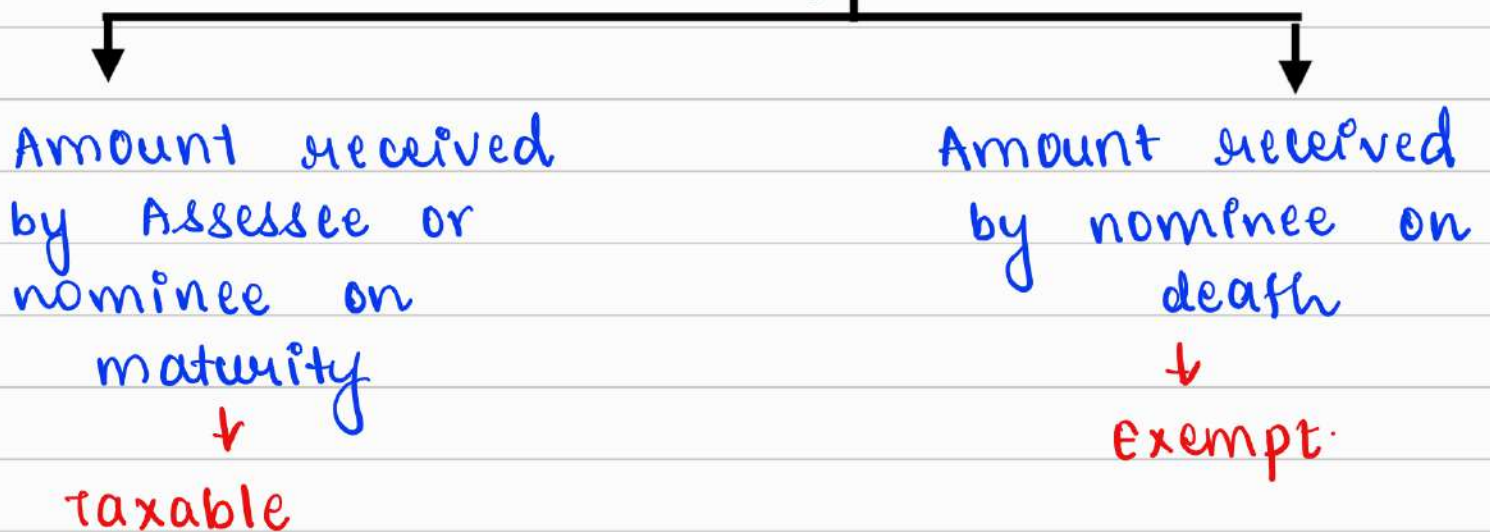
1] Max deduction

$$80C + 80CCC + 80CCD(i) \\ = 1,50,000 \text{ v/s } 80CEE$$

2] Defination of salary

Salary = Basic Pay + Dearness Allowance
(If in terms of employment)

maturity taxation



Eg:- Mr. Abhishek (Non-Govt Employee) AY 25-26
 Basic Salary = 1,00,000 p.m.
 DA = 40% of Basic Salary (50% of DA forms part of retirement benefits)
 Both employer & employee contribute 20% of basic salary to pension scheme referred in sec 80CCD.

Tax treatment under old tax regime.

$$\text{Contribution by Employee} = 20\% \times 12,00,000 = 2,40,000$$

$$\text{Deduction u/s 80CCD (1B)} = 50,000$$

$$\text{Deduction u/s 80CCD (i)} = 1,90,000 \text{ or } \left. \begin{array}{l} 10\% \times 14,40,000 \end{array} \right\} \text{ lower} = 1,44,000$$

$$\text{Salary} = 12,00,000 + 40\% \times 12,00,000 \times 50\% = 14,40,000.$$

$$\text{Contribution by Employer} = 20\% \times 12,00,000 = 2,40,000$$

$$\text{Deduction u/s 80CCD (2)} = 2,40,000 \text{ or } \left. \begin{array}{l} 10\% \times 14,40,000 \end{array} \right\} \text{ lower} = 1,44,000$$

Tax treatment under New tax Regime

$$\text{Contribution by Employee} = 20\% \times 12,00,000 \\ = 2,40,000$$

Deduction u/s 80 CCD (1B) } not allowed.
Deduction u/s 80 CCD (1)

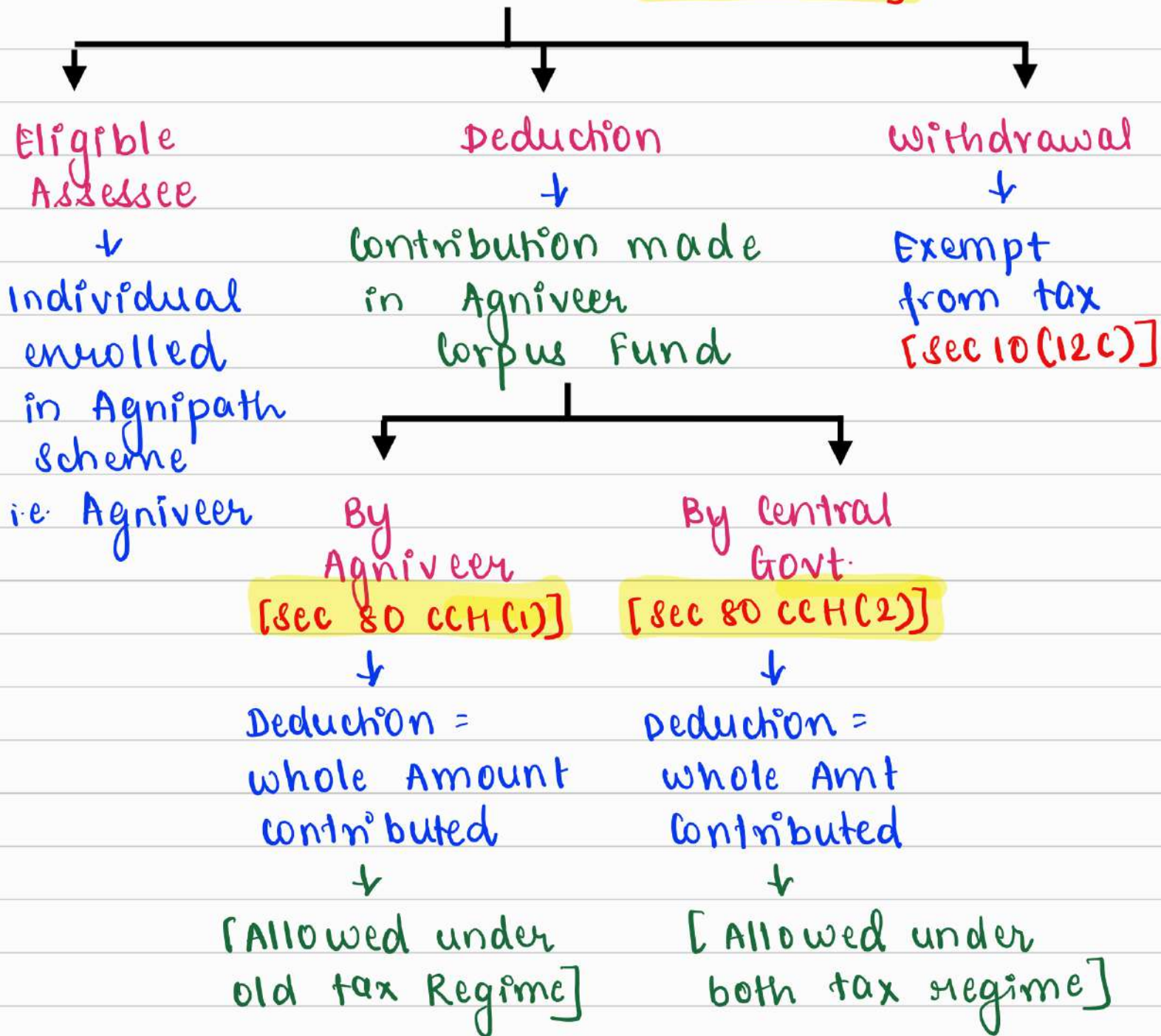
$$\text{Contribution by Employer} = 20\% \times 12,00,000 \\ = 2,40,000$$

$$\text{Deduction u/s 80 CCD (2)} = 2,40,000 \text{ or } 14\% \times 14,40,000 \text{ } \left. \begin{array}{l} \text{or} \\ \text{lower} \end{array} \right\} \\ = 2,01,600$$

$$\text{Salary} = 12,00,000 + 40\% \times 12,00,000 \times 50\% \\ = 14,40,000.$$

* Deduction in respect of Contribution to Agnipath Scheme

[sec 80 cch]



Meaning Of Agnipath Scheme :

Agnipath Scheme is a CG Scheme launched in 2022 for enrolment of Indian Youth (Age 17.5 years to 21 years) in the Indian Armed Forces for 4 years.

Each Agniveer is to contribute 30% of his monthly package to the Agniveer Corpus Fund and CG will also contribute a matching amount to the fund.

