



DIRECT TAX

LAST-MINUTE REVISION

CA/CMA INTER - MAY/JUNE 2026

By CA Shirish Vyas

Prime Vision Professional Education

⇒ **HOW TO COMPUTE ?****STATEMENT OF TOTAL INCOME**

* Income from Salaries	xxx
* Income from HP	xxx
* Income from Business	xxx
* Capital Gains	xxx
* IFOS	xxx
GROSS TOTAL INCOME	xxx
less: Dedn. u/c VI A	-xx
less: Dedn. u/s 10AA	-xx
NET TAXABLE INCOME	xxx

Tax @ - %

1

INCOME FROM OTHER SOURCES

2

IncomesEg: D·W·R₃AM₂U FAKIR 4 etc...

Taxable Exempt

3

LIST OF EXEMPT INCOMES

10(1)	Ag. Income
10(17)	MP / MLA - Daily Allowance
10(17A)	Awards - Govt.
10(19)	Family Pension - Army
10(32)	minor children
10(10D)	Life Insurance
10(15)	Interest incomes
10(11)	Int. on PPF
10(11A)	Int. on SS A/c

4

DEDUCTION u/s 57 Summary

Taxable Incomes	- Deduct All Exps.
Exempt Incomes	- Ignore All Exps.
Winnings	- Ignore All Exps.
Dividend/Units	- Deduct only 1 Exp.
Family Pension	- Std. dedn (1/3 or 15,000)

5

NEW REGIME

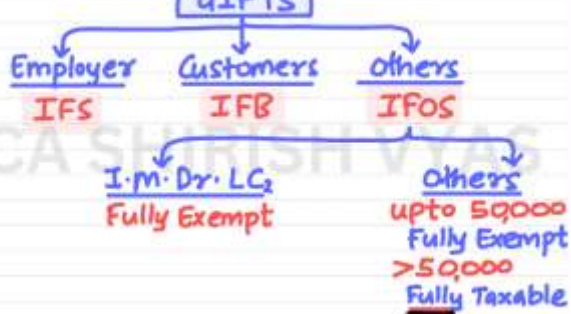
10(17) ☒



10(32) ☒

F.P.
(Std. dedn) = $\downarrow \frac{1}{3}$ or 25,000

6

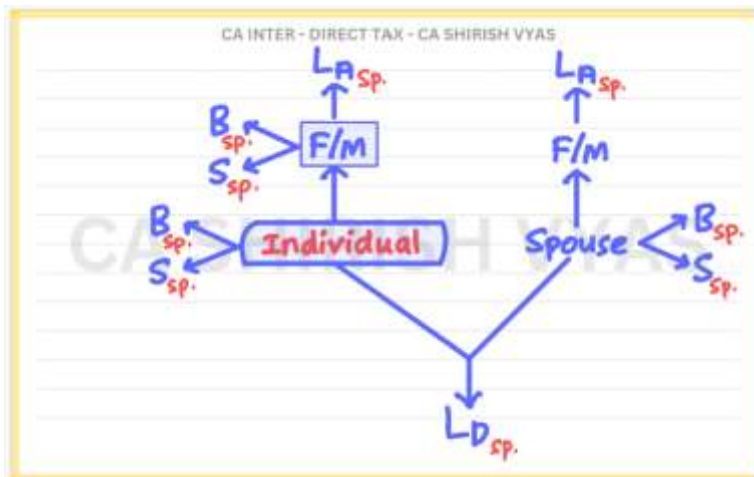
GIFTS

7

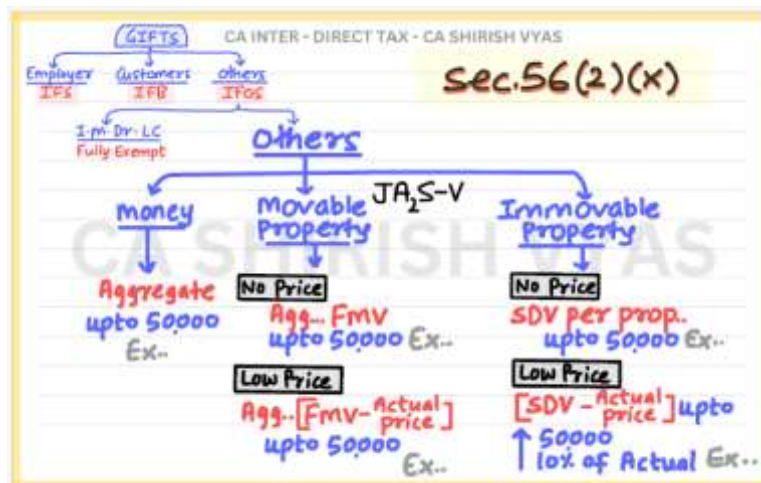
I.M.Dr.LC₂

I	- Inheritance
M	- Marriage
D	- Death Contemplation
r	- Relatives
L	- Local Authority
C	- Charitable Trust
C	- COVID Treatment [Self/Family] COVID Death upto 10 Lakhs [Family]
[Family = Sp./ch./Dep. PBS]	

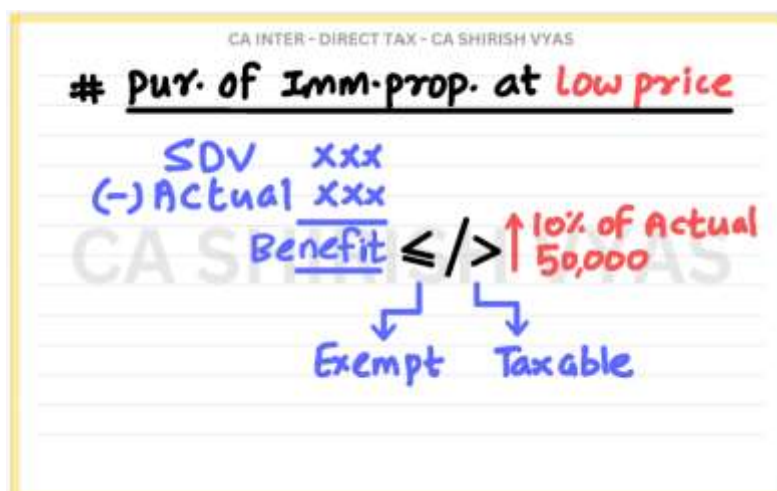
8



9



10



11

INCOME FROM SALARIES

Master $\longrightarrow$ Servant
<Employee> <Employee>

12

STATEMENT OF INCOME FROM SALARIES

* Basic Salary (Note-1)	XX
* Allowances (Note-2)	XX
* Provident Fund (Note-3)	XX
* Gratuity (Note-4)	XX
* Pension (Note-5)	XX
* Leave Salary (Note-6)	XX
* Voluntary Retirement Comp. (Note-7)	XX
* Retrenchment Comp. (Note-8)	XX
* Advance Salary, Arrears, Bonus (Note-9)	XX
* Perquisites (Note-10)	XX
GROSS SALARY	XX
less: Deductions u/s 16:	
⇒ Standard dedn.	-X
⇒ Entertainment Allowance	-X
⇒ Profession Tax	-X
TAXABLE I.F.S.	XX

13

Note ①: BASIC SALARY

Fully Taxable (GROSS)

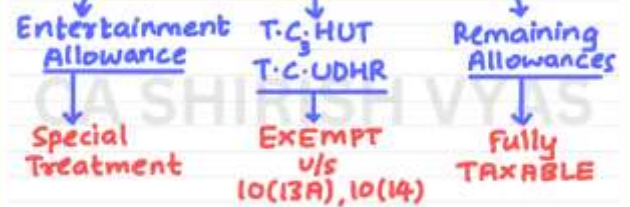
Gross Basic Salary	2,00,000	
(-) P.F. Contn.	-10,000	
(-) Loan inst. etc..	-20,000	
Net Basic Salary	1,70,000	

$\xrightarrow{2,00,000}$
 $\begin{matrix} 1,70,000 & 10,000 & 20,000 \\ \text{Net} & \text{P.F.} & \text{Loan} \end{matrix}$

PF $\downarrow$ $\textcircled{R}$ Employee

14

ALLOWANCES



15

EXEMPT ALLOWANCES

T : Tribal Area Allowance	max. 200 p.m.
C : Children Education Allow.	max. 100 pmpr (max. 2 children)
C : Children Hostel Allow.	max. 300 pmpr (max. 2 children)
C : Commutation Allow. [O $\leftrightarrow$ R] phy.. Hand..	max. 3200 p.m.
H : House Rent Allowance	Formula
U : Underground Allowance (coal mines)	max. 800 p.m.
T : Transport Emp- Allow.	70% / 10,000 p.m.

16

T : Travelling Allowance (Tour or Transfer) C : Conveyance Allowance U : Uniform Allowance D : Daily Allowance H : Helper Allowance R : Research Allowance	Amt. Exempt = Amount SPENT
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17

HOUSE RENT ALLOWANCE

- 1) 50%/40% of Salary* 30,000
 - 2) Actual Amt. Recd. 72,000
 - 3) Rent paid — 10% of Salary* 96,000
- $96,000 - 60,000 = 36,000$

* **Salary = BS + DA + TC**

18

ENTERTAINMENT ALLOWANCE

STATEMENT OF I.F.S.

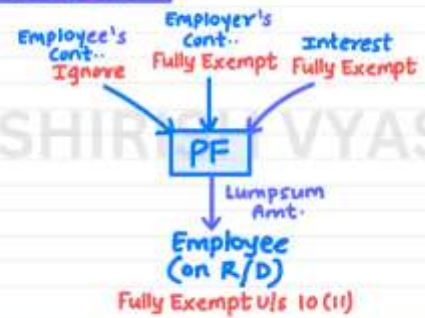
* Entertainment Allow.. (2000 x 12)	24,000
GROSS SALARY	
less: Dedn. u/s 16:	
⇒ Entertainment Allow..	-5,000
1) 1/5 x Basic (100,000) = 20,000	
2) Actual = 24,000	
2) Max. = 5,000	

only for Govt. Emp.

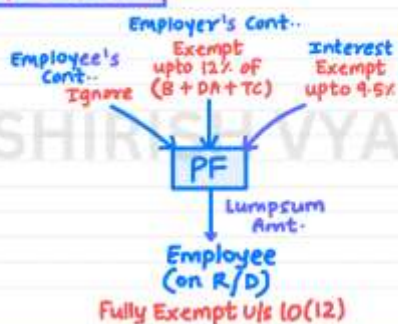
19



20

STATUTORY PF

21

RECOGNISED PF

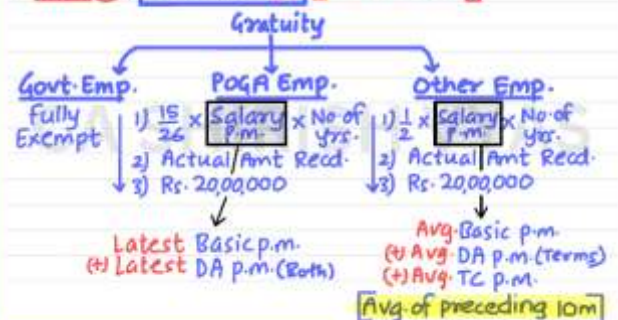
22

UNRECOGNISED P.F.

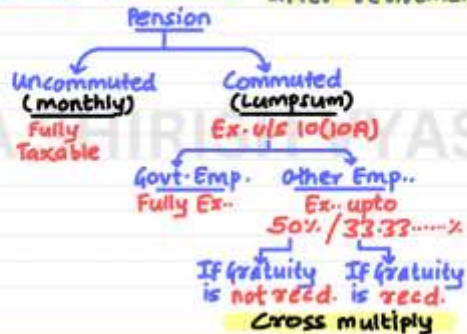
23

Dearness Allowance

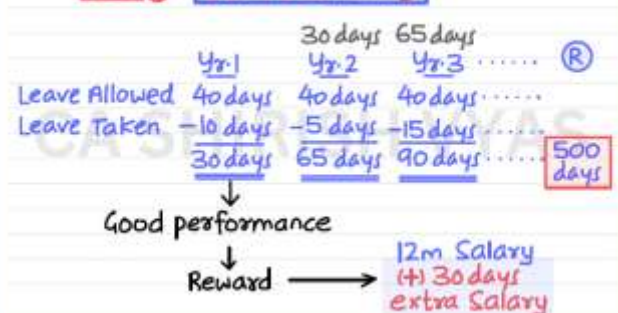
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Note ④: GRATUITY [Ex. u/s 10 (10)]

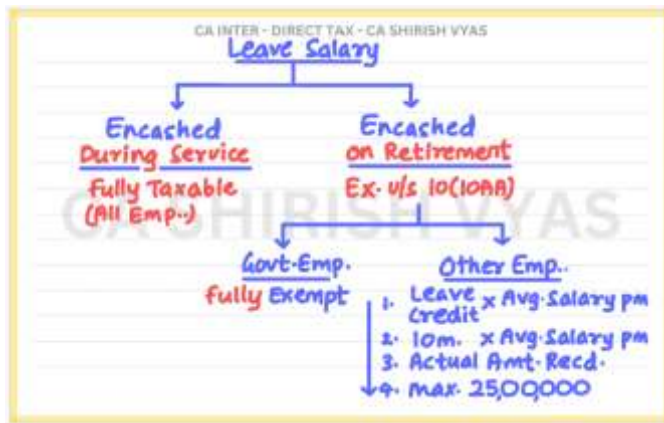
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Note ⑤: PENSION: Monthly income after Retirement

26

Note ⑥: LEAVE SALARY:

