

CA INTERMEDIATE

INCOME TAX LAW

FREE LECTURE SERIES

FOR SEPTEMBER 2024/JANUARY 2025

AY 2024-2025

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Income Tax Law (50 Marks)

Basic Concepts } 20%
Residential Status }

5 Tax

Salary }
House Property } 30%
Capital gain }
PG & BP }
Other Sources }

Clubbing }
Setoff or CF } 20%
Deduction }

Adv Tax }
TDS/TCS } 20%
Returns }

Total income & Computation → 25%

Article 246 Read with Schedule VII

Union List [List I]

Entry 82

↓ give Power to

CG to Make Law on
Income Tax other
than Agriculture Income

State List [List II]

Entry 46

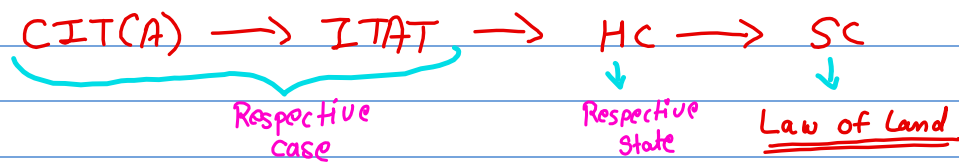
↓ give Power to

SG to Make Law
on Tax on
Agriculture Income

Concurrent List [List III]

Source of Income Tax Law

- 1) Income Tax Act 1961 [Assessment Procedure, Appeals, Income Cal^m, Penalties]
- 2) Income Tax Rules 1962
- 3) Annual Finance Act [Tax Rates, TDS Rates, TCS Rates]
- 4) Circulars [Clarification of Doubts or Scope of Provision]
Circular is Binding on Dept. & Not on Assessee
However Assessee can use circular for Benefit
- 5) Notifications [issued by CG to give effect to Provision]
Binding on dept as well as Assessee
- 6) Case Laws [Legal Decisions → Disputes → Assessee Vs Dept]



Budget :- 1 Feb
Fiscal Responsibility & Budget Management Act

Final Budget
[every year]

Interim Budget
(year of Elections)

Interim Budget → 1 Feb
Final Budget → July

Amendments

Direct Tax
Applicable from 1st Day
of Next FY

Indirect Act
(Applicable from
Mid Night)

1 Feb 2024 → Apply from 1/4/2024
↓ to 31/3/2025
FY 1/4/2024 - 31/3/2025
FY 2024 - 2025 AY 25-26

1 Feb 2023 → Apply from 1/4/2023 } 23-24
to 31/3/2024 } AY 24-25

Income Tax Act 1961

Applicable → whole of India

Total Section 298

Charging Section [Sec 4]

- Tax shall be charge at Rate Prescribed for the year by Annual Finance Act or Income Tax Act 1961 or Both
Slab Rate ← ^{Special Rate}
- The charge is on every Person (Sec 2(31))
- Tax is chargeable on Total income earned During PY & Not the AY
- Tax shall be Levied as Per Provision of Act

Person [Sec 2(31)]

Individual Male / Female

Unsound Mind → Legal Representative

Minor Child → guardian

HUF

Dayabaga & Mitakshara

Firm include LLP

Partnership Act 1932

LLP Act 2008

Company

Indian Co. Foreign Co.