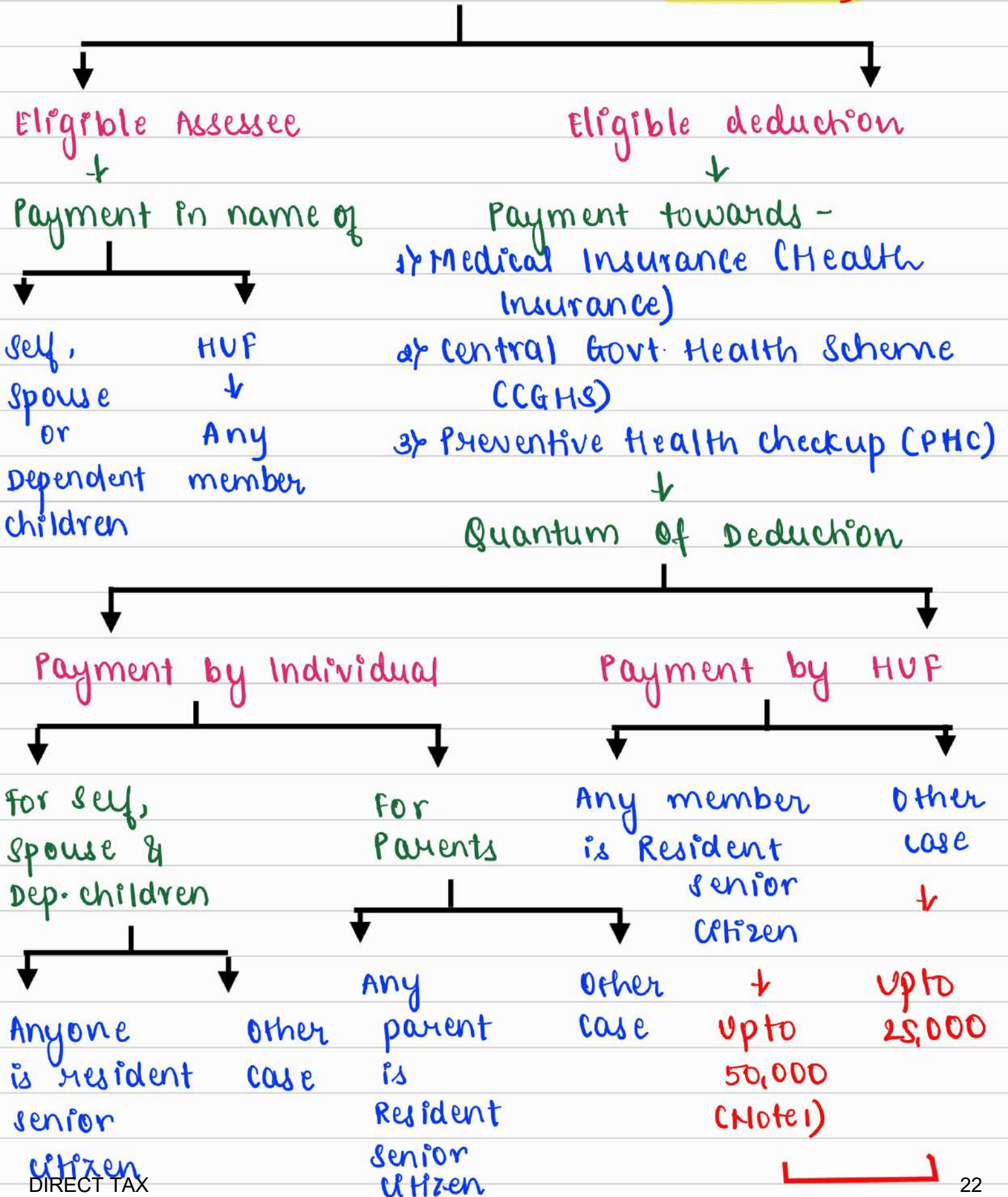
Meaning Of Agniveer Corpus Fund :

The Agniveer Corpus Fund means a fund in which consolidated contributions of all the Agniveer and matching contribution of Central Government along with interest on both these contributions are held.

* Deduction In case of Payment of Premium for Medical Insurance (Mediclaim Policy)

[old tax Regime Only]

[sec 80 D]



↓	↓	↓	↓	including PHC upto 50,000.
upto 50,000	upto 25,000	upto 50,000	upto 25,000	
Including PHC upto 5000		(Note 1)	Including PHC upto 5000	

Note 1 → If health insurance is not taken for resident senior citizen, then actual medical expenditure shall be allowed upto ₹50,000

Note 2 → Deduction towards preventive health checkup (PHC) shall not exceed ₹5000 (in total) including self, spouse, dependent children, and parents.

Note 3 → Payment of insurance shall be made by other than cash only. However, payment of PHC can be made in cash.

Eg:- Mr. Rajesh taken mediclaim policy in his name & paid premium of ₹27,000 by cheque.

→ Deduction u/s 80D = If normal citizen (25K)
Deduction u/s 80D = If resident senior citizen (27,000)

Eg:- Mr. Akshay has paid ₹7000 for self PHC and ₹7000 for PHC of his father

→ Deduction u/s 80D = 5,000

Eg:- Mr. Varun paid premium of mediclaim policy by cheque for self, spouse & children ₹22,000 and for parents ₹28,000

→ Deduction u/s 80D = 47,000
(22000 + 25000)

Eg:- Mr. Rohan paid premium of mediclaim policy of ₹15,000 in cash

→ Deduction u/s 80D → Nil

Eg:- Mr. Ajay paid premium of mediclaim policy by cheque ₹18,000 in name of his father who is not dependent on Mr. Ajay

Deduction u/s 80D = 18,000

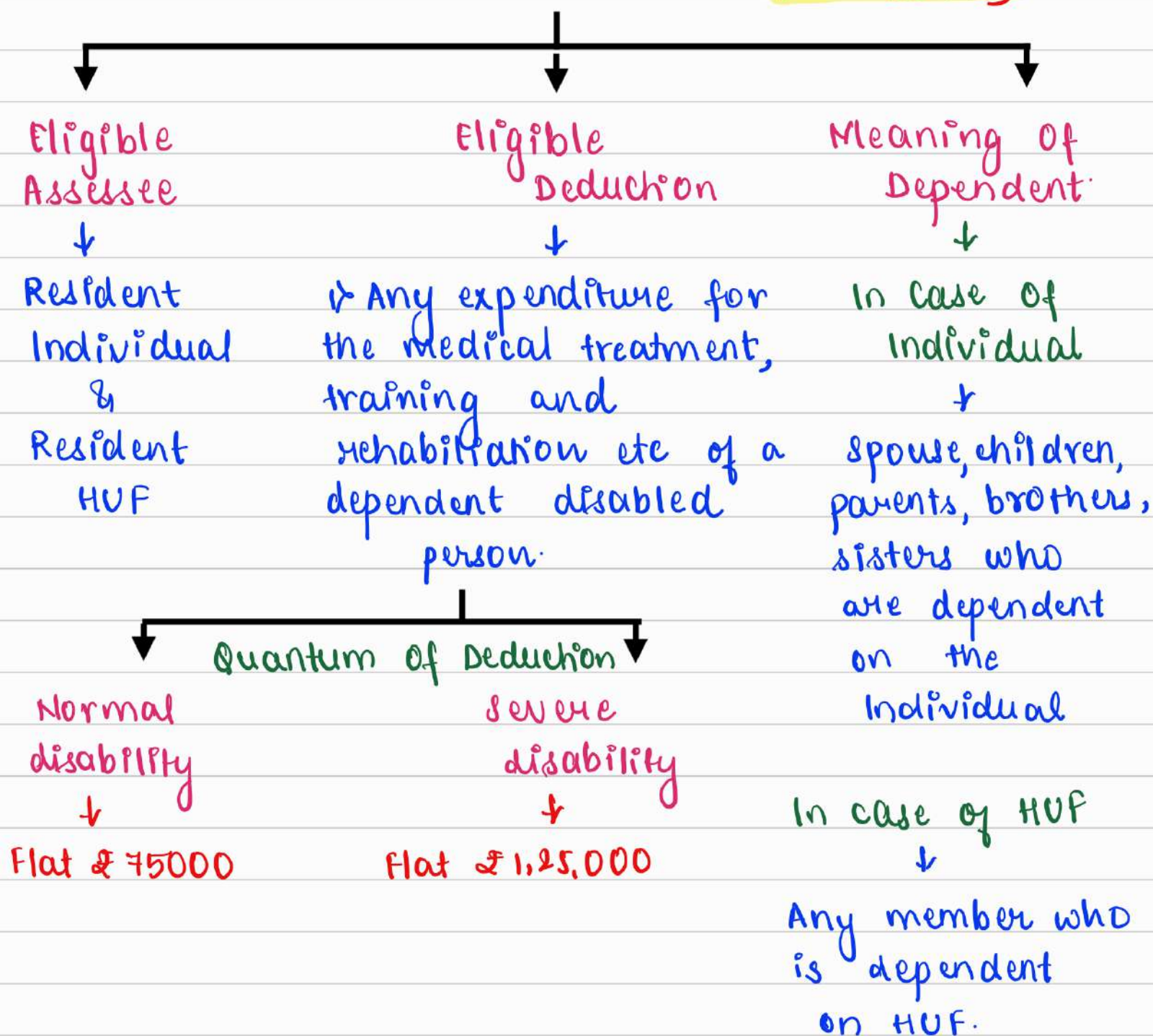
Eg:- Mr. Chetan paid premium of mediclaim policy by cheque ₹21,000 in his own name & ₹6000 towards P.H.C.

→ Deduction u/s 80D = 25,000

* Deduction in case of Expenditure in connection with handicapped dependent relative

[Cold tax regime only]

[Sec 80 DD]