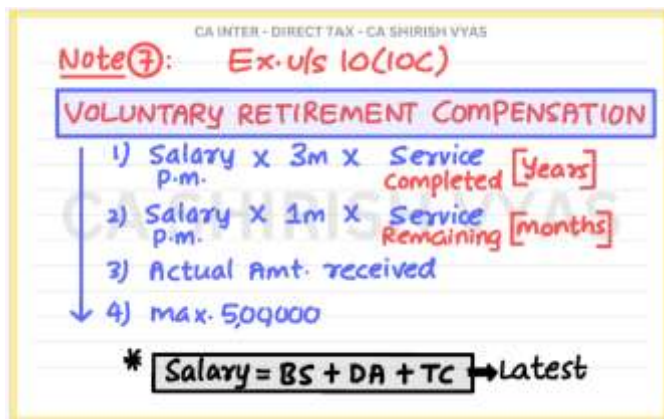
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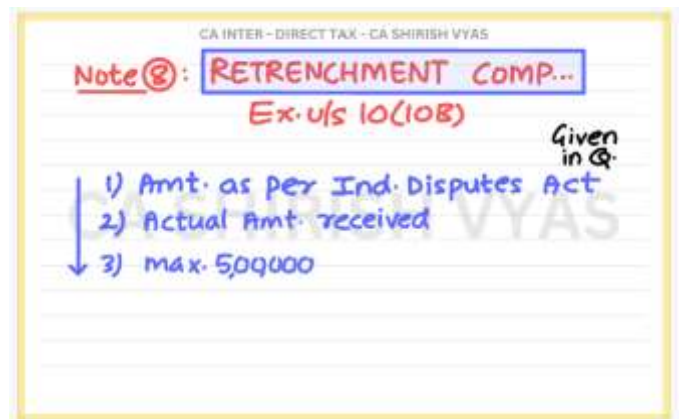
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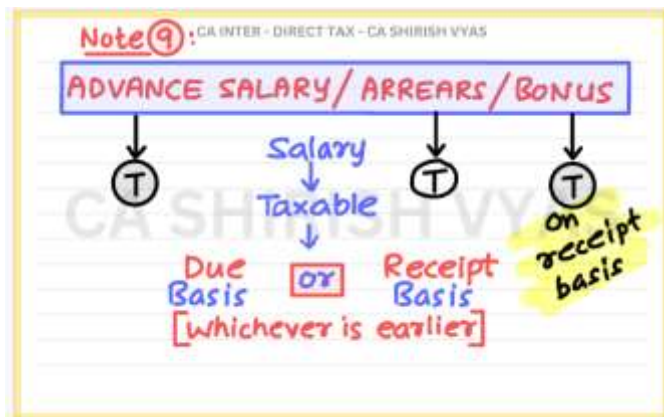
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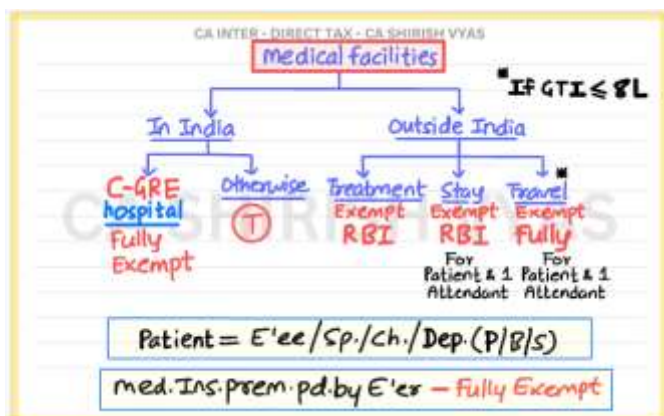
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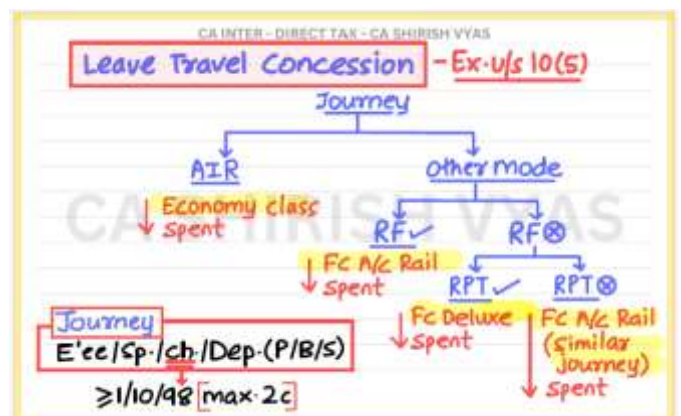
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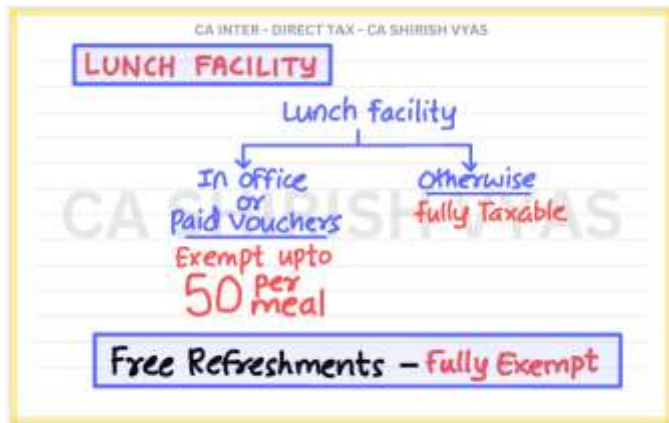
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34



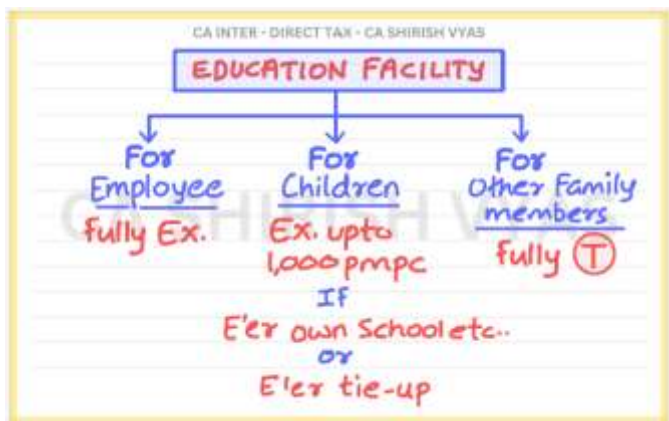
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36



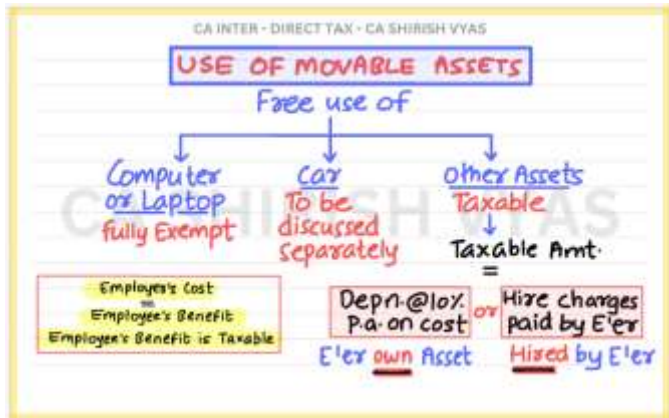
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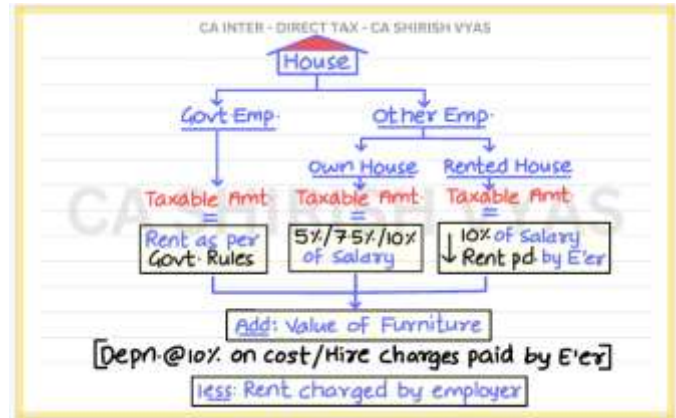
38



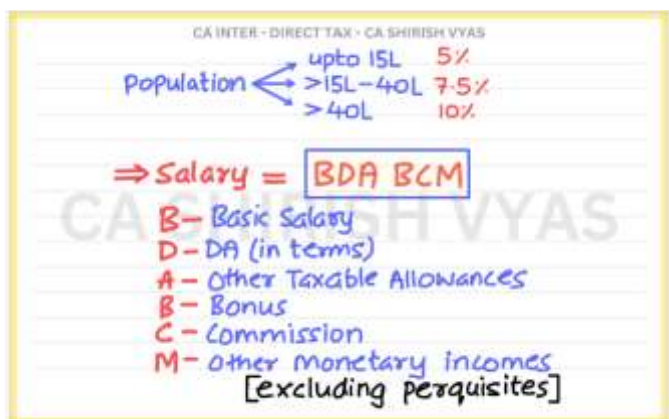
39



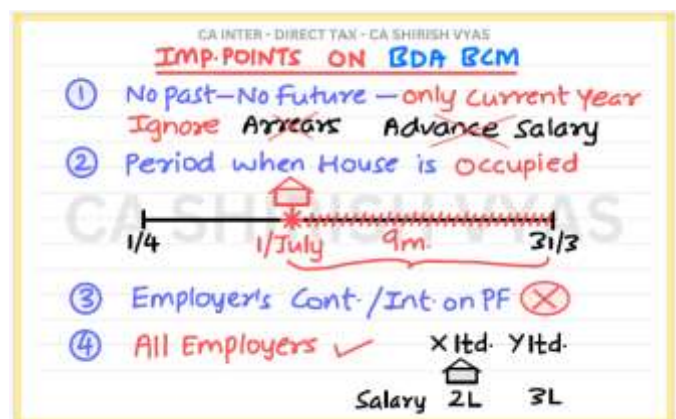
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41



42



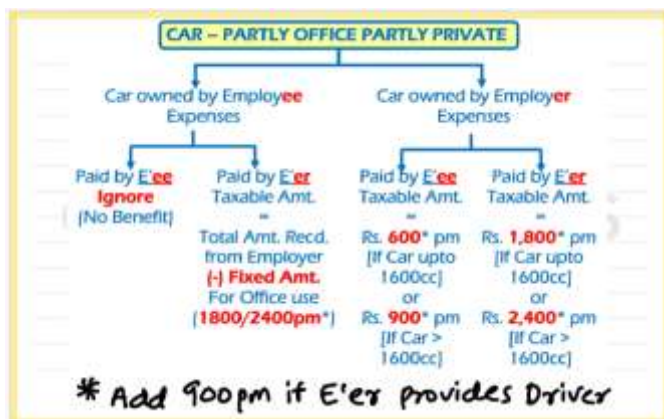
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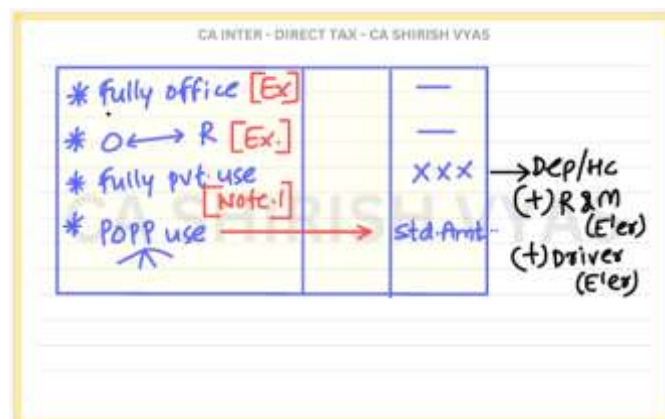
44

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Note 'a': CAR FOR FULLY PRIVATE USE:	
Depn @ 10% p.a. on cost/Hire charges paid by E'er	XXX
Add: Running & Maintenance Exps (If paid by E'er)	XXX
Add: Drivers Salary (If paid by Employer)	XXX
Taxable Amount	XXX

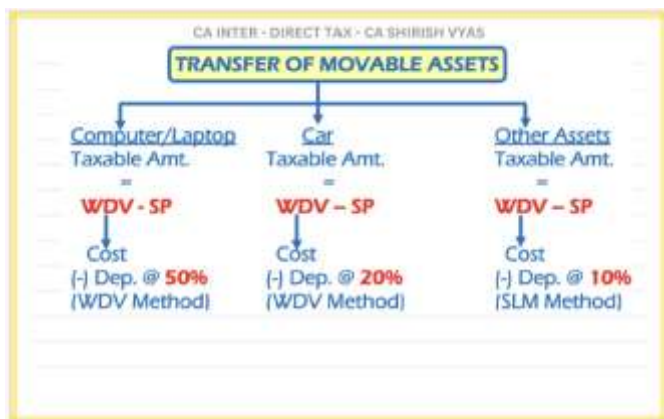
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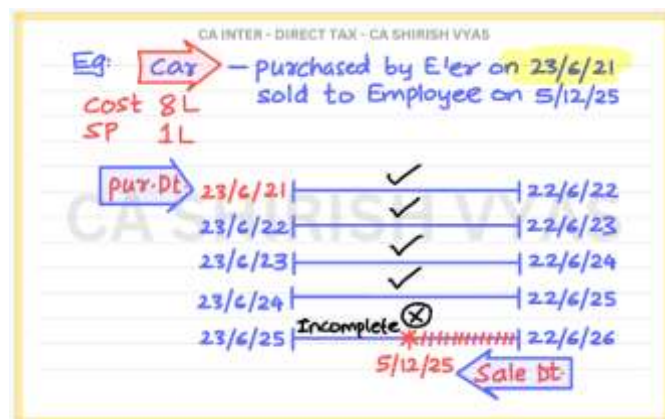
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47