AOP / BOI Association of (Person) Body of individual

HUF ✓ Co. ✓ Firm ✓

~~Co Firm Society~~

Local Authority

Municipal Committee, District Board

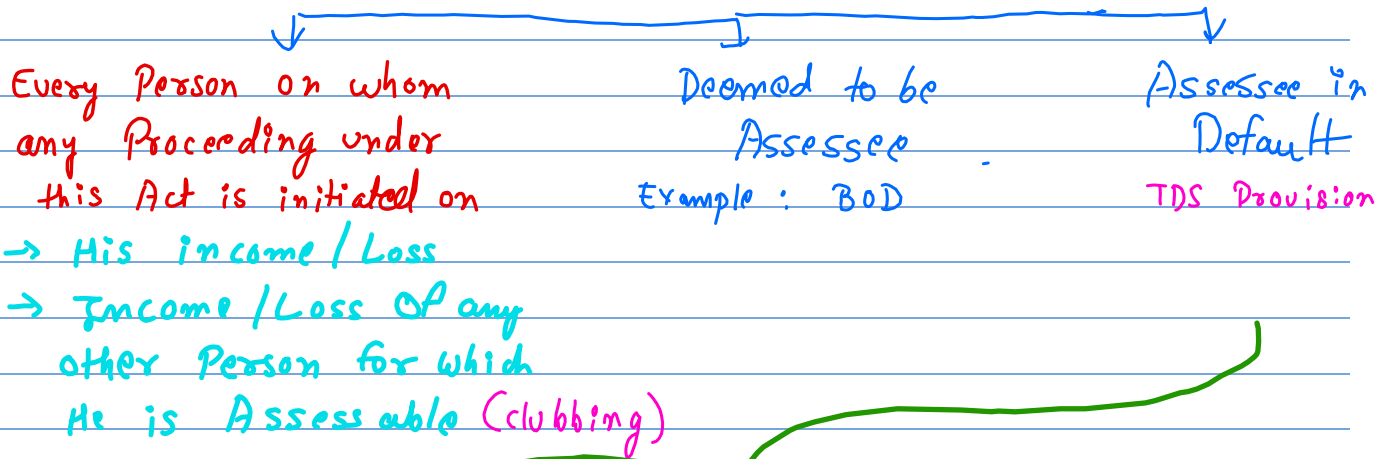
AJP Artificial Juridical Person

University, Bar Council

Assessee [Sec 2(7)]

Assessee Means a Person by whom any Tax or Any other Sum of Money is Payable under this Act.

It also includes



Every Person is Not Assessee
But Every Assessee is a Person

Previous Years [Sec 3]

Financial Years immediately Preceding to Ay
In Case of New Business → PY = Date of Setting up of Business to 31 March

Assessment Year (Sec 2(3))

Period of 12 Months Commencing on 1 April every year

Example

(FY) 23-24 → Ay 24-25

(PY) 16-17 → Ay 17-18

FY 16-17 → PY 16-17

FY/PY 23-24. Income Earned General Rule AY 24-25 Tax on Such Income

General Rule

Income of PY is Assessed in AY

↓
Exception

Income of PY is Assessed in PY itself

PY = AY PY 23-24 → PY 23-24 → AY 23-24

NR Shipping Business
[Maria]

AOP/BOI/AJP Formed For a Particular event
(Tony Kakkar Fan Club)

Discontinued Business (Levent Khtam Buz Khtam)

Person Likely to Transfer Property to Avoid Tax
(Maria Fraud)

Person Leaving India (Back to Russia)

Total Income → Defined
Computation

↓
Determine the Residential Status

↓
Classify income under 5 Heads

Salary HP CG PGBP IFOS

Income
+ Apply clubbing Provision
+ Set off / Carry Forward

~~Tax~~

← Gross Total income [GTI]
- Deduction

← Tax on Total Income is Payable

Total Income

Particulars	Amount
Total income	XXX
✓ General Rate Income x General Tax Rate	XXX
✓ Special income x Special Tax Rates	XXX
Tax	XXX
✓ Less: Rebate u/s 87A	XXX
Net Tax after Rebate	XXX
Add: Surcharge (if Applicable)	XXX
Add: Health & Education Cess [HEC] 4%	XXX
Tax on Total income Payable-	XXX
Less: TDS/TCS	XXX
Net Tax Payable	XXX

Note :-

Rounding off

Total income Round off u/s 288A } Rounding off to Nearest ₹ 10
 Tax Payable Round off u/s 288B }

Example :-

Total income	10 14 515	941513	534127	} u/s 288A
Round off	10 14 520	941510	534130	

Tax Payable	53102	678513	94589
Round off	53100	678510	94590

General Tax Rate [Alternative Tax Scheme]

(Age < 60)

Individual / HUF / AOP / BOI / AJP / NR irrespective of Age

Particulars [Income Slab]	Rate	Shortcut
upto 250,000 [Basic Exemption Limit]	-	-
Above 250,000 but upto ₹500,000	5%	12,500
Above 500,000 but upto ₹1,000,000	20%	112,500
Above 1,000,000	30%	-