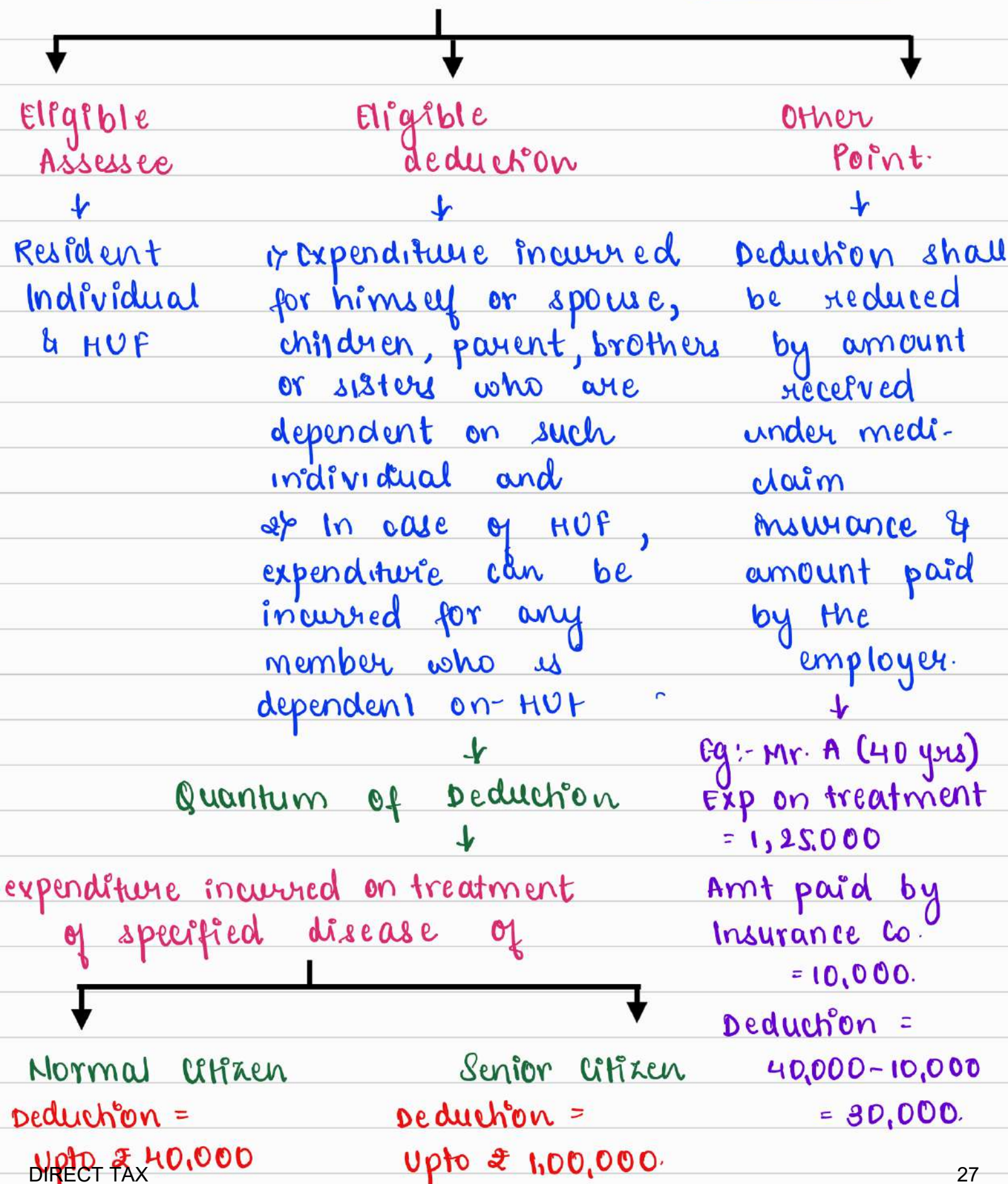


Other Condition → The Assessee should enclose a certificate with the return from prescribed medical authority.

* Deduction from Gross Total Income in case of blind or physically handicapped persons

[old tax regime only]

[sec 80 u]



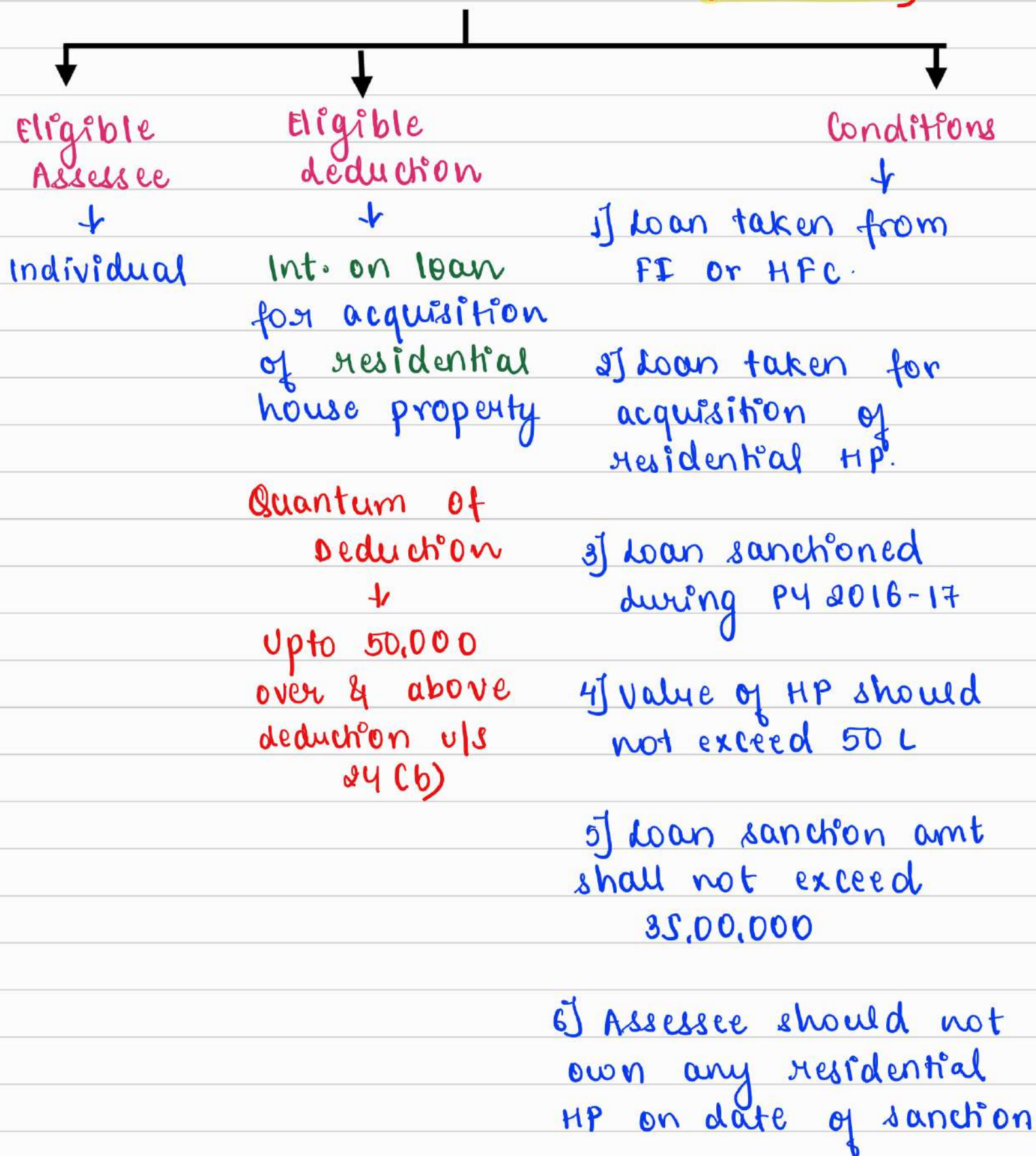
* Deduction in case of payment of interest
on loan taken for higher education
[old tax regime only]

[sec 80 E]



* Deduction in respect of interest on loan borrowed for acquisition of residential house property [Only old tax Regime]

[Sec 80 EE]



Eg:- Mr. Dinesh purchased a residential house property for self occupation on 01/07/2017.

Cost = 45,00,000

Loan = 35,00,000 @ 11% p.a.

Loan sanctioned on 28/03/2017

Opted for old tax regime during AY 25-26.

Soln → Interest u/s 24(b) 200000

$(35,00,000 \times 11\% = 3,85,000$

but restricted to 2,00,000)

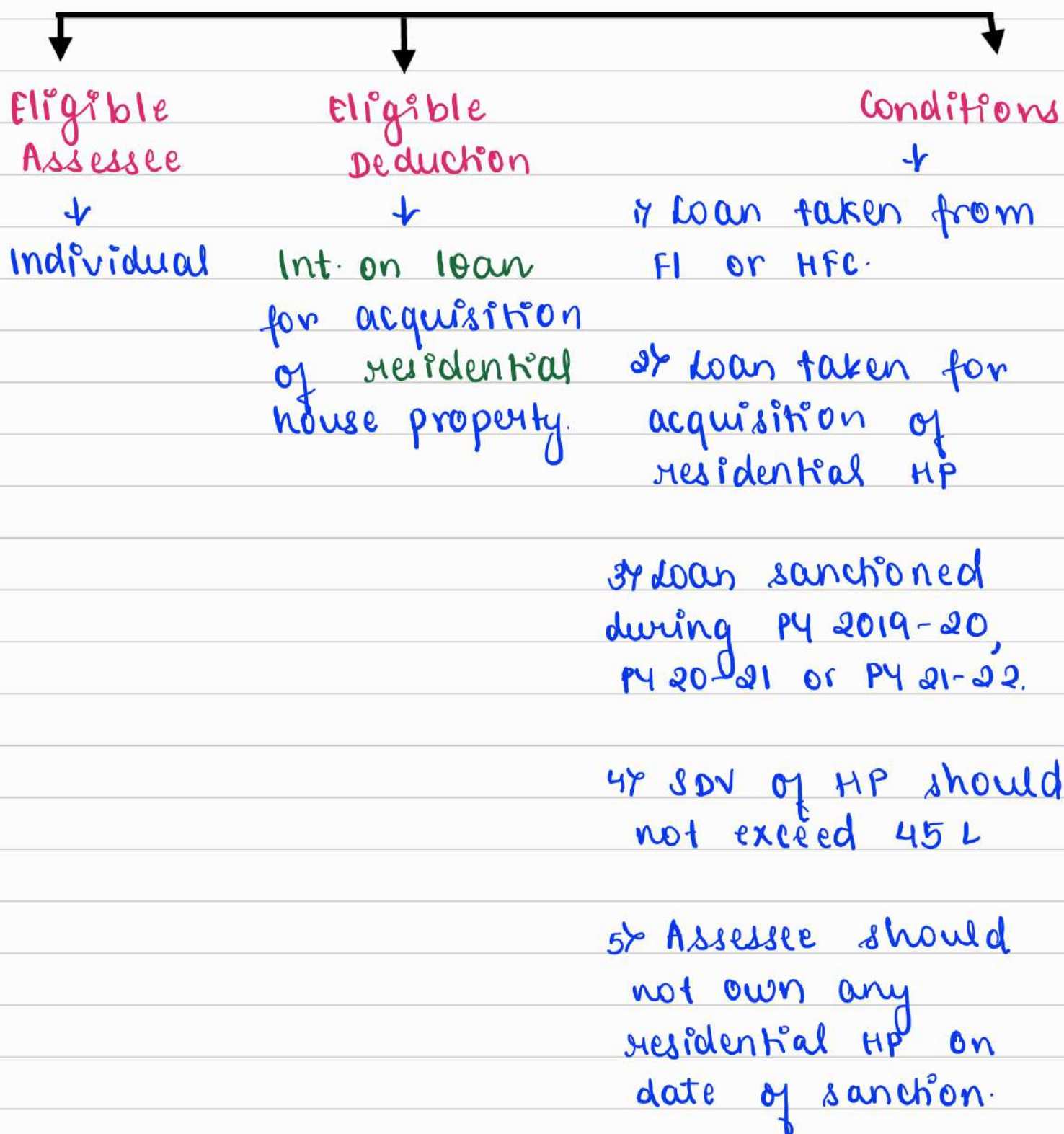
Deduction u/s 80 EE 50,000

$[3,85,000 - 2,00,000 = 1,85,000$

but restricted to 50,000]