48



49

Cost	800000
(-) Depn.	<u>-160000</u>
	640000
(-) Depn.	<u>-128000</u>
	512000
(-) Depn.	<u>-102400</u>
	409600
(-) Depn.	<u>-81920</u>
WDV	<u>327680</u>

50

CA INTER - DIRECT TAX - CA SHIRISH VYAS

Date of Joining → 20,000 - 500 - 21,500 - 400 - 23,100

1/7/20 to 30/6/21 20,000 pm.
1/7/21 to 30/6/22 20,500 pm.
1/7/22 to 30/6/23 21,000 pm.
1/7/23 to 30/6/24 21,500 pm.
1/7/24 to 30/6/25 21,900 pm. $\times 3m. = 65,700$
1/7/25 to 30/6/26 22,300 pm. $\times 9m. = 200,700$
266,400

Timeline: 1/4/25 — $21,900 \times 3m.$ — * — $22,300 \times 9m.$ — 31/3/26

51

NEW REGIME

Ex. u/s 10(14) - TCDC ✓
 Ex. u/s 10(14) - (X) others
 Ex. u/s 10(13A) - (X)
 Ex. u/s 10(5) - (X)
 Ex. upto 50 per meal - (X)
 Dedn. u/s 16
 Std. dedn - ✓ 75,000
 Ent. Allow. - (X)
 P. Tax - (X)

52

10(10)	G
10(10A)	P
10(10AA)	L
10(10B)	RC
10(10C)	VRC
10(11)	SPF
10(12)	RPF
10(13A)	HRA
10(14)	T.C. X UT T.C. UDHR
10(5)	LTC
10(16)	Sch.

53

Note 2: Interest Benefit: (9.5% - 5.5% = 4%)

June	2,00,000	x 4% p.a. x 1/12	= 667
July	2,00,000	x 4% p.a. x 1/12	= 667
Aug.	2,00,000	x 4% p.a. x 1/12	= 667
Sep.	2,00,000	x 4% p.a. x 1/12	= 667
Oct.	1,75,000	x 4% p.a. x 1/12	= 583
Nov.	1,75,000	x 4% p.a. x 1/12	= 583
Dec.	1,75,000	x 4% p.a. x 1/12	= 583
Jan.	1,50,000	x 4% p.a. x 1/12	= 500
Feb.	1,50,000	x 4% p.a. x 1/12	= 500
Mar.	1,50,000	x 4% p.a. x 1/12	= 500
			<u>5,917</u>

54

Note 3: Value of House:

B - Basic	7,34,000
D - DA (Interms)	1,10,100
A - Other Taxable Allow.	—
B - Bonus	61,000
C - Commission	—
M - Other monetary incomes	10,000
Leave salary	9,15,100
	x 10%
	91,510
(+) Value of Furn. (150,000 x 10% Depn.)	+ 15,000
	<u>10,65,10</u>
Indexed value of Perq. (92,000 x 376/348)	99,402
Taxable Value	<u>99,402</u>

55

92000 (23-24) x 348
 99,402 x $\frac{376}{348}$ = Indexed Value

56

Free Air Tickets for Airline Employees
 Free Rail Tickets for Railway Employees

↓
Fully Exempt

57

CT-EQS

Non-Monetary

Specified Emp.

Taxable

Non Sp. Emp.

Exempt

Specified Employee

Director or
 Substantial Int. (≥ 20% S/H) or
 Cash Taxable Salary > 4 Lakhs

All items of Salary (→ Dedn. u/s 16
 (except NM Perq.))

58

CT-EQS

Free Car facility

Free Tickets (Air/Rail etc)

Free Education facility

Free Gas/Electricity/Water Supply

Free Servants

59

Question 18:

From the following details, calculate taxable salary of Mr. X as per new regime:

- 1) Basic salary ₹ 20,000 p.m.
- 2) Transport Allowance ₹ 2,000 p.m. *Commutation Allow.*
- 3) Servant's salary paid by employer ₹ 500 p.m.
- 4) Electricity bills reimbursement by employer ₹ 6,000.
- 5) Club bills paid by employer ₹ 10,000.
- 6) Free use of car for fully private use [Cost of car is ₹ 15 lakhs]. **CT-EQS**
- 7) His life insurance premium paid by employer ₹ 5,000.
- 8) Free gas & water supply at his residence valued at ₹ 9,600. **CT-EQS**
- 9) Free lunch in office valued at ₹ 80 per meal for 180 days.

- 10) Loan of ₹ 4 lakhs from employer at 3% p.a. (SBI Rate 9% p.a.).
- 11) Free education facility in a school owned by employer for his son valued at ₹ 2,500 p.m.p.c. **CT-EQS**
- 12) He was allotted 500 shares under ESOP at ₹ 200 each. FMV on the date of exercising the option was ₹ 350 per share.
- 13) Profession Tax paid during the year ₹ 2,500.
- 14) Perquisite value of House allotted by the employer as per rule 3 – ₹ 40,000.
- 15) Leave travel assistance ₹ 50,000 (First class A/c Rail fare is ₹ 45,000 and actual amount spent is ₹ 36,000).

Answer:**STATEMENT OF INCOME FROM SALARIES**

Particulars	Amt.
❖ Basic Salary (20,000 p.m. × 12)	2,40,000
❖ Transport allowance (2,000 p.m. × 12)	24,000
❖ Servant's salary paid by employer (500 p.m. × 12)	6,000
❖ Electricity bills reimbursed by employer	6,000
❖ Club bills paid by employer	10,000
❖ LIC premium paid by employer	5,000
❖ Free lunch in office (80 × 180 days) NM [not exempt in new regime]	~~14,400~~
❖ Interest Benefit [4L × (9% - 3%)] NM	~~24,000~~

❖ Value of ESOP [500 shares × (350 - 200)] NM	~~75,000~~
❖ Perquisite Value of House NM	~~40,000~~
❖ Leave Travel Assistance	50,000
[not exempt in new regime]	
❖ Free use of Car for fully private Note 1	Exempt
❖ Free Gas and water supply Note 1	Exempt
❖ Free Education for his son Note 1	Exempt
GROSS SALARY	4,94,400
Less: Deductions u/s 16:	
→ Standard Deduction	(75,000)
→ Ent. Allow./ P.Tax [not allowed in new regime]	—
TAXABLE INCOME FROM SALARIES	4,19,400

COMPUTATION OF CASH TAXABLE SALARY
(Everything **except non-monetary perquisites**)

Particulars	Amt.
❖ Basic Salary (20,000 p.m. × 12)	2,40,000
❖ Transport allowance (2,000 p.m. × 12)	24,000
❖ Servant's salary paid by employer (500 p.m. × 12)	6,000
❖ Electricity bills reimbursed by employer	6,000
❖ Club bills paid by employer	10,000
❖ LIC premium paid by employer	5,000
❖ Leave Travel Assistance	50,000
GROSS CASH SALARY	3,41,000
Less: Deductions u/s 16:	
→ Standard Deduction	(75,000)
→ Entertainment Allowance/ Profession Tax	—
CASH TAXABLE SALARY	2,66,000

Since the cash taxable salary is not exceeding ₹ 4,00,000, the employee is a **non-specified employee**. Hence, Perquisite of free Car, free gas/water supply and free education shall be **exempt**.

Question 8:

From the following details, calculate taxable salaries of Mr. X as per old regime.

- 1) Basic salary ₹ 1,20,000 p.m.
- 2) D.A. ₹ 5,000 p.m.
- 3) HRA ₹ 1,000 p.m.
- 4) Medical bills **paid by employer** for treatment of his independent brother in a Govt. hospital ₹ 10,000.
- 5) The Employer spent following on the employee's treatment in U.K.
 - (a) Cost of treatment ₹ 80,000
(Foreign exchange permitted by RBI ₹ 60,000)
 - (b) Cost of stay for himself, his wife & son ₹ 15,000 per head.
(Foreign exchange permitted by RBI - ₹ 10,000 per head)
 - (c) Cost of travel for himself, wife & son ₹ 20,000 per head.

STATEMENT OF INCOME FROM SALARIES

Particulars	Amt.	Amt.
❖ Basic Salary (12,000 × 12)		14,40,000
❖ DA (5,000 p.m. × 12)		60,000
❖ HRA (1,000 p.m. × 12)		12,000
❖ Medical bills paid by Employer for Independent Brother		10,000
❖ <u>Medical Treatment in U.K.:</u>		
→ Benefit of Treatment	80,000	
Less: Exempt to the extent permitted by RBI	(60,000)	20,000
→ Benefit of Stay (15,000 × 3)	45,000	
Less: Exempt to the extent permitted by RBI (10,000 × 2)	(20,000)	25,000
→ Benefit of Travel (20,000 × 3)	(Note 1)	60,000

66

GROSS SALARY	16,27,000
Less: Deductions u/s 16:	
→ Standard Deduction	(50,000)
→ Entertainment Allowance	—
→ Profession Tax	—
TAXABLE INCOME FROM SALARIES	15,77,000

Note 1: Benefit of Travel:

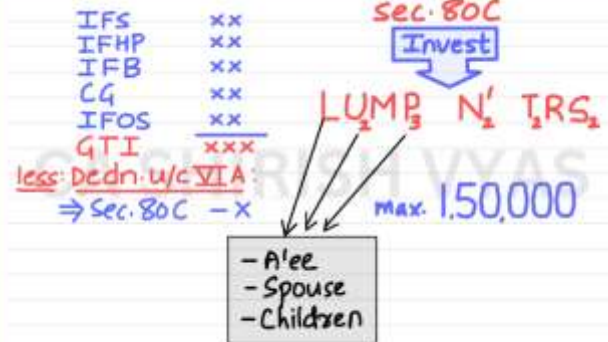
Income from Salaries	15,17,000
(14,40,000 + 60,000 + 12,000 + 10,000 + 20,000 + 25,000 – 50,000)	
Income from House Property	—
Income from Business	—
Income from Capital Gain	—
Income from Other Sources	—
Gross Total Income	<u>15,17,000</u>

Since, his GTI is more than ₹ 8L, the benefit of travel is fully taxable.

67

DEDUCTIONS UNDER CHAPTER VIA

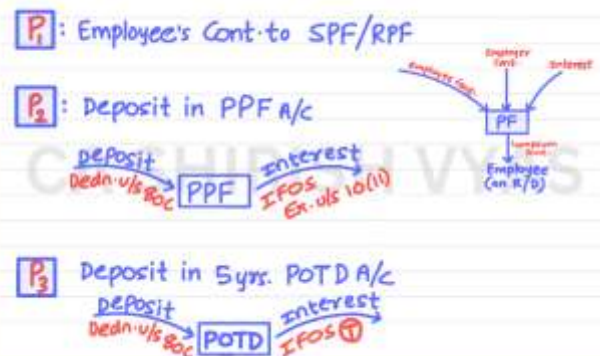
68



69

- L**: Life Insurance premium
premium → **LIC** → Amt. Recd. IFOS Ex. u/s 10(iii)
Dedn. u/s 80C
- U**: Unit Trust of India [Eq. linked Saving scheme]
[Unit linked Ins. plan] - ULIP
- M**: Mutual fund [Eq. linked Saving scheme]

70



71

- N₁**: Investment in NSC
Invest → **NSC** → Interest IFOS Ex. u/s 80C
Dedn. u/s 80C
- N₂**: Investment in NABARD Bonds
- T₁**: Term Deposit with Bank (≥ Syrs)
- T₂**: Tuition fees (max. 2 children)
- National Savings Certificate**

72



73

- | | |
|------|-----|
| IFS | xx |
| IFHP | xx |
| IFB | xx |
| CQ | xx |
| IFOS | xx |
| GTI | xxx |
- less: Dedn. u/c VIA:
⇒ Sec. 80C - X max. 1,50,000
⇒ Sec. 80CCC - X max. 1,50,000
- Sec. 80CCC**
Contribution to PENSION SCHEME
- LIC/other Insurance Co.**
max. 1,50,000

74



75

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IFS	xx
IFHP	xx
IFB	xx
CG	xx
IFOS	xx
GTI	xxx

Own Contribution to PENSION SCHEME
CENTRAL GOVT. <NPS>

less: Dedn. u/c VIA:
 $\Rightarrow 80C/CCC/CCD(1)$
 $\Rightarrow 80CCD(1B)$

Sec. 80CCD(1B)
ADDITIONAL DEDN 50,000

76

CA INTER - DIRECT TAX - CA SHIRISH VYAS

IFS	xx
IFHP	xx
IFB	xx
CG	xx
IFOS	xx
GTI	xxx

Employer's Contribution to PENSION SCHEME
CENTRAL GOVT. <NPS>

less: Dedn. u/c VIA:
 $\Rightarrow 80C/CCC/CCD(1)$
 $\Rightarrow 80CCD(1B) -x$
 $\Rightarrow 80CCD(2) -x$

Sec. 80CCD(2)
 First Include - IFS [Full Amt.]
 Then Dedn. - 80CCD(2) [max. 10% of B+DA]
 * 14% [Govt. Emp.]