80 yrs > Individual > 60 yrs but less than 80 yrs

upto 300,000 [Basic Exemption Limit]	-	-
above 300,000 but upto ₹500,000	5%	10,000
above 500,000 but upto 1,000,000	20%	110,000
above 1,000,000	30%	-

Individual Above 80 yrs

upto 500,000 [Basic Exemption Limit]	-	-
above 500,000 but upto 10,00,000	20%	1,00,000
Above 10,00,000	30%	-

Note :-

HEC 4% → All the Cases

Rebate u/s 87A

Individual (Resident)

Total income [Normal income + Special Income] ≤ 5,00,000

Tax Amount } Lower
₹ 12,500

Rebate u/s 87A is Not Available for CG u/s 112A

Rebate is to be given before HEC

Example

Total income	300,000		50,000		250,000 - Nil	50,000
BEL	(250,000)		250,000		250,000 x 5%	12,500 Tax
Income	50,000		260,000		Rebate	12,500
Tax 5%	2,500	2.5L to 5L	250,000 x 5% = 12,500			- Nil
Rebate u/s 87A	(2,500)	5L >	10,000 x 20% = 2,000			
Tax	-					14,500

Circular 28/2016

if Person Born on 1st April would be Considered to have Attained a Particular age on 31 March

1/4/2024 → 60 yrs → Higher Slab Rate i.e. 300,000 [BEL] Apply
 80 yrs → Higher Slab Rate i.e. 500,000 [BEL] Apply

Example ①

Total income	241,598
BEL	<u>241,598</u>
Tax	-

②

Total income	492,321
Round off u/s 288A	492,320
BEL	<u>250,000</u>
	242,320

③

Total income	629,355
Round off 288A	629,350
Tax upto 500,000 (500,000)	12,500
	129,360
Tax 20%	25,872
	<u>25,872</u>
	38,372
HEC 4%	1,535
	<u>39,907</u>
Tax Round off	<u>39,910</u>
u/s 288B	

Tax 5%	12,116
Rebate	<u>12,116</u>
Tax	-

Special Tax Rates

STCG v/s 111A	15%
LTCG v/s 112A	Beyond ₹1L → 10%
LTCG v/s 112	20%
Transfer of Carbon Credit v/s 115BBS	10%
Casual income v/s 115BB	30%
[Lotteris, Betting, Horse Race, Gambling, Card games]	
Net Winning of Casual income from online game v/s 115BBT	30%
Undisclosed income v/s 115BBE	60%
Maximum Marginal Rate	42.744%
* STCG → Normal Income → Normal Tax Rate	

Example 1

PG-BP N	700000
LTCG v/s 112 S	150000
Lottery S	300000
Rummy Circle winning S	<u>200000</u>
Total income	1350000 .

→

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Example 2

PGiBP	400000
Dividend	300000
STCG	400000
STCG v/s 111A	500000
Jungly Rummy	250000
LTCG 112A	<u>350000</u>
	2200,000

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Note :-

If the Assessee [R] has Special income Such as LTCG / STCG [Not Casual income] & BEL is Not Exhausted, they Must 1st use that Special Income to coverup BEL

If there is any Balance then it will be chargeable to Special Tax Rate

Example

	PGBP	80,000	Normal Tax Rate
LTCG u/s 112	150,000	20%	
STCG u/s 111A	100,000	15%	
Horse Race	150,000	30%	
Tu Poker Khelta Hai kya?	200,000	30%	

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Example 2

PGTBP	100,000
LTCG v/s 112	100,000
STCG v/s 111A	100,000
Lottery	50,000
	<hr/>
	<u>350,000</u>

→

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Example 3

PGTBP	230,000
LTCG v/s 112A	210,000

→

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Example

PGBP 80000
STCG 30000
LTCG u/s 112A 250000

→

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Surcharge [Alternative old Tax Regime]

	Total income	Rate	Dividend / CG u/s 111A, 112A, 112 Rate
1)	1 cr \geq TI $>$ 50,00,000	10 %	-
2)	2 cr \geq TI $>$ 1 cr	15 %	-
3)	5 cr \geq TI [Excluding Dividend Income, CG u/s 111A, 112, 112A] $>$ 2 cr	25 %	15 %
4)	TI [Excl Dividend Income & CG u/s 111A, 112, 112A] $>$ 5 cr	37 %	15 %
5)	TI $>$ 2 cr & Not covered [Inclu Dividend & CG u/s 111A, 112, 112A] Under (3)&(4)	15 %	-