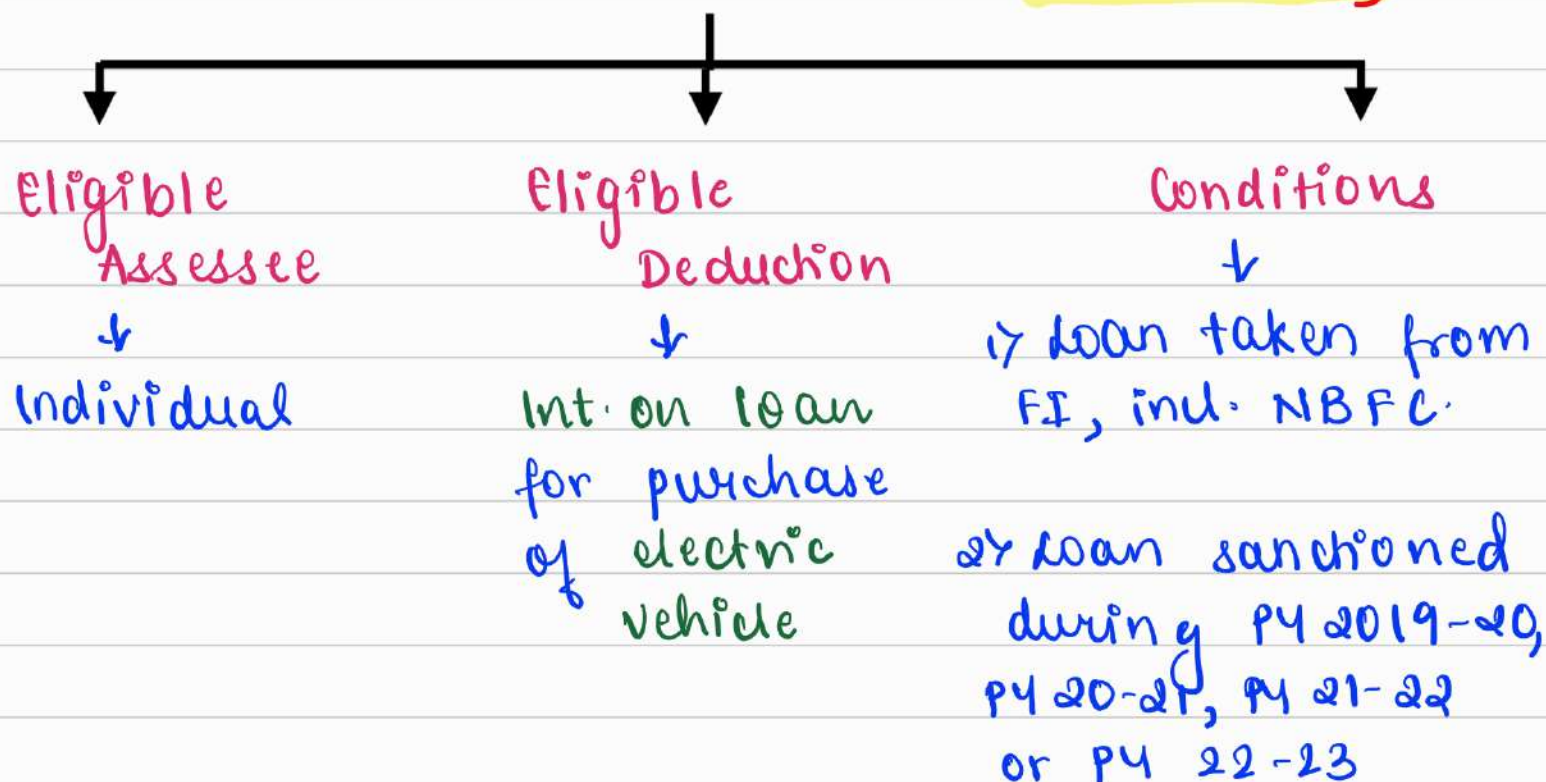
* Deduction in respect of interest on loan borrowed for acquisition of residential house property [old tax regime only]

[Sec 80 EEA]



* Deduction In respect of Interest on loan borrowed for purchase of electric vehicle
[Only old tax regime]

[Sec 80 EEB]



Quantum of Deduction → upto 1,50,000

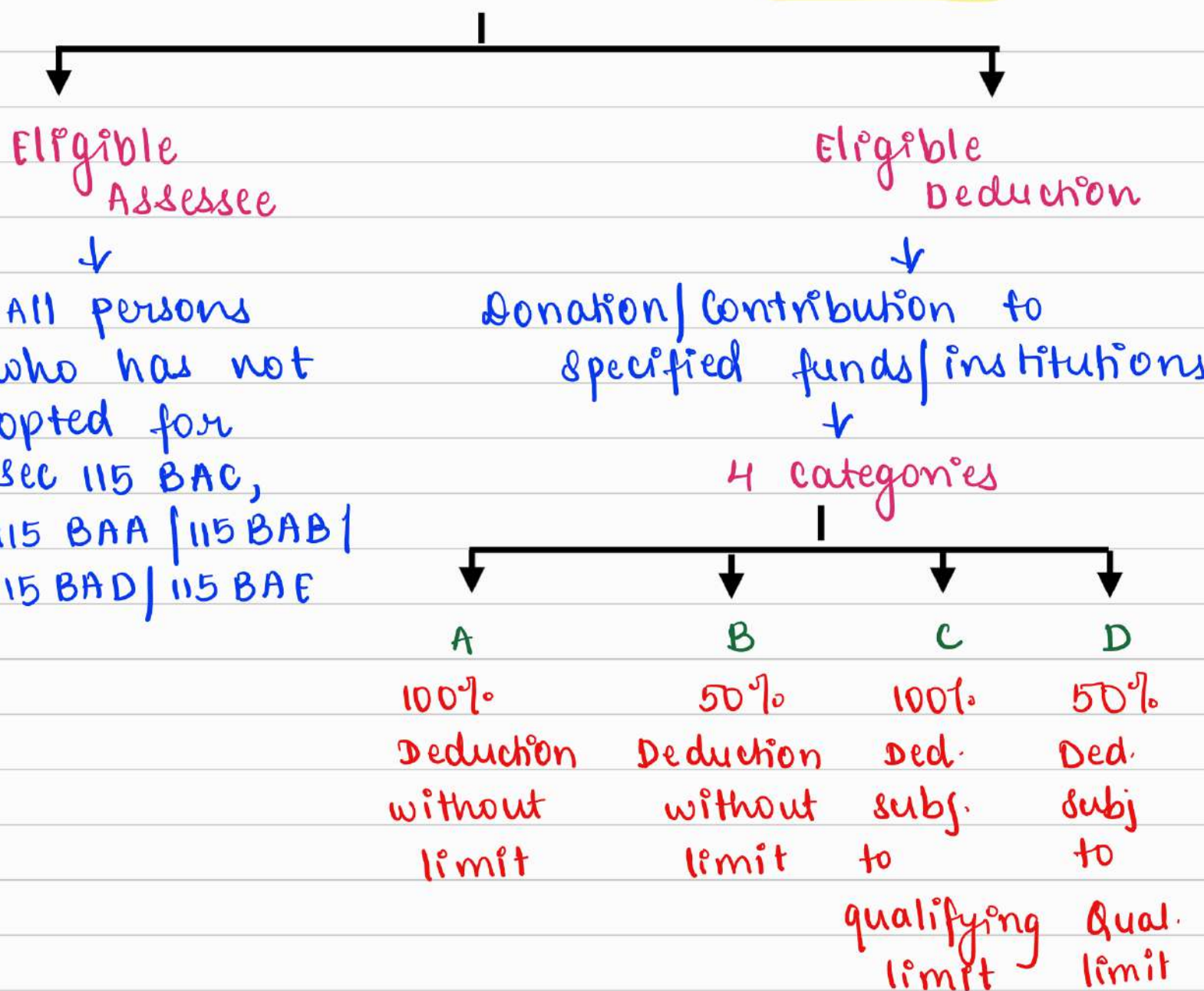
Key Note :-

where vehicle is purchased and used in business, interest expense shall be allowed under PGBP & not deduction allowed u/s 80 EEB.

* Deduction in case of Donation

(old tax regime only)

[sec 80G]



Category A :- 100% of deduction without any qualifying limit.

- 1) The Prime Minister's National Relief Fund.
- 2) The Prime Minister's Armenia Earthquake Relief Fund.
- 3) The National Foundation for Communal Harmony.
- 4) The National Defence Fund setup by CG.
- 5) The National children's fund.
- 6) The Africa (public contribution India) fund.
- 7) Approved University or any educational institutions of national eminence.
- 8) The Chief Minister's earthquake Relief Fund, Maharashtra.
- 9) The Andhra Pradesh Chief Minister's Cyclone Relief fund, 1990.
- 10) Any fund setup by the State Govt of Gujarat for providing relief to the victims of earthquake.
- 11) The Chief Ministers Relief Fund
- 12) The Lieutenant Governor's Relief Fund in respect of any state or union territory
- 13) Zila Sakscharta Samiti
- 14) The National blood transfusion Council
- 15) The State blood transfusion Council
- 16) The National Illness Assistance fund
- 17) The Army central Welfare fund.
- 18) The Airforce central Welfare Fund.
- 19) The National Naval Benevolent Fund

- 20% The National Sports Development Fund.
- 21% The National Cultural Fund.
- 22% The fund for technology development and Application.
- 23% Any Fund setup by a state Govt to provide medical relief of the poor.
- 24% The National trust for welfare of persons suffering with Autism, cerebral Palsy, mental retardation and multiple disabilities.
- 25% Swachh Bharat Kosh
- 26% Clean Ganga fund
- 27% National Fund for Control of Drugs.
- 28% PM CARES Fund.

category B :- 50% of Donation without any qualifying limit.

Prime Minister's Prougt Relief Fund

category c :- Deduction shall be allowed equal to 100% of donation (upto Qualifying limit)

1) Donation to Govt or to any such local authority (eg MCD), institution or association for utilising for purpose of promoting family planning.