77

CA INTER - DIRECT TAX - CA SHIRISH VYAS

E'ee cont. to NPS xxx
Own cont. to NPS xxx

IFS (Full)
 $\Rightarrow 80CCD(2) (10\% / 14\% \text{ of } B+DA)$

max. 50,000
 $\Rightarrow 80CCD(1B)$

Balance 80CCD(1)
 (max. 10% of B+DA)
 (max. 20% of GTI)
 + 80C
 + 80CCC
max. 1,50,000

78

CA INTER - DIRECT TAX - CA SHIRISH VYAS

AGNIVEER SCHEME

Salary - Taxable
 E'ee cont. to Ag. Corpus Fund
 ch. VIA Dedn. u/s 80CCH(1)
 E'ee cont. to Ag. Corpus Fund - Taxable (IFS)
 ch. VIA Dedn. u/s 80CCH(2)
 Lumpsum amt. recd. from Ag. Corpus Fund
 Fully Ex. u/s 10(12C)

79

CA INTER - DIRECT TAX - CA SHIRISH VYAS

IFS	xx
IFHP	xx
IFB	xx
CG	xx
IFOS	xx
GTI	xxx

less: Dedn. u/c VIA:
 $\Rightarrow 80C/CCC/CCD(1)$
 $\Rightarrow 80CCD(1B) -x$
 $\Rightarrow 80CCD(2) -x$
 $\Rightarrow 80D$

Sec. 80D:
MEDICLAIM INSURANCE PREMIUM

Payment:

For what	By whom	For whom	By
- MIP	A'ee	- own	Any mode
- CGHS	A'ee	- sp.	other
- PH*	A'ee	- Dep. ch.	other
- Med. Exp. (unins. sc)	A'ee	- Parents	than cash

* Cash allowed

80

CA INTER - DIRECT TAX - CA SHIRISH VYAS

$\Rightarrow$ Amt. of dedn.

For own/spouse/Dep. children: max.

MIP/CGHS/PH	
Add. dedn. for Senior	25,000
Basic dedn. for Senior/Junior	25,000
Med. Exp. of unins. SC	50,000 max. 50,000

For Parents: max. 5,000

MIP/PH	
Add. dedn. for Senior	25,000
Basic dedn. for Senior/Junior	25,000
Med. Exp. of unins. SC	50,000 max. 50,000

81

CA INTER - DIRECT TAX - CA SHIRISH VYAS

Sec. 80U
 Assessee <Resident>
 Handicapped
 Flat dedn.

Disability: Nil, 40%, 75,000, 80%, 1,25,000

82

CA INTER - DIRECT TAX - CA SHIRISH VYAS

80DD Treatment maintenance
 H $\rightarrow$ Handicapped
 D $\rightarrow$ Dependent
 R $\rightarrow$ Relative
 Sp./ch./P/B/S

Flat 75,000
 1,25,000

Assessee (Resident)

80DDB Treatment
 B $\rightarrow$ Beemar Himself
 D $\rightarrow$ Dependent
 R $\rightarrow$ Relative
 Sp./ch./P/B/S

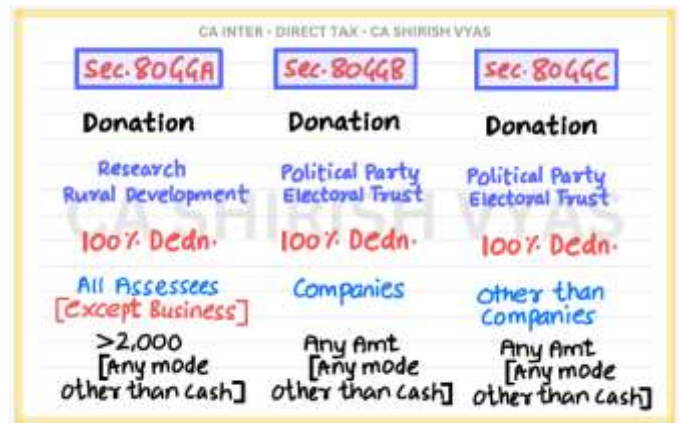
max. 40,000
 1,00,000 $\rightarrow$ SC
 patient

less: Recovery
 Assessee (Resident)

83



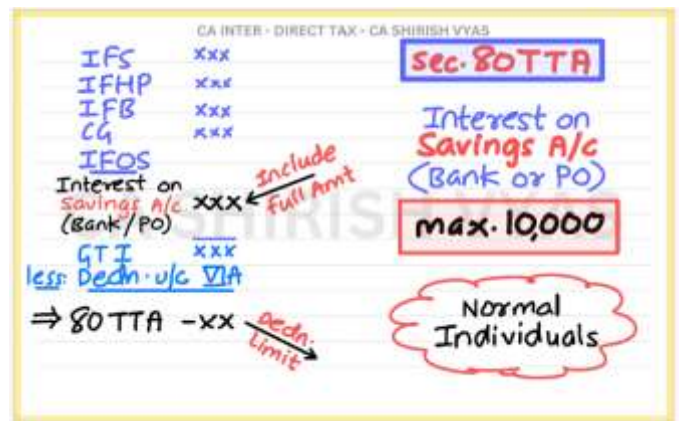
84



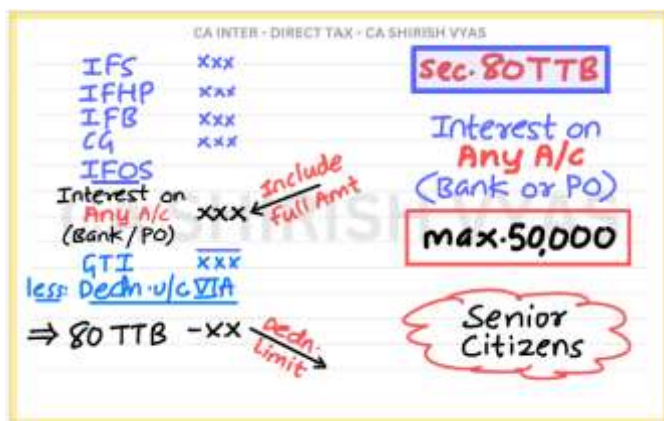
85



86



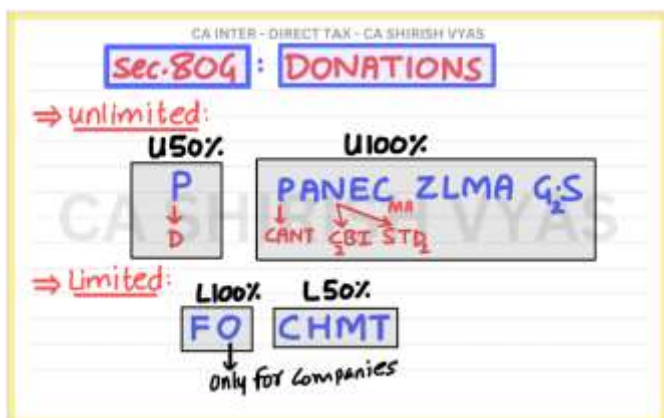
87



88



89



90



91

UNLIMITED (50% Deduction)

P rime Minister D rought Relief Fund

UNLIMITED (100% Deduction)

P rime Minister Fund for:

National Relief*
A rmenia Earthquake Relief
Tsunami Relief

Africa (Public Contribution – India) Fund

National Funds for:

Communal Harmony
Children Fund
Blood Transfusion
Illness Assistance
Sports / Culture
Technology Development
Defence Fund
Drug Abuse Control

Educational Institution of National Eminence

Chief Minister Earthquake Relief Fund (Maharashtra)

Chief Minister Cyclone Relief Fund (Andhra Pradesh)

Zilla Saksharta Samiti

Lieutenant Governor's Relief Fund

Medical Relief to Poor (State fund)

Army/Airforce/Navy Welfare Fund

Gujarat Earthquake Relief Fund

Clean **G**anga Fund

(only for residents)

Swachh Bharat Kosh

**or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES FUND)*

⇒ Limited:

L 100%		L 50%		
F	O	C	H	M T

Family Planning (Given to Govt., Local Authority or Approved Institution)

Olympic Association/any other institution (for sports infrastructure or sponsorship of sports in India)

Charitable Purpose (Given to Govt., Local Authority or Approved Institution)

Housing Development Authority (HDA)

Minority Community

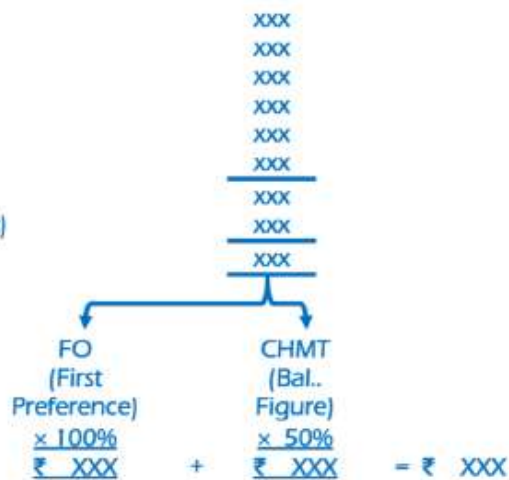
Temples, Church, Mosque, Gurudwara & Historical Places [notified]
 [only for Repairs and Renovations]

Note:

Donation in kind (Not Allowed)

Donation **exceeding ₹ 2,000** should be **paid by** any mode **other than cash**

↓ Actual Amount
10% of AGTI* (Limit)
Eligible Amount



Gross Total Income
Less: All Deductions under Chapter VIA (Excluding Sec. 80G)
Adjusted Gross Total Income

$$\begin{array}{r} \text{XXX} \\ -\text{XX} \\ \hline \text{XXX} \\ \hline \end{array}$$

Tax Audit Assessee

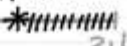
Tax	IFS	xxx
audit	IFHP	xxx
ressee	IFB	xxx
	CG	xxx
	IFOS	xxx
	GTI	xxx
less:	Dedn. u/c VI A	
	⇒ 80JJAA	-xx

30% of Salary
for 3 years

- New Employee
- Salary $\leq 25,000$ pm
- $\geq 240/150^*$ days in current year
- Participate in RPF
- Net - Increase in Number
- A/c Payee Chq./Draft/ECS
- * Footwear / Leather / Apparel

CA INTER - DIRECT TAX - CA SHIRISH VYAS

11 Feb 10 employees

1/4/25  31/3/26

28 + 31
= 59 days

PY 25-26 (X)

26-27 ✓

27-28 ✓

28-29 ✓

96

CA INTER - DIRECT TAX - CA SHIRISH VYAS

Sec. 80QQB

IFS xxx
IFHP xxx
IFB xxx
CG xxx
IFOS xxx
Royalty xxx

Include Full Amt

GTI xxx
less: Dedn. u/c VIIA

⇒ 80QQB - xx Dedn. Limit

Assessee (Resident)

Royalty from **Books**
LAS books

- max. 300,000
- max. 15% of Sales
- Actual Royalty income (Indian + Foreign)

* Brought in India within 6m from end of P.Y. (or extended time)

1/4  31/3 6m

97

CA INTER - DIRECT TAX - CA SHIRISH VYAS

Sec. 80RRB

IFS xxx
IFHP xxx
IFB xxx
CG xxx
IFOS xxx
Royalty xxx

Include Full Amt

GTI xxx
less: Dedn. u/c VIIA

⇒ 80RRB - xx Dedn. Limit

Assessee (Resident)

Royalty from **PATENTS**
Registered

- max. 300,000
- max. 15% of Sales
- Actual Royalty income (Indian + Foreign)

* Brought in India within 6m from end of P.Y. (or extended time)

1/4  31/3 6m

98

CA INTER - DIRECT TAX - CA SHIRISH VYAS

~~Dedn. u/c VIIA~~

STCG u/s 111A
LTCG u/s 112A
LTCG (others)
Winings



99



Lump-sum premium of ₹ 1,20,000 paid on 30th March, 2026 for the medical policy taken for self and spouse.
The policy shall be effective for five years i.e. from 30th March, 2026 to 29th March, 2031.

Policy starts on 30/3/26

PY 25-26

PY 26-27

PY 27-28

PY 28-29

PY 29-30

PY 30-31

Policy ends on 29/3/31

1,20,000

÷
6 yrs.

= 20,000

NEW REGIME

Chapter VI A Deduction

Not Allowed 😞

except

80JJAA 😊

80CCD(2) 😊 → 14% of [B+DA(T)]

80CCH(2) 😊
Govt.
as well as
Pvt. emp.