Example

PGBP 2800,000
 LTCG u/s 112A 400000
 LTCG u/s 112 600000
 STCG u/s 111A 500000
 STCG 300000
 4600,000

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Example 2

PGBP 4500,000
 LTCG u/s 112A 2400000
 LTCG u/s 112 1500000
 STCG u/s 111A 600000
 STCG 300,000
 9300000

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Example

PGBP	20,00,000	}	Total income
LTCG 112A	3500000		
LTCG 112	3200000		
STCG 111A	1500000		
STCG	700000		
Dividend	800000		
			<u>1,77,00,000</u>

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Example

PGBP	180,00,000	}
LTCG u/s 112A	4000,000	
LTCG u/s 112	2000000	
STCG 111A	1500000	
STCG	6000000	

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Example

PGBP	450,00,000
STCG	120,00,000
LTCG 112A	40,00,000
LTCG 112	15,00,000
STCG 111A	6,00,000

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Example

PGBP	108,00,000
STCG v/s 111A	6,00,000
LTCG v/s 112	<u>55,00,000</u>
	223,00,000

Click Here

Example

PGBP	6 5500,000
LTCG u/s 112A	500,00,000
STCG u/s 111A	200,00,000
Dividend	150,00,000
LTCG u/s 112	5500,000

Click
Here

Tax Rate to Other Person [Alternative Tax Regime]

- 1) No any BEL for these Person
- 2) Special Income @ Special Rate

Firm / LLP / Local Authority

TI upto 1cr		TI above 1cr	
Flat Tax Rate	30%	Tax [Flat Rate]	30%
+ Surcharge	-	Surcharge	12%
+ HEC	4%	HEC	4%
	<u>31.2%</u>		<u>34.944%</u>

Company [May opt for 115 BAA / BAB]

Domestic Company

Turnover / Gross Receipts
in Py 21-22
is upto ₹ 400 Cr

Other

TI upto 1cr		TI Above 1cr upto 10cr		TI Above 10	
Flat Tax	25%	Flat Tax	25%	Flat Tax	25%
Surcharge	-	Surcharge	7%	Surcharge	12%
HEC	4%	HEC	4%	HEC	4%
	<u>26%</u>		<u>27.82%</u>		<u>29.12%</u>

TI upto 1cr		TI Above 1cr upto 10cr		TI Above 10cr	
Tax Rate	30%	Tax Rate	30%	Tax Rate	30%
Surcharge	-	Surcharge	7%	Surcharge	12%
HEC	4%	HEC	4%	HEC	4%
	<u>31.2%</u>		<u>33.384%</u>		<u>34.944%</u>

Foreign Co.

	TI upto 1cr	1cr - 10cr	TI Above 10cr
Flat Tax Rate	40%	40%	46%
Surcharge	-	2%	5%
HEC	4%	4%	4%
	<u>41.6%</u>	<u>42.432%</u>	<u>49.68%</u>

Co operative Society [May opt. for 115 BAD/BAE]

Slab Rate	Tax Rate	Shortcut
TI upto 10000	10%	1000
Above 10000 upto 20000	20%	3000
Above 20000	30%	-

Surcharge

TI upto 1cr	Nil
TI Above 1cr upto 10cr	7% of Tax
Above 10cr	12% of Tax

AOP/BOI

Tax → Slab Rate

AOP

→ All Members → Co

TI exceed 50L → Surcharge 10%

TI exceed 1cr → Surcharge 15%

Marginal Relief

- when Tax exceed Income Due to Surcharge
- Applicable to All Assessee

Example

I(R) Total Income	5000,000		T.I	50,50,000	
upto	<u>10,00,000</u>	112500	upto	<u>10,00,000</u>	112500
	4000,000 @ 30%	<u>1200,000</u>		4050,000	<u>1215000</u>
		13,12,500			<u>1327500</u>
				Surcharge 10%	<u>132750</u>
					<u>1460250</u>
					977500
					Diff 147,750 > 50000