2) Any sum paid by Company to Indian Olympic Association or any other association or institution established in India for the development of infrastructure for sports and games ; or the sponsorship of sports and games in India.

Eg:-

Donation to Govt for promoting family planning	₹200000
Qualifying limit	₹180,000
Deductions u/s 80G	₹1,80,000

category D : Deduction shall be allowed equal to 50% of Qualifying amount or 50% of donation whichever is lower.

1) Govt. or any local authority, to be utilised for any charitable purpose.

2) Donation to any authority dealing with need for housing accommodation or for the purpose of planning, development or improvement of cities, towns, villages or both.

37 Donation for the renovation or repair of any such temple, mosque, gurdwara, church or other places to be of historic, archaeological or artistic importance or to be a public worship of renown throughout any state or states.

47 Donation to social, religious, charitable or other similar organisations.

57 Any corporation for promoting the interest of the members of a minority community.

Qualifying Amount $\rightarrow$ 10% of Adjusted Gross total Income

Adjusted Gross total Income -

Gross total Income

$\Rightarrow$ LTCG u/s 112

$\Rightarrow$ LTCG u/s 112 A

$\Rightarrow$ STCG u/s 111 A

$\Rightarrow$ Deduction u/s 80C to 80 D except 80G.

Key Note:- If Donation in kind not allowed.
27 Donation should be by any mode other than cash. Donation upto ₹2000 is allowed in cash.

Eg:- Mr. A. AY 2025-26

Income v/h PGBP	6,00,000
LTCG v/s 112	4,00,000
STCG v/s 111A	2,00,000
casual Income	<u>1,00,000</u>
	<u>13,00,000</u>

Medical policy in name of his dependent grandfather who is a senior citizen (by cheque) 20,000

Jeevan Suraksha Policy 7000
Donated to National defence fund 12,000

Prime Minister's Drought Relief Fund 4000
charitable institution notified v/s 80G 300000
social Organisation notified v/s 80G 100000
Religious Organisation notified v/s 80G 400000

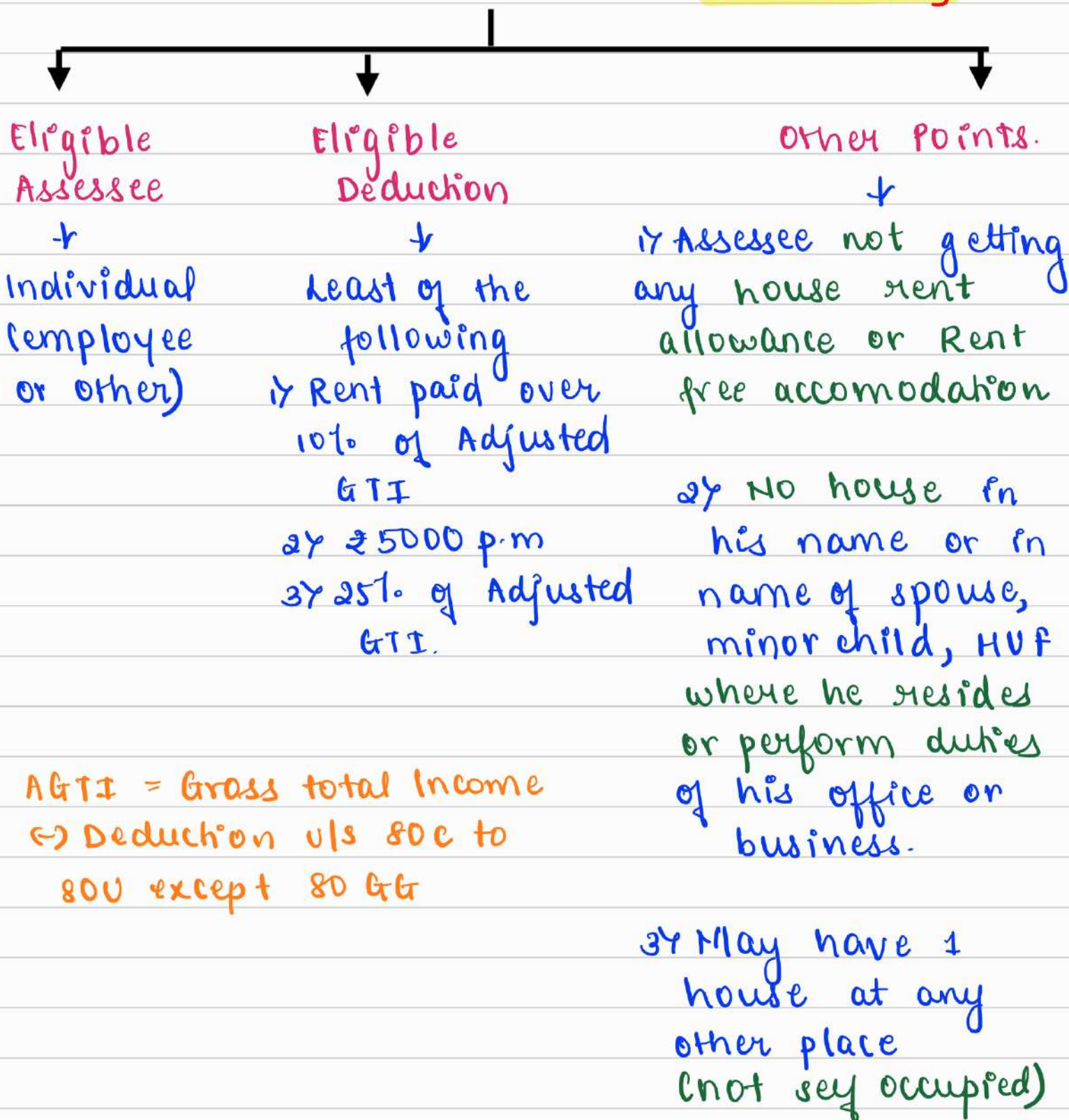
→ Deduction v/s 80 G.

1) National Defence Fund 12,000
2) PM drought relief fund 2000
3) charitable institution / social Organisation / Religious Orgⁿ 34,650
[50% of QI = 34650 or donation - 800000]

$$\left[\text{AGTI} = 13,00,000 - 400,000 - 200,000 - 7,000 \right. \\ \left. = 6,93,000 > \text{Qualifying limit} \right]$$

* Deduction in case of payment of Rent (Only old tax Regime)

[Sec 80 GG]



Eg:- Mr. Mahesh AY 2025-26

Income v/h PGBP	5,00,000
LTCG v/s 112A	200,000
STCG v/s 111A	300,000
Casual Income	<u>100,000</u>
	11,00,000

Paid Rent for house 40,000 pm

Deposited 30,000 Rs in the home loan account scheme of National Housing bank

→ Deduction v/s 80GG = 60,000

Least of the following

$$1] 480,000 - 107,000 = 3,73,000$$

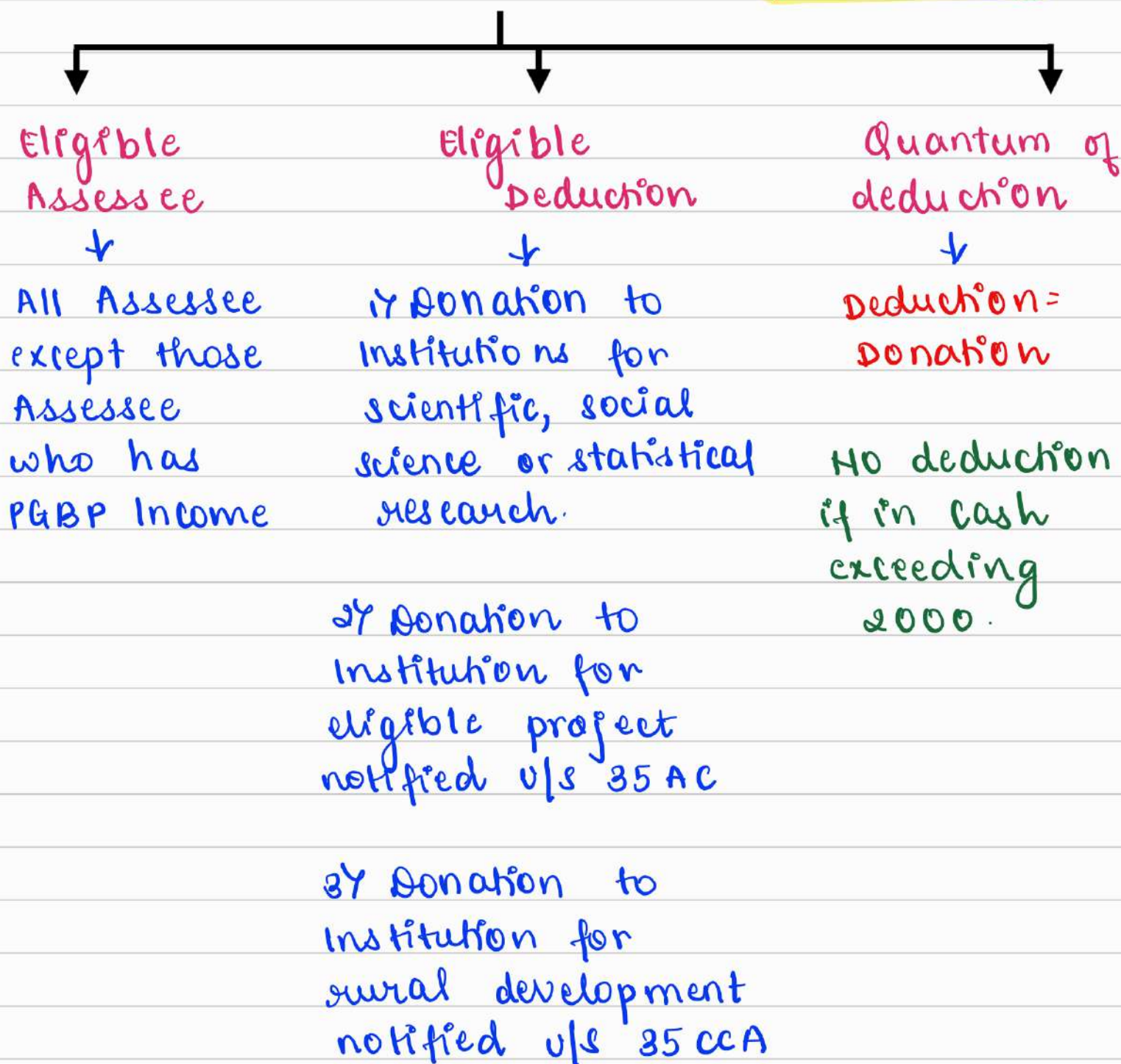
$$2] 60,000$$

$$3] 25\% \times 10,70,000 = 2,67,500$$

$$\begin{aligned} \text{AGTI} &= 11,00,000 - 30,000 \\ &= 10,70,000. \end{aligned}$$