COMPUTATION OF TAX LIABILITY

102

STATEMENT OF "TOTAL INCOME"

IFS	xxx
IFHP	xxx
IFR	xxx
CG	xxx
IFOS	xxx
GTI	xxx
less: Dedn.	-xx
NTI	xxx

STCG u/s 111A	20%
LTCG u/s 112A	12.5%
LTCG (others)	12.5%
Winnings	30%
Balance	Depending upon Assessee

Ex-upto 125L

103

Net Taxable Income

STCG u/s 111A	LTCG u/s 112A	LTCG (others)	Winnings	Balance
xxx	xxx	xxx	xxx	xxx
Tax on above	20%	12.5%	30%	Depending upon Assessee

less: Rebate u/s 87A	-xx	—	Gareebo
Add: Surcharge	+xx	—	Amcero
Add: HEC @ 4%	+xx	—	Sab
Tax Payable	xxx		

104

Balance NTI	%
upto 250000	0%
>250000 - 500000	5%
>500000 - 1000000	20%
>1000000	30%

Ind. HUF	30%
PF/LLP	30%
Companies	Foreign Co. 35%
	Indian Co. 30%/25%
23-24	T/o upto 400cr
24-25	
25-26	25%

Co-op-sty.	%
NTI	
First 10000	10%
Next 10000	20%
Balance	30%

105

Ind./HUF	NTI	50L	1cr	2cr	5cr
		0%	10%	15%	25%
					37%

P.F/LLP	NTI	1cr
		0%
		12%

Ind.-Co.	NTI	0%	1cr	7%	10cr	12%
Co-op.						
For-Co.		0%		2%		5%

106

MARGINAL RELIEF

Eg: Income 10050000	Eg: Income 12000000
Income 10000000	Income 10000000
Tax (incl. sc) 3000000	Tax (incl. sc) 3000000
226050	853000
50000	2000000
176050	
Extra Tax 226050	Extra Tax 852000
(-) Extra Income 50000	(-) Extra Income 2000000
M.R... 176050	M.R... Nil

107

STATEMENT OF TAX

	STCG u/s 111A	LTCG	Win...	Balance
Net Taxable Income	NIL	NIL	NIL	1,00,50,000
Tax on above	NIL	NIL	NIL	30,15,000
Add: Surcharge @ 7%				+ 2,11,050
				32,26,050
Less: Marginal Relief [Working 1]				- 1,76,050
				30,50,000
Add: HEC @ 4%				+ 1,22,000
				31,72,000

108

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

UNEXHAUSTED BASIC EXEMPTION
only for Residents

Basic Ex. 250,000

Exhausted 120,000
Unexh. 130,000

	STCG u/s 111A	LTCG u/s 112A	LTCG (others)	Winnings	Balance NTI
Net Taxable Income	1,00,000	Nil	380,000	1,00,000	120,000
Tax on above	0	0	43,750	30,000	Nil
	(1,00,000) X 2.0%		(380,000) X 12.5%		

109

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

PARTIAL INTEGRATION OF AG... INCOME

STCG 90,000
Ag-income -
[Ex. u/s 10(1)]
NTI 90,000

Eg: STCG 9L
Ag-inc. 2L

	STCG u/s 111A	LTCG u/s 112A	LTCG (others)	Winnings	Balance NTI
Net Taxable Income	Nil	Nil	Nil	Nil	90,000
Tax on above	Nil	Nil	Nil	Nil	42,500 (slab rate)
					1,32,500

92,500 Fully Ex
1,32,500 Partial integration
1,42,500 Fully

110

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

Net
Tax on [Balance NTI + Ag-income] 1,42,500
90,000 + 2,09,000

Net
less: Tax on [Basic Exemption + Ag-income] -19,000
2,50,000 + 2,09,000

1,32,500

Condition:
Net Ag. Income > 5,000

111

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

NEW REGIME IISBAC

SLAB RATES

1 Balance NTI

Balance NTI	Tax
upto 4L	0%
>4L to 8L	5%
>8L to 12L	10%
>12L to 16L	15%
>16L to 20L	20%
>20L to 24L	25%
>24L	30%

2 SURCHARGE 37% N.A.

3 REBATE u/s 87A max. 60,000
IF NTI ≤ 12,00,000
Only for slab rate income

112

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

MARGINAL REBATE u/s 87A → under IISBAC

Extra Inc. 10,000

	Income 12,00,000	12,10,000
Tax (After Rebate)	Nil	61,500
Extra Tax		61,500
Extra Tax	61,500	
(-) Extra Inc.		-10,000
Marg. Reb. u/s 87A		51,500

113

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

	STCG u/s 111A	LTCG u/s 112A	LTCG (others)	Winnings	Balance
	0	0	0	0	12,10,000
	0	0	0	0	61,500
					61,500

(-) Reb. u/s 87A - 51,500

114

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

sec. 115BBE: UNEXPLAINED

Unexplained Credit
Cash/Bk
To Mr. X / Loan / sh. cap.

Unexplained Investment
Source ???

Unexplained Expenditure
Source ???

Deemed Income
60% Tax
(+) 25% SC
(+) 4% HEC

115

INCOME FROM BUSINESS

PGBP - NP as per I.Tax

116

Part II

STATEMENT OF INCOME FROM BUSINESS

GROSS BUSINESS INCOME		
Part I	Sec. 28 Sec. 41	xxx xxx
	less: Dedn. u/s 30 to 37:	xxx
Part II	Sec. 30 Sec. 31 Sec. 32 Sec. 35 Sec. 35 AD Sec. 35 D/DDA Sec. 36(i) Sec. 37(i)	xx xx xx xx xx xx xx xx
	TAXABLE I.F.B. BUSINESS	xxx

NP as per I.Tax

Part III

Sec 37(2B)
Sec 40(a)
Sec 40(b)
Sec 40A(2)
Sec 40A(3)
Sec 40A(7)
Sec 43B

Part IV

Sec 44AA
Sec 44AB
Sec 44AE
Sec 44AD
Sec 44ADA

Expenses

44P etc..

117

II) CONDITIONS:

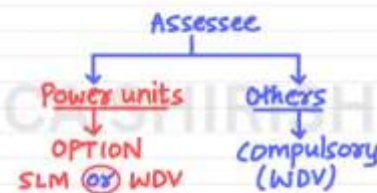
- Business
 - Owner
 - 180 days
- put to use
only in yr. of purchase
3rd Oct.

1/4/25 1/7/25 9m 31/3/26

$$\text{cost } 1,00,000 \times 10\% \times \frac{9}{12}$$

118

III) METHOD OF DEPN:



WDV	SLM
100	100
-10	-10
90	90
-9	-10
81	80
-81	-10
729	70

119

IV) RATES OF DEPN:

ASSETS

Building	Furniture	Intangible	Plant & Machinery
Res. 5x Comm. 10% Wooden structures or Temp. erections 40%	10%	25%	M-car 15x Ships 30x Aircrafts 20x Computers 40% Books 40% Poll. cont. Eq. 15% General Rt. 15%
		Excl. Goodwill	
		windmill ESD	

120

VI) AMT. OF DEPN:

STATEMENT OF INCOME FROM BUSINESS

GROSS BUSINESS INCOME		
Sec. 28 Sec. 41	xxx xxx	
less: Dedn. u/s 30 to 37:		
Sec. 30 Sec. 31 Sec. 32 Sec. 35 Sec. 35 AD Sec. 35 D/DDA Sec. 36(i) Sec. 37(i)	xx xx xx xx xx xx xx xx	
Expenses		
Allowed		
Not Allowed		
TAXABLE I.F.B.	xxx	

BLOCK

2L 100 days 4L 300 days

Opening WDV 7L (3)
Add: Purchases 6L (2)
less: Sales (SP) 1L (1)
12L (4)

2L x 15% x 1/2 = 15,000
10L x 15% = 1,50,000

121

VII) SALE OF ASSETS:



122

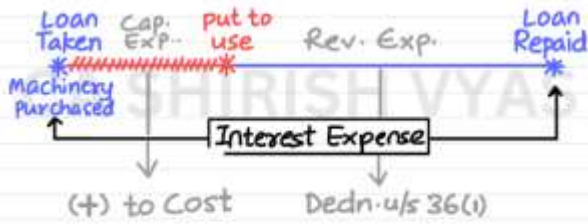
VIII) ACTUAL COST - Sec. 43(1)

opening WDV xxx
Add: Purchases (Actual Cost) xxx
less: Sales (SP) -xxx
Depn. @ -% -xxx

Cost of the Asset xxx
Add: Incidental Exps. +xxx
less: Subsidy -xxx
Actual Cost xxx

*or part of the cost of asset met by any other person

123

Note 1: INTEREST ON LOAN:

124

IX) ADDITIONAL DEPN.

125

sec.35: SCIENTIFIC RESEARCH Exps.

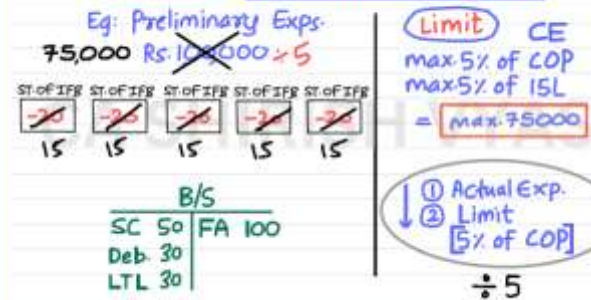
126

In-House Research

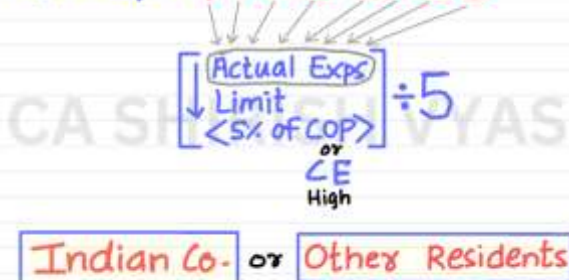
127



128

Sec.35D: PRELIMINARY EXPS.

129

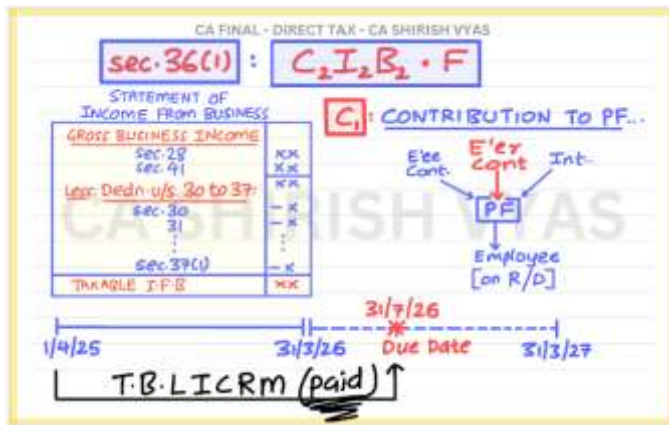
Eligible Exps = PFME DRSO

130

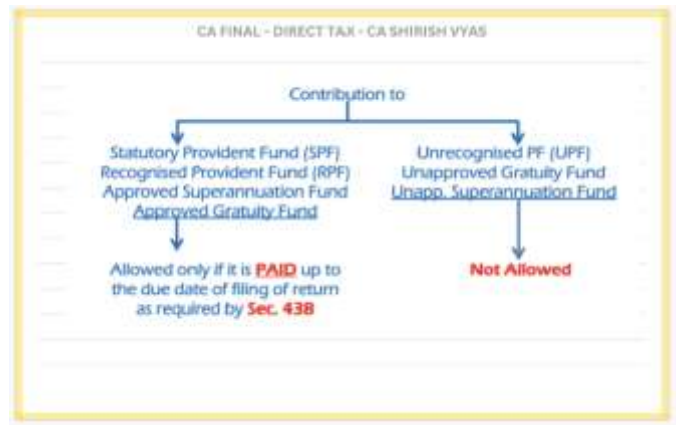
sec.35DDA: VOLUNTARY RETIREMENT COMP.

5 Equal Installments

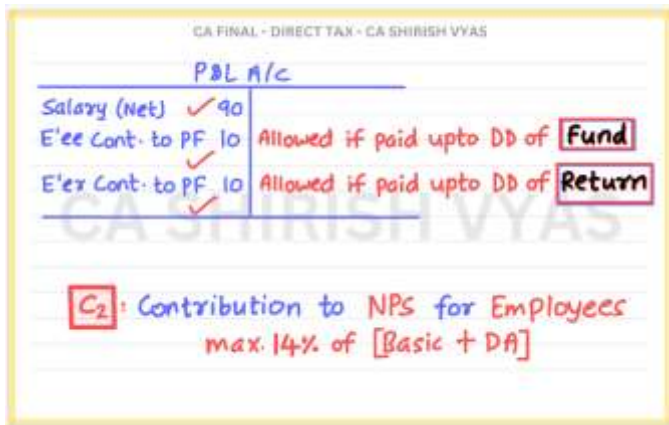
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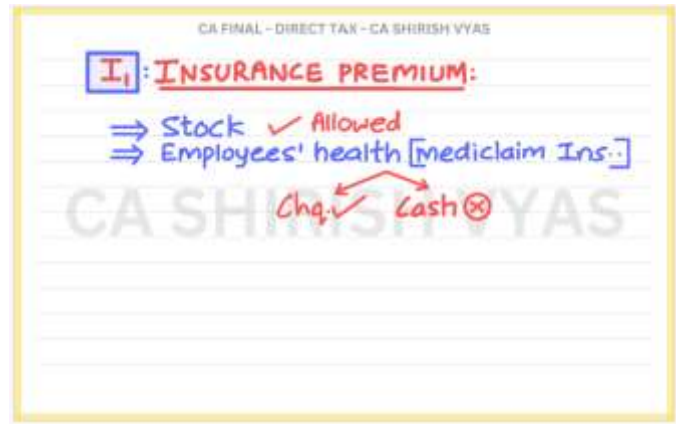
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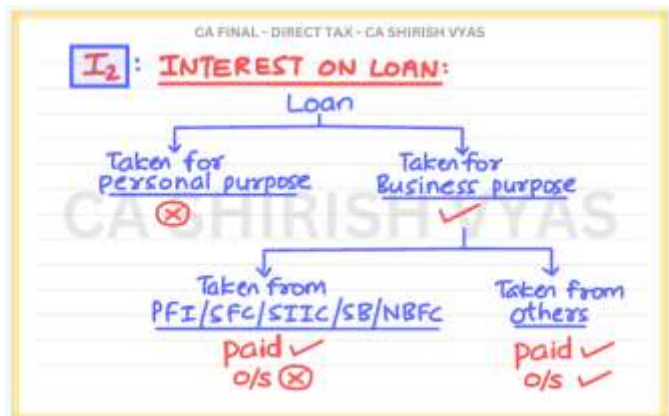
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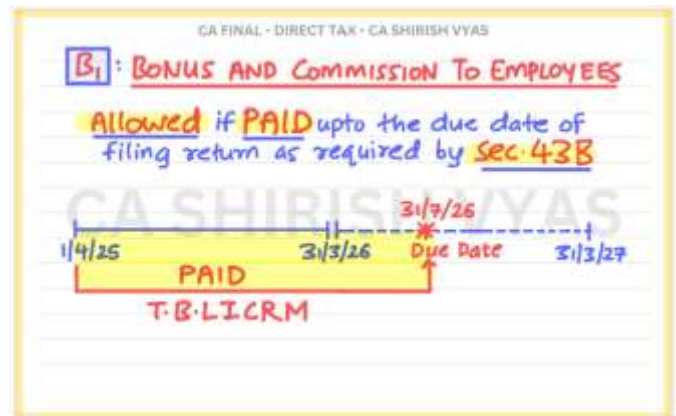
134