Example

T.I	<u>10200,000</u>	
upto	10000,000	
upto	<u>1000,000</u>	112500
	90,00,000	<u>2700,000</u>
		28,12,500
Surcharge 10%	<u>281250</u>	
	3093750	
	<u>200000</u>	
Tax Payable	<u>32,93,750</u>	
H.E.C 4%	<u>131750</u>	
	3425500	

Steps for Cal^m of Marginal Relief

Step 1 :- Tax on Original Total Income

Step 2 :- Tax on
 50L / 1Lx / 2cr / 5cr [I]
 1cr / 10cr [Co]
 1cr [Firm]

} without HEC

Step 3 :- Tax to be paid = Step 2 + Extra Income

Step 4 :- Step 1 - Step 3 = Marginal Relief

HW

1) 20400,000

2) 52500,000 → 305000 ← 21320625
 21015625

Old Tax Scheme Khatm

20400000		20000000	
<u>1000,000</u>	112500	<u>1000,000</u>	112500
19400,000	<u>5820000</u>	19000,000	<u>5900000</u>
	5932500		5812500
25%	<u>1483125</u>		<u>871875</u>
	<u>7415625</u>		<u>6684375</u>
			<u>400000</u>
			7084375
			+ HEC 4%
			<u>7367150</u>

Arrows in the original image indicate: 731250 (from 7415625 to 6684375) and 331250 (from 7415625 to 7084375).

Default Tax Scheme [New Scheme]

Sec 115 BAA	Income of Domestic Company
Sec 115 BAB	Income of New Manufacturing Domestic Co. OR Electricity Generation Co.
Sec 115 BAC	Income of I/HUF/AOP/BOI/AJP
Sec 115 BAD	Income of Resident Co-operative Society
Sec 115 BAE	Income of New Mfy Co-operative Society

Sec 115 BAC Income of I/HUF/AOP/BOI/AJP

Slab Rate

Total income	Tax Rate	ShortCut
upto 300,000 [Basic Exemption Limit]	-	-
300,000 - 600,000	5%	15000
600,000 - 900,000	10%	45000
900,000 - 1200,000	15%	90000
1200,000 - 1500,000	20%	150000
Above 1500,000	30%	-

Note

Rebate u/s 87A

Assessee → Individual (Resident)

Total income [Normal + Special] \leq 700,000

Rebate Tax Amount } Lower
25000

Rebate u/s 87A is Not Applicable to LTCG u/s 112A

Example

PGTBP	700000
LTCGT 112	150000
Lottery	300000
Rummy Circle	<u>200000</u>
	1350,000

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Example

PGTBP	400,000
Dividend	300 000
STCG	400 000
STCG 111A	500 000
Jungly Rummy	250000
LTCGT 112A	<u>350000</u>
	2200,000

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Example

- PGBP	180,000
- LTCG 112	100,000
- STCG 111A	50,000
Horse Race	150,000
Tu Poker	50,000
Khelata hai Kya?	<u>530,000</u>

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Example

PGBP	250000	} 500000
LTCG u/s 112A	250000	

→ * ^

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Example

PGBP	120000
STCG 11A	30000
LTCG 11A	<u>300000</u>
	750000

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Marginal Relief

710,000	
upto	<u>600,000</u> 15000
	110,000 @ 10% <u>11000</u>
	26000

700000	
upto	<u>600000</u> 15000
	100000 <u>10000</u>
	25000
Rebate	<u>25000</u>
	-

Example

TI	715000
① upto	<u>600000</u> 15000
	115000 <u>11500</u>
	26500

HW
 ↖
722100

② Tax on 700000	
	28000
Rebate	<u>25000</u>
	-
Excess	<u>15000</u>
Tax	<u>15000</u>

<http://www.youtube.com/@SK-mg6lx> HEC 4%
15600

Surcharge [Default Tax Regime]

TI	Rate	Dividend CG 112A 112 111A
$1cr \geq TI > 50L$	10%	-
$2cr \geq TI > 1cr$	15%	-
$TI > 2cr$ (Excl Div & CG income)	25%	15%
$TI > 50L$	27%	15%
$TI > 2cr$ [Including Div & CG]	15%	-

Example

TI	152,73,854	
Round off u/s 288A	152,73,850	
upto	150,000	150000
	137,73,850	30%
		4132155
		4282155
Surcharge 15%		642323
		4924478
HEC 4%		196979
		51,21,457
Round off u/s 288B		51,21,460