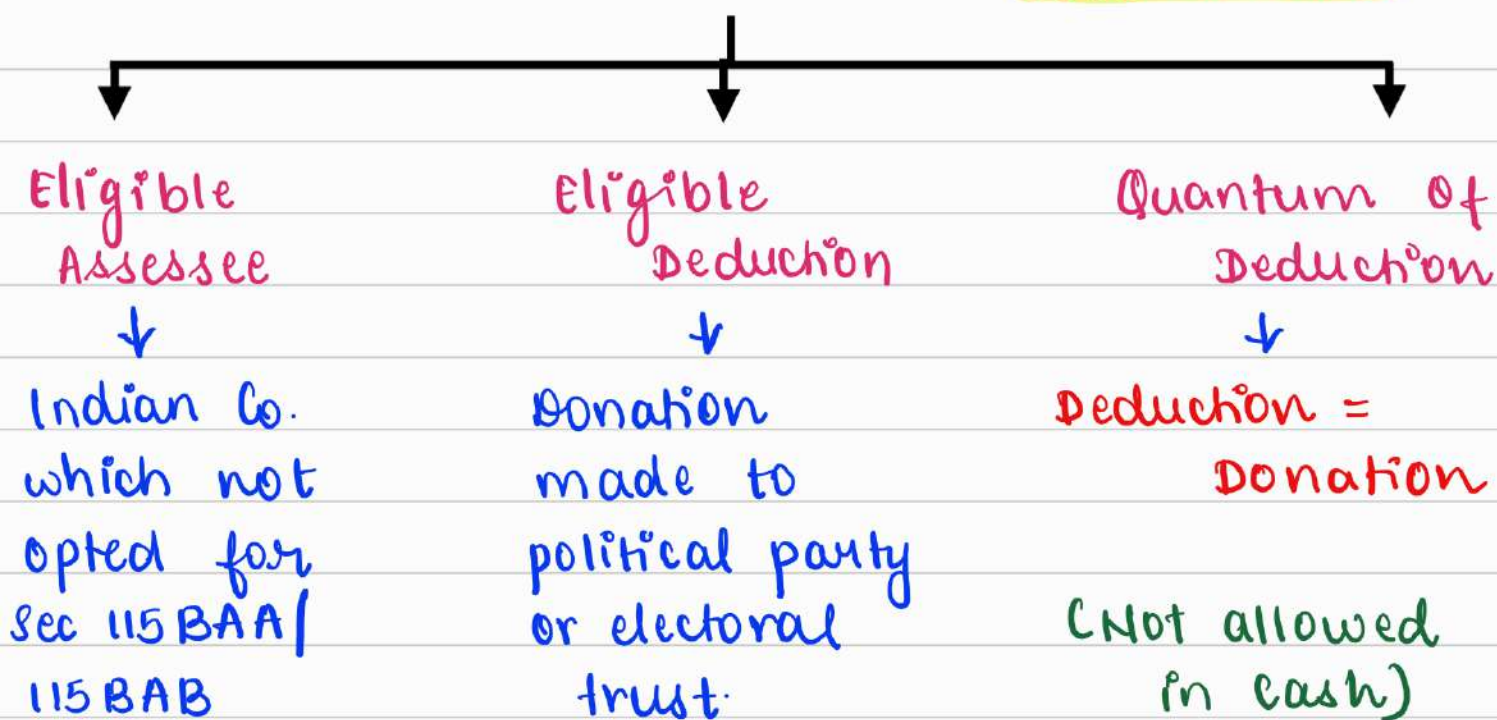
* Deductions in respect of donations for Scientific Research / Rural development etc (only old tax regime)

[sec 80 GGA]



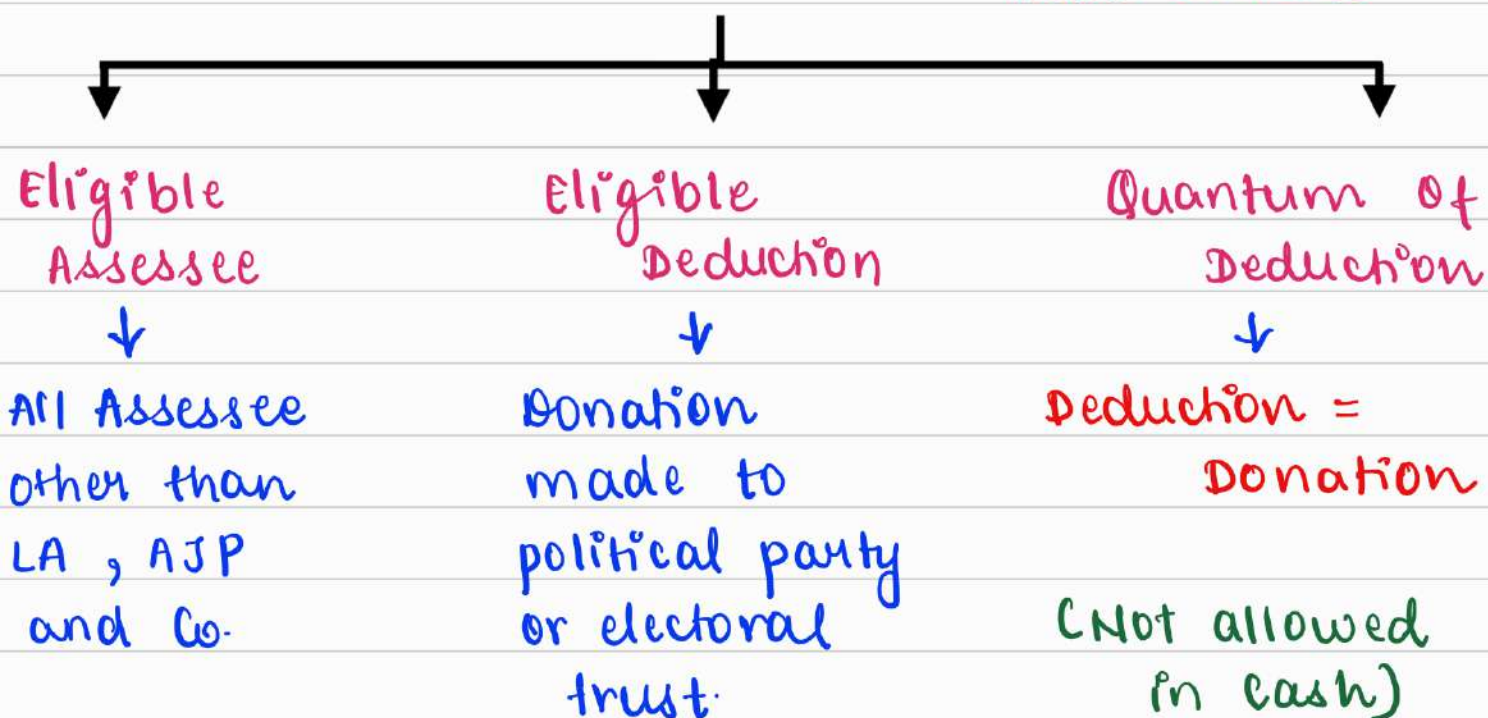
* Donation to the political parties or an electoral trust [Only old tax regime]

[Sec 80 GGB]



* Donation to the political parties or an electoral trust [Only old tax regime]

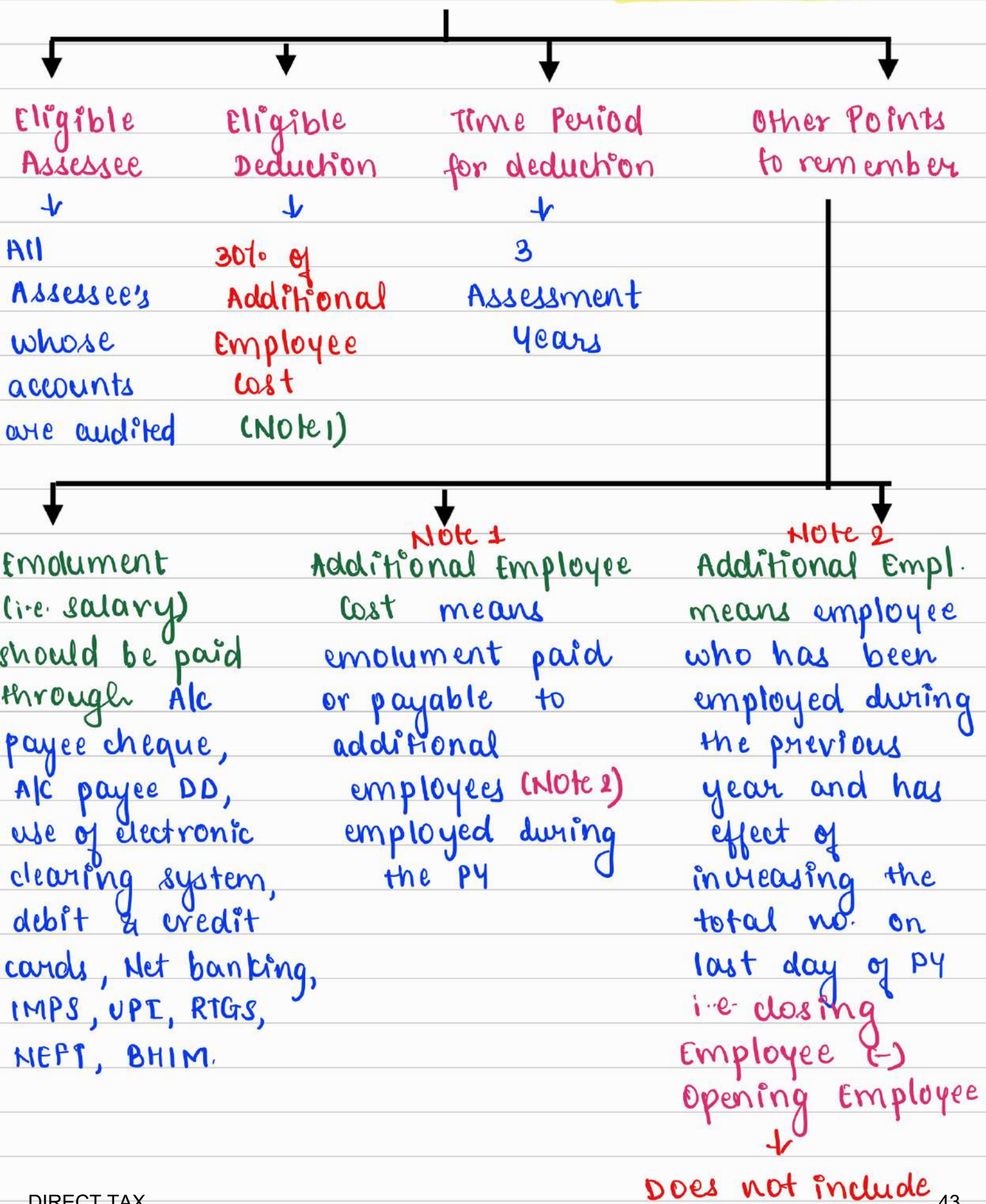
[Sec 80 GGC]