135



136



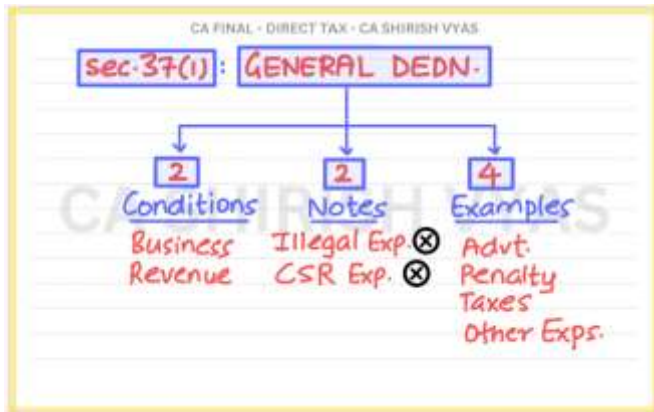
137



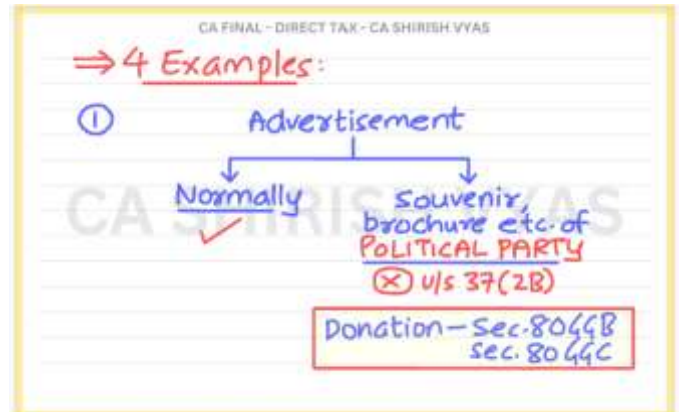
138



139



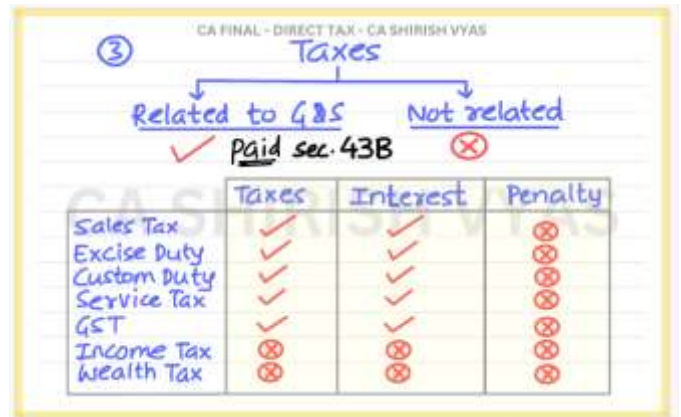
140



141



142



143



144

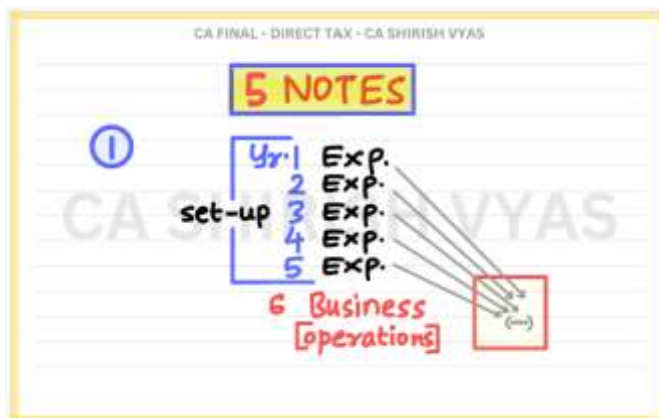


145

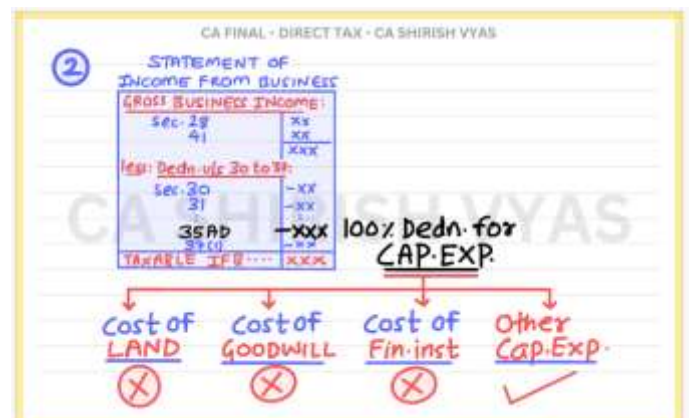
As per this section, **100%** deduction is allowed in respect of **Capital Expenditure** incurred in following business:

NATURE OF BUSINESS	Started on/after 1/4/...
Setting & Operating Cold Chain Facility	09
Setting & Operating Warehousing facility (For Agricultural Produce)	09
Laying & Operating Cross Country Pipeline Network (For distribution of Petroleum & Natural Gas) (For Natural Gas, 1/4/07)	09
Building and Operating Hospitals (min. 100 Beds)	10
Building and Operating Hotels (min. 2 star category)	10
Building and developing Housing Project (Slum Redevelopment Scheme)	10
Building and developing Housing Project (Affordable Housing scheme)	11
Production of Fertilizers .	11
Setting and Operating Inland Container Depot or container freight station (App. by Customs Act, 1962)	12
Beekeeping and production of honey & Beeswax	12
Setting and Operating Warehousing facility (for sugar)	12
Laying and Operating Slurry Pipeline Network (for transportation of iron ore)	14
Setting up and operating Semi-Conductor Wafer Fabrication Manufacturing unit	14
Developing /Operating /Maintaining Infrastructure facility	17

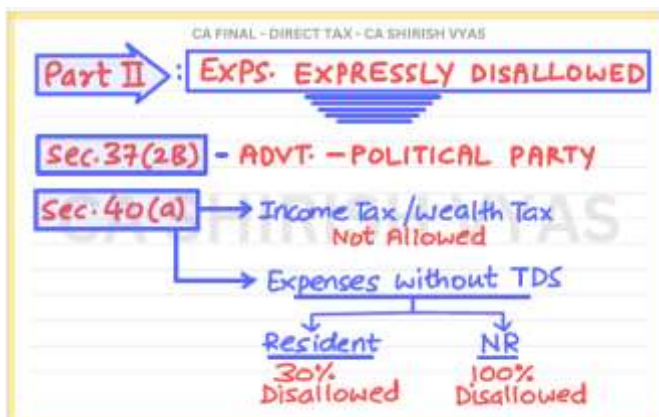
146



147



148



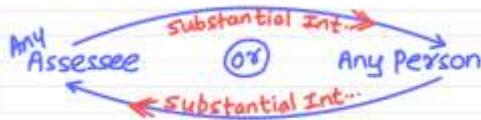
149



150

⇒ meaning of RELATIVES:

Individuals — H/W/B/S/LA/LD
 HUF — members & their H/W/B/S/LA/LD
 P.Firm — Partners & their H/W/B/S/LA/LD
 Companies — Directors & their H/W/B/S/LA/LD



151

STATEMENT OF INCOME FROM BUSINESS		
GROSS BUSINESS INCOME		
Sec. 28		XK
Sec. 41		XK
Less: Dedn. u/s 30 to 37		
Sec. 30		-K
31		-K
...		...
Sec. 37(i)		-K
TAXABLE I.F.B.		XK

Sec. 40A(3):

PAYMENT > 10,000
ACCOUNT PAYEE
CHEQUE

Sec. 40A(3)

① chart ④ Notes ⑥ Exceptions

152

**④ Notes:**

- 1) C₂ I B F.
- 2) Ins. of emp. health
- 2) Revenue/Capital Exp. — Both

153

3) per day per person

- case 1) 14/oct (A) 7,000 cash (B) 7,000 cash ✓
- case 2) 14/oct (A) 7,000 cash ✓
 15/oct (A) 7,000 cash ✓
- case 3) 14/oct (A) 7,000 cash + (A) 7,000 cash = 14,000 cash ✗

154

STATEMENT OF INCOME FROM BUSINESS		
GROSS BUSINESS INCOME		
Sec. 28		XK
Sec. 41		XK
Less: Dedn. u/s 30 to 37		
Sec. 30		-K
31		-K
...		...
Sec. 37(i)		-K
TAXABLE I.F.B.		XK

PY 2023-24

(-) Advt: 40000
 [o/s]

STATEMENT OF INCOME FROM BUSINESS		
GROSS BUSINESS INCOME		
Sec. 28		XK
Sec. 41		XK
Less: Dedn. u/s 30 to 37		
Sec. 30		-K
31		-K
...		...
Sec. 37(i)		-K
TAXABLE I.F.B.		XK

PY 2025-26

(+1) 40000

155

⇒ **6 EXCEPTIONS [Rule 6DD]**

- 1) Govt./Banks/FI High Integrity
- 2) producers of: Carvee log
 - Zameen Related { - Ag. products
 - Forest "
 - Jarwar Related { - Poultry "
 - Dairy "
 - Fish "
 - Animal "
 - W/O Power - w/o power

156

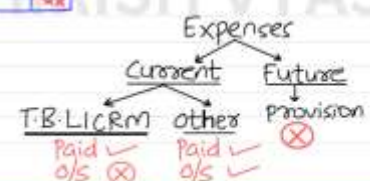
- 3) No Banking facilities
- 4) Terminal benefits upto 50000
- 5) Salary — posted — Atleast 15 days
No Bank A/c
- 6) Transport operator upto 35,000

157

STATEMENT OF INCOME FROM BUSINESS		
GROSS BUSINESS INCOME		
Sec. 28		XK
Sec. 41		XK
Less: Dedn. u/s 30 to 37		
Sec. 30		-K
31		-K
...		...
Sec. 37(i)		-K
TAXABLE I.F.B.		XK

Sec. 40A(7)

PROVISION FOR
GRATUITY



158

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

STATEMENT OF INCOME FROM BUSINESS

GROSS BUSINESS INCOME	xx
sec. 28	xx
sec. 41	xx
Less: Dedn. u/s 30 to 37:	
sec. 30	-x
31	-x
...	...
sec. 37(i)	-x
TAXABLE I.F.B.	xx

Sec. 43B → **Payment Basis**

T.B. LICR **M**

Due Date of filing Return Due Date as per MSMEDA

Timeline: 1/4/25 — 28/3 — 12/4 — 31/7/26 — 31/3/27

PAID T.B. LICRM

159

EXAMPLE ON MICRO AND SMALL ENTERPRISES

A company purchased goods from Mr. A, Mr. B & Mr. C. The details of purchases and payment made are as under:

Supplier	Date of purchase	Purchase amount	Payment due as per written agreement	Date of payment
Mr. A, a micro enterprise	15.02.26	5 lakhs	Within 30 days from the date of purchase Due Date 17/3	29.03.26 25-26 ✓
Mr. B, a small enterprise	17.03.26	7 lakhs	No written agreement Due Date 1/4	15.04.26 26-27
Mr. C, a medium enterprise	25.03.26	8 lakhs	~~Within 40 days from the date of purchase~~	~~30.11.26~~

Answer: Deduction allowed in PY 2025-26 = ₹ 5 lakhs + ₹ 8 lakhs = ₹ 13 lakhs

160

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

Micro/Small Enterprises

Timely Payment → Dedn. in the yr. of transaction

Late Payment → Dedn. in the yr. of Payment

Interest on Late Payment to Micro/Small Enterprises → Disallowed Penal in nature

161

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

Part-III → **LIST OF BUSINESS INCOMES**

STATEMENT OF INCOME FROM BUSINESS

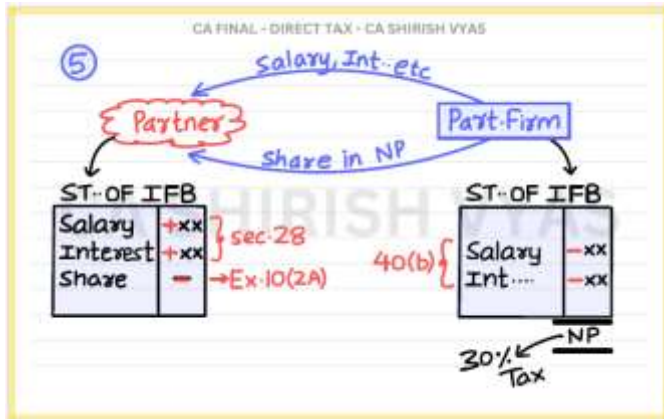
GROSS BUSINESS INCOME	xx
sec. 28	xx
sec. 41	xx
Less: Dedn. u/s 30 to 37:	
sec. 30	-x
31	-x
...	...
sec. 37(i)	-x
TAXABLE I.F.B.	xx