Example

PGBP	8,00,000
LTCG 112A	35,00,000
LTCG 112	32,00,000
STCG 111A	15,00,000
STCG	7,00,000
Dividend	<u>8,00,000</u>

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Example

PGBP	655,68,595	} TI 15,85,23,494 Round off <u><u>15,85,23,490</u></u>
LTCG 112A	501,23,452	
STCG 111A	213,52,789	
Dividend	15451,346	
LTCG 112	55,21,143	
STCG	506169	

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While Computing TI u/s 115 BAC, Following Deductions or Exemptions would Not be Allowed

Salary

Special Allowance + EFGH

- 1) Leave Travel Concession u/s 10(5)
- 2) House Rent Allowance u/s 10(13A)
- 3) Exemption in Respect of Special Allowance or Benefits to Meet expenses Relating to Duties or Personal Expenses u/s 10(14)
- 4) Entertainment allowance & Professional Tax u/s 16
- 5) Free Food & Beverage through Vouchers Provided to employees.

House Property

Interest on Loan in Respect of Self occupied Property set off of any loss under the Head of HP with any other Head would Not be Allowed

PGBP

- 1) Additional Depreciation [Dep Allowed, Addⁿ Dep Not Allowed]
- 2) Deduction v/s 33AB 33ABA 35AD 35CC
- 3) Deduction in Respect of contribution v/s 35(1)(ii)/(iia)/(iii) / 35(2AA).

IFOS

Deduction for Family Pension

Deduction 80C to 80V

Except 80CCD(2), 80CCH(2), 80JAA

Exemption

- 1) Daily Allowance or Constituency Allowance of MP/MLA
- 2) Exemption in Respect of income of Minor child included in Income of Parents v/s 10(32)
- 3) Tax Holiday for units in SEZ v/s 10AA

Note :-

if there is any Carry Forward Loss or any unabsorbed Depreciation from any earlier AY which is arise Due to above Dedⁿ / Exemption, Setoff of Such Loss or Unabsorbed Depⁿ is Not Allowed

→ Return File करत Time Scheme Select करत

→ if Assessee → PGBP Income

→ Continue with New Scheme

→ or if Assessee want old Scheme → Change it to old Scheme

But if old Scheme Apply then Assessee can't Change it to New Scheme

Sec 115 BAA / BAB / BAD / BAE

- option once exercised can't be withdrawn
- special income @ Special Rate

Following Benefits / Deductions will Not be Available

- 1) Addⁿ Dep
- 2) Dedⁿ uls 33AB 33ABA 35AD 35CCC 35CCD
- 3) Dedⁿ in Respect of outside Contribution uls
- 35(i)(ii)/(iii)/(iv) / 35(2AA)
- 4) Dedⁿ uls 80C to 80U [Except 80JAA & 80M]
- 5) MAT & AMT Not Applicable

	Co. 115 BAA	Mfg Co. 115 BAB [Setup on or after 1/10/19]	Co op 115 BAD	Mfg Co.op 115 BAE [1/4/23]
Tax Rate	22%	15%	22%	15%
Surcharge [Compulsory]	10%	10%	10%	10%
HEC 4%	4%	4%	4%	4%
Effective Tax	25.168%	17.16%	25.168%	17.16%

← only BAB → only BAE

	Mfg	Non Mfg [HP, Dividend, Interest etc]	Special income Special Rate	Excess Profit Computed by AO
Tax Rate	15%	22%	30%	30%
Surcharge	10%	10%	10%	10%
HEC	4%	4%	4%	4%
	17.16%	25.168%	-	34.92%

↓
 No any Dedⁿ Available

Appⁿ to BAB & BAE

- Should Not Formed by Splitting up or Reconstruction of existing Business [Sec 33B → Consider New Business]
- Plant & Machinery should be New

Exception

- 20% of Total P&M can be 2nd Hand
- Imported P&M shall be treated as New P&M [only for this Section]

- Does Not Use any Building Previously used as a Hotel or Convention Centre

→ Power Generation Business Shall be Treated as Mfg Business

→ Does Not Mfg Business

- 1) Development of Computer Software
- 2) Mining
- 3) Conversion of Marble Block or Similar items into Slabs
- 4) Bottling of gas into Cylinders
- 5) Printing Books or Production of Cinematograph Film
- 6) Any other Notified.