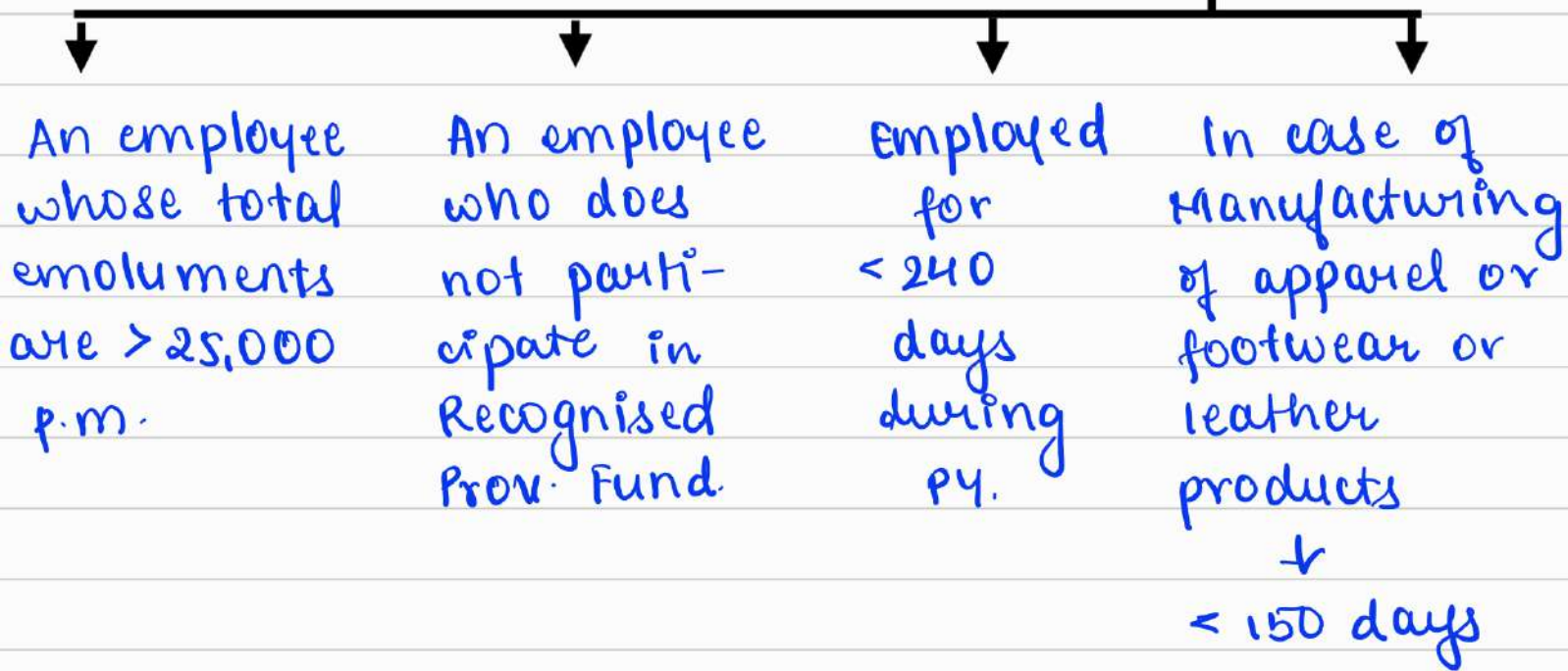


* Deduction In case of New Employment

[Both tax regime]

[Sec 80JJA]





Key Note:- If not employed for 240/150 days during PY, then check same for next PY & consider Additional Employee for next year.

Eg:- Mr. Shivam manuf., commences business on 1/4/2024. Employed 120 new workmen during PY 24-25.

- | | |
|---|---------------------|
| a) 20 employees @ 30,000 p.m per employee | } wages @ 3000 p.m. |
| b) 40 workers employed on 1/4/2024 | |
| c) 85 workers employed on 1/5/2024 | |
| d) 25 workers employed on 5/10/2024 | |

Deduction u/s 80 JJAA for AY 25-26

- | | |
|--|-----------------|
| a) 20 employees → Not eligible | 0 |
| b) 40 employees $(3000 \times 12 \times 40)$ | 14,40,000 |
| c) 35 employees $(3000 \times 11 \times 35)$ | 11,55,000 |
| d) 25 employees → Allowed next yr | 0 |
| | <hr/> 25,95,000 |

Deduction allowed @ 30%

7,78,500

Deduction u/s 80JJAA for AY 26-27

a) 25 employees $(3000 \times 12 \times 25)$	9,00,000
b) Deduction related to AY 25-26	<u>7,78,500</u>
	<u>16,78,000</u>

* Deduction in Respect of Royalty Income etc
of author [old tax regime only]

[Sec 80QQB]

Eligible Assessee	Eligible Deduction	Quantum of Deduction
↓	↓	↓
Resident Individual who is author	Income through copyright from book 1) work of literary 2) artistic nature or 3) scientific nature should not be text books for schools, guides, commentaries, brochures, diaries, magazines, newspaper, journals, pamphlets, tracts and similar publications.	Deduction = Royalty Income but upto ₹ 3,00,000 Royalty in excess of 15% of the value of book shall be ignored.

Eg:- Mr. Vijay, author of book of literary nature, print price = ₹200. Copies sold = 3,000. Royalty @50% of print price

$$\rightarrow \text{Deduction u/s 80 QQB} = 200 \times 50\% \times 3000 \\ = 90,000$$

Key Note:-

If income earned from outside India, only income which is brought into India in foreign exchange within six months from end of PY shall be considered for the deduction under this section.

Eg:- Mr. Jayesh received royalty of ₹2,88,000 from abroad (remittance into India till 30/9/2025 = ₹2,30,000)

Rate of Royalty is 18% of value of books
Expenditure made for royalty = ₹40,000

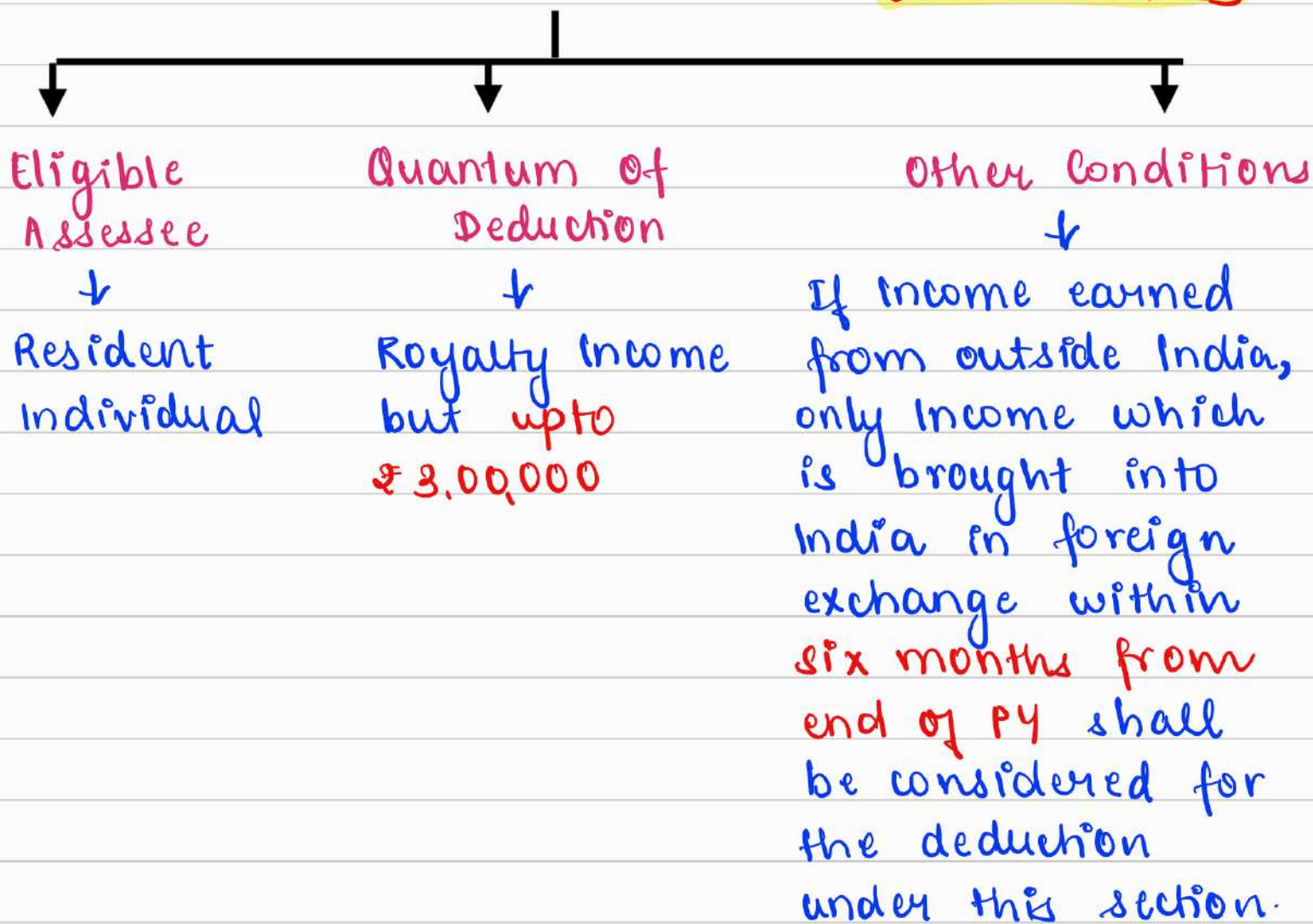
Deduction u/s 80 QQB

$$= \frac{2,88,000}{18\%} \times 15\% = 2,40,000 \text{ but upto } 2,30,000$$

$$= 2,30,000 - 40,000 \\ = 1,90,000$$

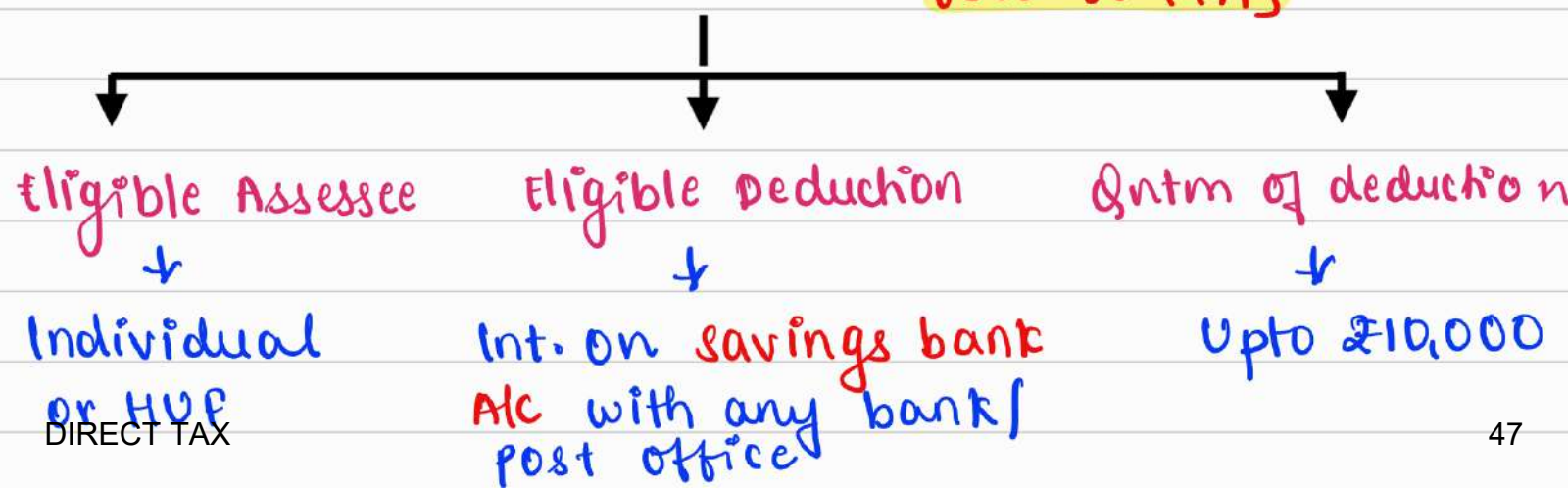
* Deduction In respect of Royalty Income on patents [Only old tax Regime]

[Sec 80 RRB]



* Deduction In Respect of Interest on deposits in Savings Account [Only old tax Regime]

[Sec 80 ITA]



Interest on post office savings Account [sec 10(15)]

From Individual Account



Exempt upto
₹ 3500

From Joint Account



Exempt upto
₹ 4000

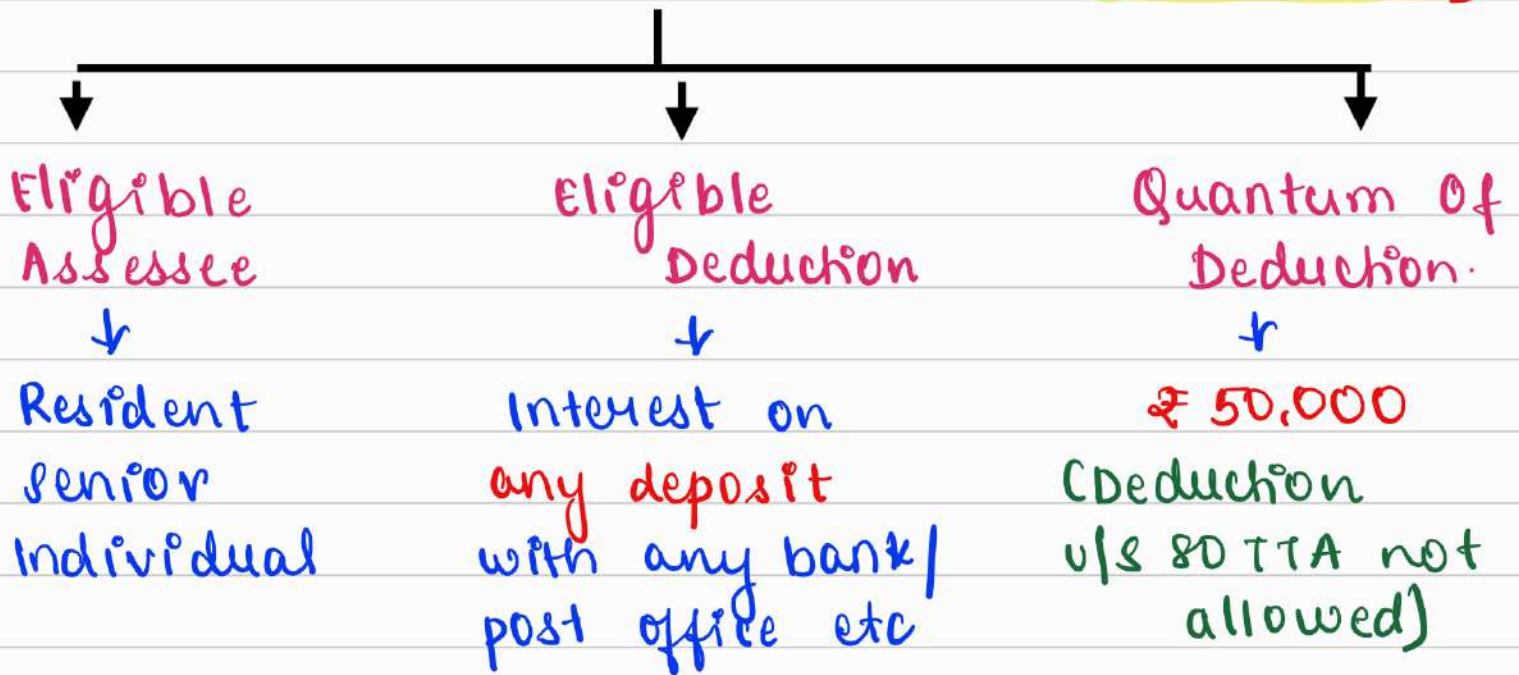
Eg:- Mr. Amit earned ₹15000 from post office savings account.

Income w/h other sources	15000	
⇒ Exemption u/s 10(15)	<u>3500</u>	11,500

Gross Total Income	11,500	
⇒ Deduction u/s 80 TTA	<u>10,000</u>	
Net Total Income		1500

* Deduction In respect of Interest on deposits in case of resident senior citizen (Only old tax Regime)

[Sec 80TTB]



Eg:- Mr. Vijay, Resident aged 61 years,
earned ₹ 70,000 from bank FD

→ Deduction u/s 80TTB → ₹ 50,000

* Deduction In case of units established in Special Economic Zone (Only old tax regime) [sec 10AA]

Eligible Assessee

↓

All Assessee having units in SEZ & engaged in manufacturing or in providing services including computer software.

[Not Opted for sec 115 AC, 115 BAA/ 115 BAB, 115 BAD/ 115 BAE]

Quantum of Deduction

↓

For first 5 AY → 100% of export profits

For next 5 AY → 50% of export profits

For next 5 AY → 50% of export profits provided such profit have been credited to SEZ Re-Investment Reserve Account.

$$\text{Export Profit} = \frac{\text{Profit of Business} \times \text{Export Turnover}}{\text{Total Turnover}}$$

Eg:- AAC Ltd has one unit in SEZ and total turnover is ₹1000 lakhs and profits ₹400 lakhs and export turnover is ₹800 lakhs
 → Export profit = $\frac{₹400 \times ₹800}{₹1000} = ₹320 \text{ lakhs}$

Key Note :-

Export turnover does not include freight, telecommunication charges or insurance on delivery of articles outside India and also does not include any exp. outside India incurred in foreign exchange.

Eg: Ganesh, Manufacturer in SEZ, established during FY 2019-20

Total Sales	85,00,000
Export Sales	55,00,000
Domestic Sales	30,00,000
Profit from undertaking	10,00,000

Sales includes freight of ₹ 5,00,000 for delivery of goods outside India.

Deduction u/s 10AA during FY 24-25 i.e. 6th year

$$= (10,00,000 \times 50,00,000 \div 80,00,000) \times 50\%$$

$$= 312500 \rightarrow (55,00,000 - 5,00,000)$$

Key Note 2:-

Export shall include only that amount which is brought into India in convertible foreign exchange within a period of six months from end of the PY.

eg:- In above eg. amount brought to India to foreign exchange upto 30/9/25 is ₹ 40,00,000.

Deduction u/s 10AA during PY 24-25
ie. 6th year

$$= \left(\frac{10,00,000 \times 35,00,000}{80,00,000} \right) \times 50\%$$

↓
(40L - 5L)

$$= 218750$$

Key Note 3:-

The amount credited to SE2 Re-Investment Reserve Account should be utilised for acquiring a new P&M within a period of 3 years from end of PY in which reserve is created.

If not utilised within 3 years, then it will be taxable in the 4th year.

eg:- Amount transferred in reserve account in PY 2025-26, amount should be utilised for purchase of P&M upto 31/03/29

If not utilised, then amount shall be income for PY 29-30