Example Co → 115BAA & BAB ^{HW} [25%]

Profit from Mfg	1000,000	}	in house Scientific Research	90000
STCG	400,000		U/s 35 [Not Debited to P/L]	
LTCG 112A	800,000		Deduction	80G 50,000
STCG 111A	500,000			80JJAA 80000

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Undisclosed Sources of Incomes

1) Cash Credit u/s 68

- Unexplained Amount which is Credited to Books of AS
- Unexplained Loans & Borrowings
- Unexplained Amount which is Credited to Share Capital A/c OR Premium OR Application.

2) Unexplained Investment u/s 69

3) Unexplained Money u/s 69A

Any Money, Bullion, Jewellery or Valuable Article

4) Investment etc, Not Fully Disclosed u/s 69B

Investment Amount > Recorded Amount
[Bullion, Jewellery, Valuable Article]

5) Unexplained expenditure u/s 69C

6) Amount Borrowed or Repaid on Hundi u/s 69D

Assessee offers No explanation

OR

in opinion of AO explanation is unsatisfactory

↓

Treated as Deemed Income

[No BEL, No Setoff of any Loss, No any expenditure allowed]

↓

Tax Rate u/s 115 BBE

Tax	60%
Surcharge	25%
HEC	4%
	<hr/>
	78%
	<hr/>

Agriculture Income [Sec 2(1A)]

Entry No 46 of State List [List II] give Power to SGs to Make Law on Tax on Agri Income.

Agriculture Income is Exempt from Tax u/s 10

Agriculture Income May arise

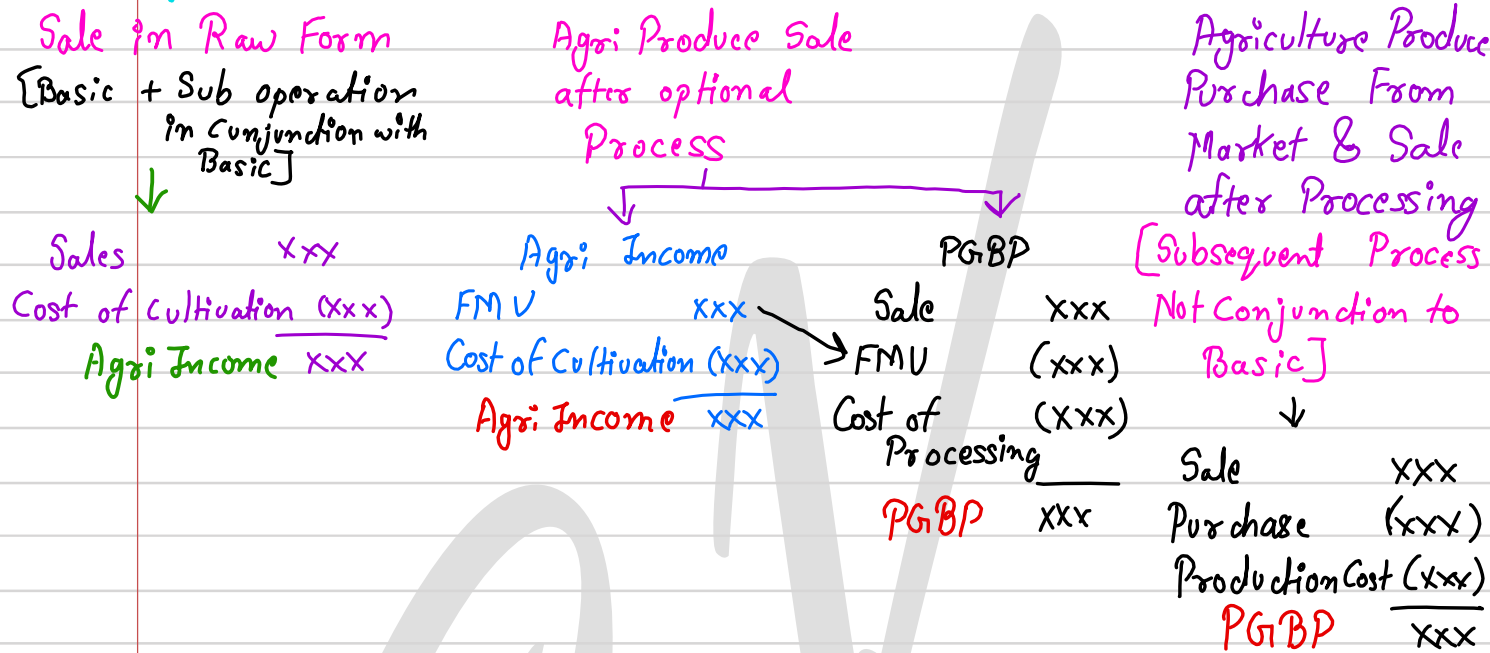
- 1) It may be Rent or Revenue Derived From Land situated in India & used for Agri Purpose [Not include Movie]
[Foreign Agri Land → Income From Such Land → Taxable income]
- 2) It may be income Derived From Such Land by
 - a) Agriculture [basic operation + subsequent operation only when taken in conjunction with & continuation of Basic operation]
 - b) Process ordinarily employed to Render the Produce fit to be taken to Market [Process for salable Condition]
 - c) Sale of Agri Produce in Market
- 3) Income May be Derived From any Form Building Required for Agriculture operation
[Building For. warehouse of Agri Produce, Rented to Employees, Equipments & Storage Purpose]

Example of Agri Income :-

Income From

- 1) Saplings or Seedlings grown in Nursery
- 2) grown of Flowers & creepers
- 3) Rent From Land used for grazing of cattle Required for Agriculture etc.

Sale of Agri Produce in Market



Rules for tea, Coffee & Rubber

Rule	Activity	Agri Income	PGBP
8	Growing & Mfg of Tea	60%	40%
7B	Coffee		
	grown & Cured	75%	25%
	grown, Cured, Roasted, grounded	60%	40%
7A	Growing & Mfg of Rubber [Latex]	65%	35%

Partial integration in case of Agri Income

Assessee :- I/HUF/AOP/BOI/AJP



Computation of Tax Liability

Non Agri Income	xxx
+ Agri Income	<u>xxx</u>
	xxx
Tax (A)	xxx
[No Rebate, Surcharge, HEC]	

Agri Income	xxx
+ BEL	<u>xxx</u>
	xxx
Tax (B)	xxx
[No Rebate, Surcharge, HEC]	

Tax Liability A - B	(xxx)
Rebate / Surcharge	<u>xxx</u>
	xxx
HEC 4%	<u>xxx</u>
Tax Liability	xxx

Example

PGiBP 1250,000 } 115BAC
 Agri Income 400,000 }
 →

click here

Example

PGIBP

115 BAC

1250,000

STCG 111A

300000

Agri:

400,000

LTCG 112A

500000

→

click here

Example

PGIBP 450,000

Agri Income 400,000

1) Assessee HUF → old Scheme

→

click here

2) 115 BAC → Individual

click here

Example [Illu]

Mr B grown Sugar cane
30% of Produce Sold at ₹10L & Cost of Cultivation ₹5L
70% of Produce → Cost of Cultivation ₹14L & FMV ₹22L
Addⁿ Process Cost ₹1.5L for Sugar Cane to Sugar
& Sugar Sold at ₹25L

click here

Example

Mr C Mfg & grow → Rubber
Sold at ₹30,00,000
Cost of growing 10,00,000 Mfg Cost 800,000
→ $30,00,000 - 10,00,000 - 800,000 = 12,00,000$

65%
780000
179000

420000
PGBP

HW

Mr. Brown Munde was Engaged in Growing & Mfg of Tea
40% of Produce Directly Sold in Market at ₹18L &
Cost of Cultivation ₹12L

60% of Produce use For Further Production, FMV of
Such Produce is ₹30L & sold for ₹42L
Further Processing Cost ₹1L & cost of Cultivation
is ₹19L

Compute Agri & PGBP income
Compute Tax Liability



Total Sales

Direct Sale	1800 000
Final Product	<u>4200 000</u>
	60,00,000

Total Cost of Cultivation

1900,000 + 1200000 (3100000)

Total Cost of Processing (100000)
28,00,000

Agri Income
60%

16 80 000

Business Income
40%

1120 000

SK