⇒ **Sec. 28** (9 points)

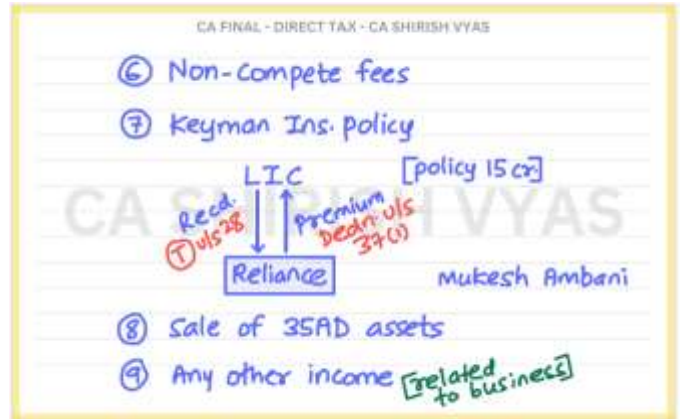
- Gross Profit
- Fees
- Gift (customers)
- CCS/DD/SIL

Cash compensatory support
Duty Drawback
Sale of Import Licence

162



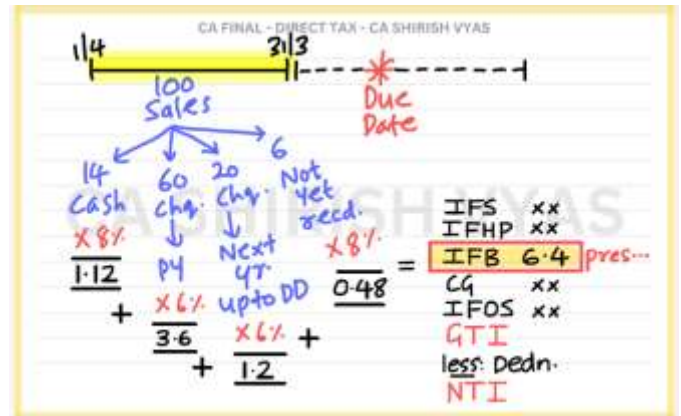
163



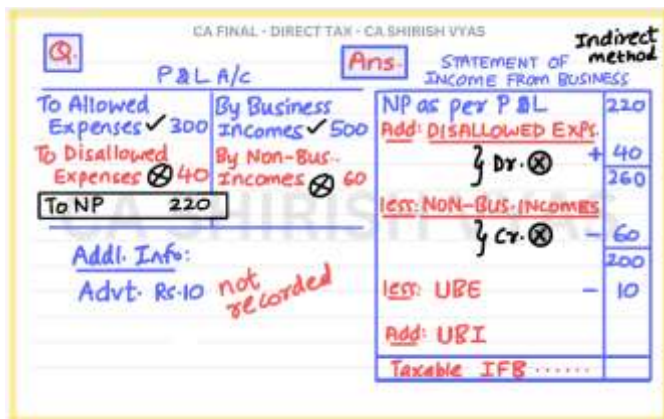
164



165



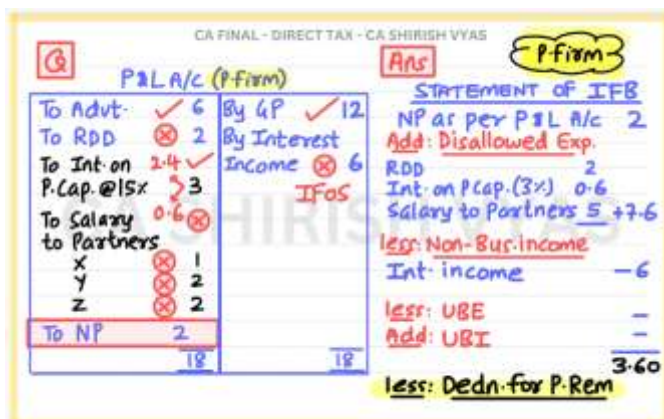
166



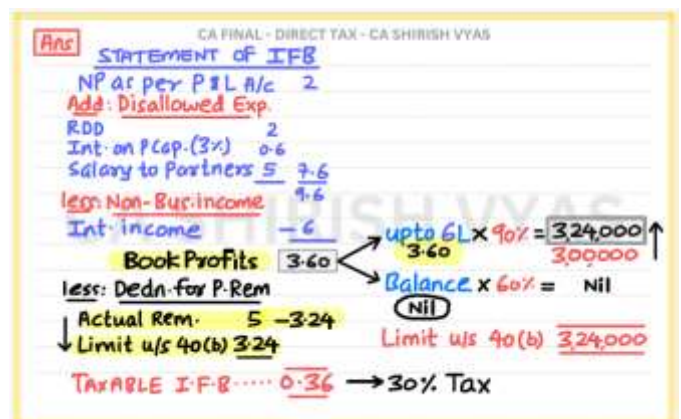
167



168



169



170

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

STATEMENT OF IFB (Partners)

	X	Y	Z	
Gross Bus. Income				
* Rem. from PF	1L	2L	2L	= 5L
(to the extent...)	64,800	1,29,600	1,29,600	3,24,000
* Int. from PF	1L	1L	1L	3L (15%)
(to the extent...)	89,000	89,000	89,000	2.4 (12%)
* Share in NP	—	—	—	
[Ex. u/s 10(2A)]				
less: Dedn. u/s 30-37:	—	—	—	
	1,44,800	2,09,600	2,09,600	

Slab Rates

171

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

NEW REGIME IISBAC

- ① Addl. Depn. ✗
- ② Donation for Research ✗
- ③ Sec. 35AD
 - Full Cost Dedn. ✗
 - Depn. ✓

172

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

P&L A/c

I.T. Ref.	40000
Int. on I.T.R	4570

IFos

173

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

Op. St.	90000	✓
90% × 90000	81000	90%
10% × ? (UBE)		
Cl. St.	117000	✓
90% × 117000	105300	90%
10% × ? (UBI)		

174

CA FINAL - DIRECT TAX - CA SHIRISH VYAS

P&L A/c (Aryan)

Salary from PF	✓
Int. " "	✓
Share " "	✗

Ex. 10(2A)

NP

175

Section 44AE	Section 44ADA	Section 44AD
TRANSPORT BUSINESS [plying/hiring goods vehicle]	PROFESSIONALS [M A ₂ L E F I ₂ T C O.]	OTHER BUSINESS Except Agency business
Owning up to 10 Vehicles throughout the tax year	Gross Receipts up to ₹ 50L/75L [Note 1]	Turnover/Sales up to ₹ 2 cr./3cr. [Note 2]
Taxable IFB = 7,500 p.m.p.v. If heavy vehicle [>12 tons] then 1,000 per ton p.m.p.v. (part of the mnth = full mnth)	Taxable IFB = 50% of GR	Taxable IFB = 6% of Turnover received through A/c Payee chq./Draft/Online mode [up to the due date of filing return] <u>Add: 8%</u> of remaining turnover

Note 1: The threshold limit for presumptive taxation for **professionals** is **₹75 lakh** where **cash receipts** (including non-account payee cheque/draft) **do not exceed 5% of the gross receipts.**

Note 2: The threshold limit for presumptive taxation for **other businesses** is **₹3 crore** where **cash receipts** (including non-account payee cheque/draft) **do not exceed 5% of the total turnover.**

CAPITAL GAINS

177

Part-I: BASIC CONDITIONS & COMPUTATION

Capital Asset $\rightarrow$ MRS. G.S. (X)Transfer $\rightarrow$ [SERC2]

Capital Gains

STCG Discourage		LTCG Encourage	
FVOC	xxx	FVOC	xxx
(-) Trf. Exps	-xx	(-) Trf. Exps	-xx
NC	xxx	NC	xxx
(-) CoA	-xx	(-) CoA ~~Indexed~~ *	-xx
(-) CoI	-xx	(-) CoI ~~Indexed~~ *	-xx
STCG	xxx	LTCG	xxx

* No Indexation - if transfer on/after 23/7/24

178

Note ①: Defn. of Capital Asset [sec.2(14)]
[potential to earn]

Assets



179

M - Movable Personal Assets
R - RALI
S - Stock-in Trade
G - Gold Bonds
S - Special Bearer Bonds

Exceptions $\rightarrow$ Jewellery
 $\rightarrow$ DPSA
 $\rightarrow$ Archaeological Collections } CA ✓
 CG ✓

180

Note ③: Types of Capital Gains
Capital Assets



181

Note ④: Purchase before 1/4/2001:

$\uparrow$ Actual Cost
 FMV* as on 1/4/2001

* Imm. Property - FMV/SDV (Lower)

182

Note ⑤: Improvement before 1/4/2001:

IGNORE

183

Part II: SECTION-WISE

sec.45(i): BASIS OF CHARGE:

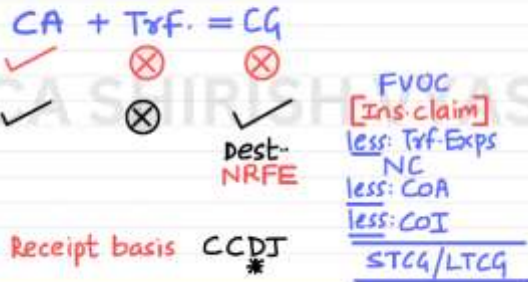
CA + Transfer = CG

YEAR OF CHARGE:

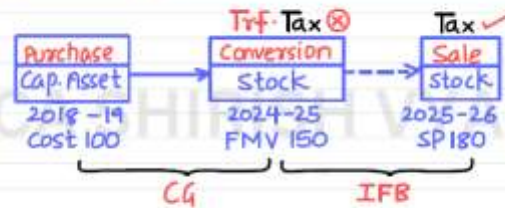
Year of Tax = Year of Transfer

$\Rightarrow$ 4 Exceptions CCDJ

184

sec. 45(1A): DESTRUCTION OF CA:

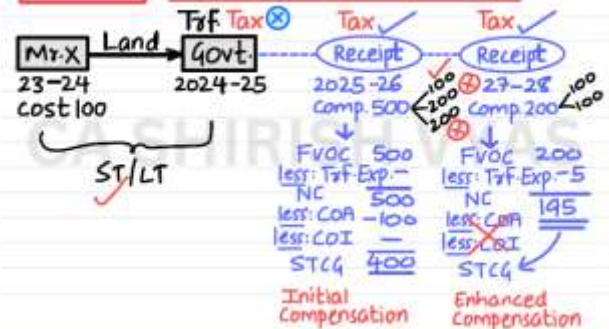
185

sec. 45(2): CONVERSION of CA into SIT

186

sec. 49(9): CONVERSION of SIT into CA

187

Sec. 45(5): COMPULSORY ACQUISITION:

188

Note 1 Yr. of Tax = Yr. of Transfer
Yr. of Tax = Yr. of "Receipt" CCDT *

Note 2 Installments → Initial First Inst. ①
Enhanced As and when recd. ①

Note 3 Interest on - 50% = IFOS
compensation std dedn

189

sec. 45(5A): JOINT DEVELOPMENT AGREEMENT

190



191

sec. 47: EXEMPT TRANSFERS:

CA + Trf. = CG

✓ ✓ ⊗ Exempt u/s 47

- ① Gift, will, Inheritance
 - ② HUF → partition → Ind. member
 - ③ Mr. X [Ind. member] → conversion → HUF
- B'coz NO Intention to make gain

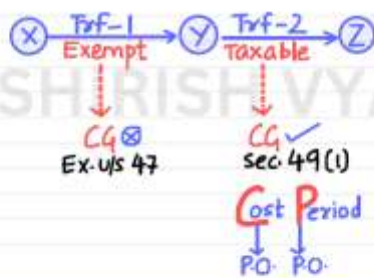
192



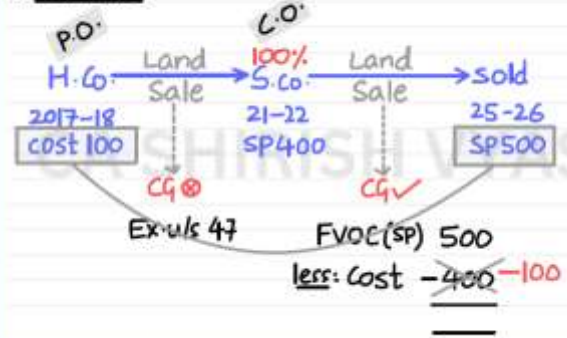
193



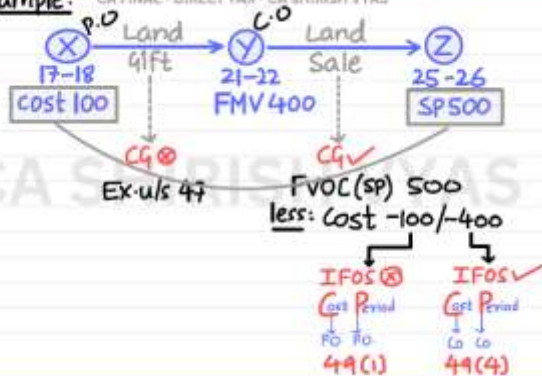
194

Sec. 49(1): CG AFTER EXEMPT TRANSFERS:

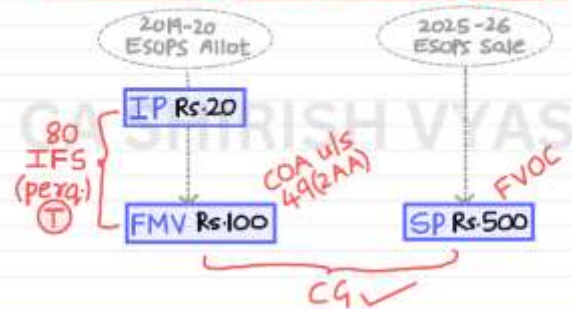
195

Example:

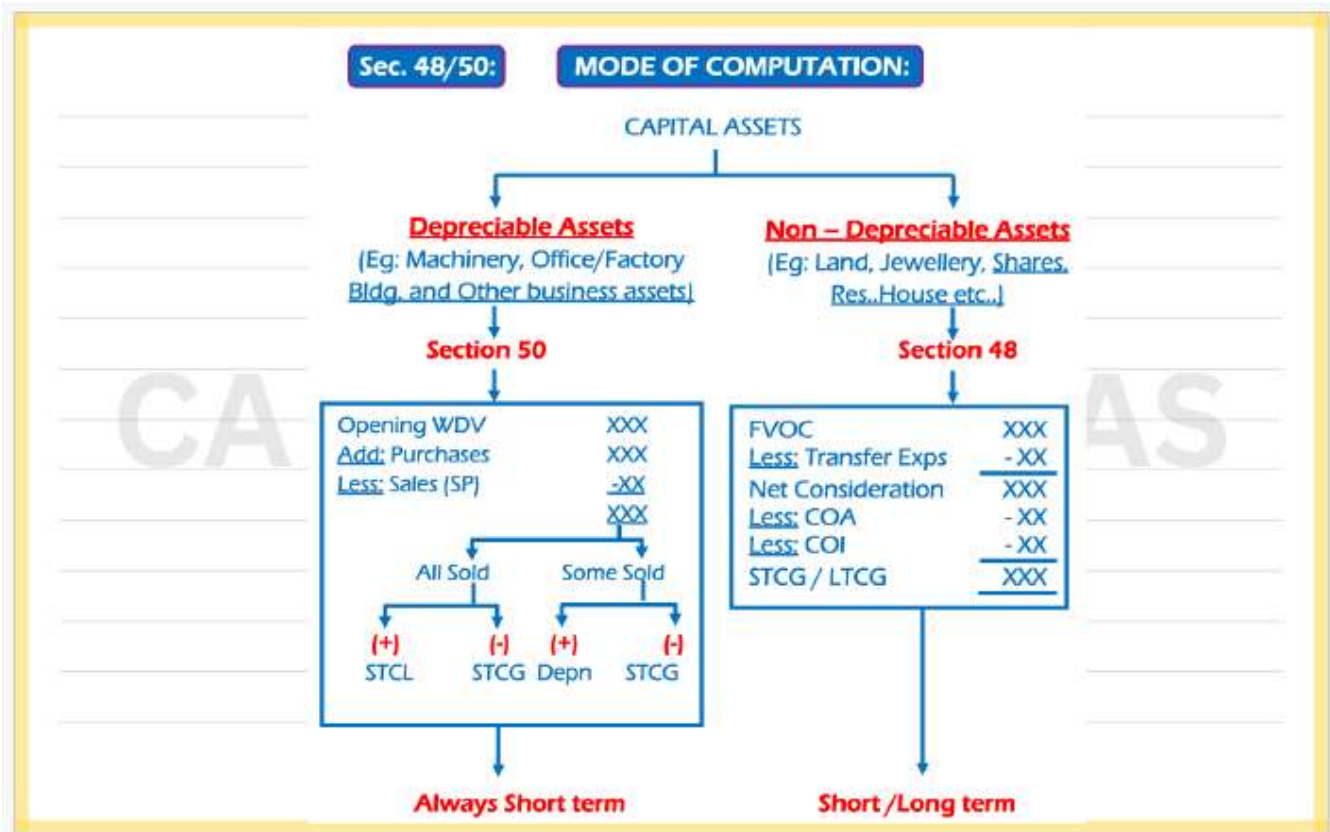
196

Example:

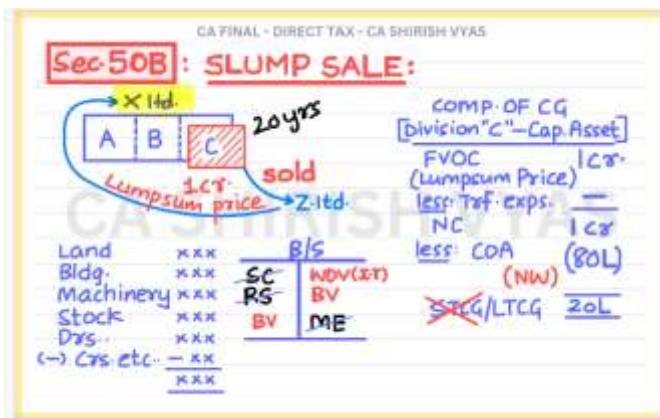
197

Sec. 49(2AA): COST OF SHARES [ESOPS]

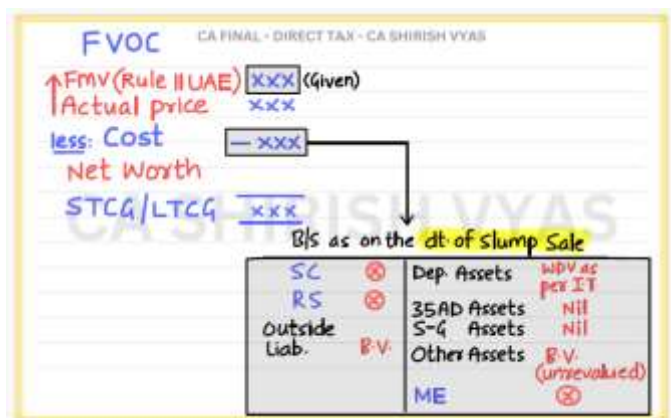
198



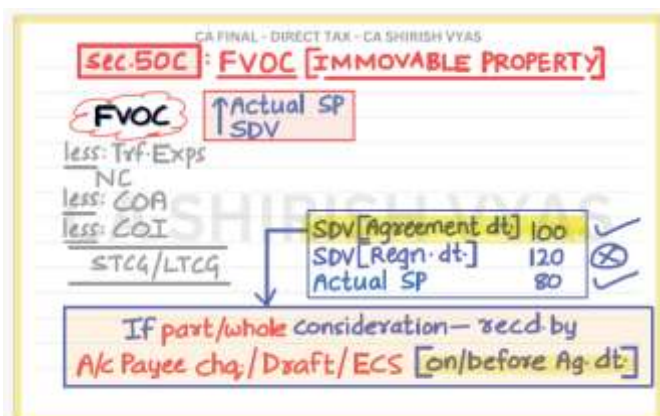
199



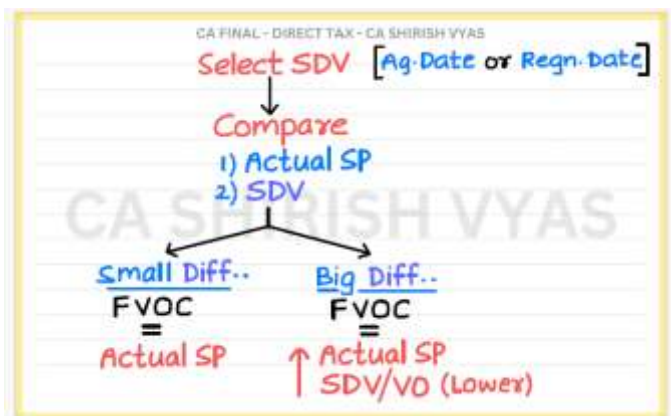
200



201



202



203

sec. 51: FORFEITURE OF ADVANCE:

2008-09
purchase
cost Rs. 5L - 50,000

COMP-OF CG
FVOC 80L
less: Trf. Exps. -
NC 80L
less: COA
[5L - 50,000]
u/s 51



204

EXEMPTIONS

sec. 54
sec. 54B
sec. 54D
sec. 54EC
sec. 54F

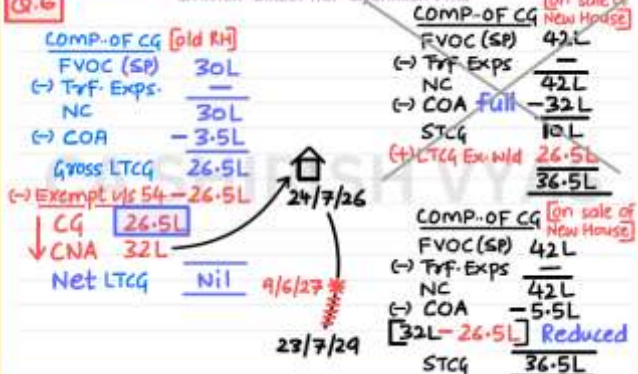
205

sec.	Asset Trf.	Asset pur.	Time limit	Sch. of Dep.	Amt. of Ex.	LIP	Eligible Aree
L 54	RH = RH		IB 2A 3A	Same	Same	3yrs.	I/H
SL 54B	Ag. = Ag.		2A	Same	Same	3yrs.	I/H
SL 54D	Ind. = Ind.		3A	Same	Same	3yrs.	All
L 54EC	LTCA ≠ Bonds (Zmm)		Gm.	NA	Same	5yrs.	All
L 54F	LTCA ≠ RH		IB 2A 3A	Same	Diff.	3yrs.	I/H

206

sec. 54 : EXEMPTION FOR RES... HOUSE:

207

Q.6

208

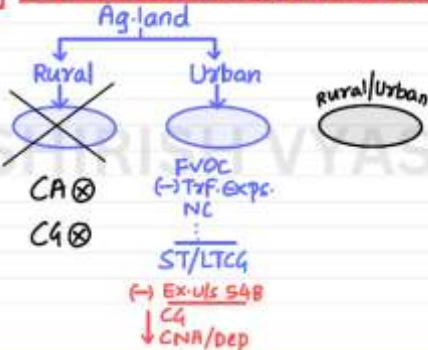
COMP-OF CG [Res. House]

FVOC (SP) 70 cr.
less: Trf. Exps. -
NC 70 cr.
less: COA -40 cr.
less: COI -
Gross LTCG 30 cr.
less: Ex. u/s 54 -18 cr.
1) CG 30 cr. -10 cr.
2) CNA/Dep. 18 cr. 10 cr.
20 cr.

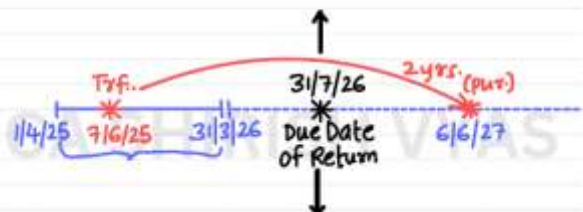
max. Investment
in New House
Rs. 10 crores

NEW HOUSE
CNA Rs. 18 cr.

209

sec. 54B : EXEMPTION FOR URBAN AG.. LAND

210



211

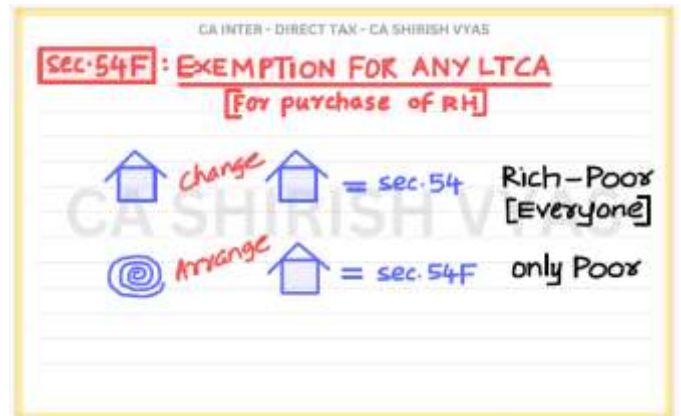
CA INTER - DIRECT TAX - CA SHIRISH VYAS

Q.7 COMP-OF CG [old Ag. land] [on sale of New urban Land]

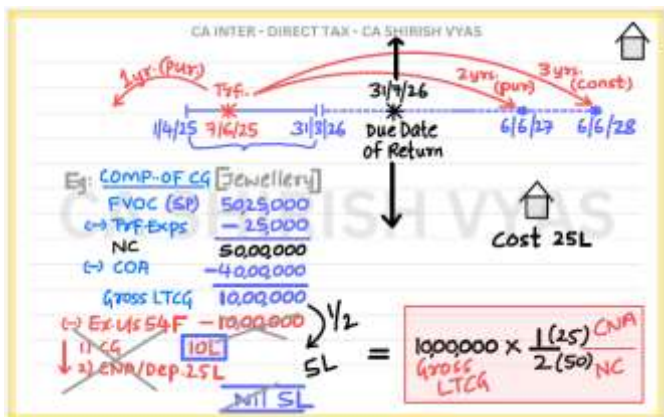
FVOC (SP)	24,50,000	FVOC (SP)	40,00,000
Trf. Exps		Trf. Exps	40,00,000
NC	24,50,000	NC	40,00,000
COA	-2,00,000	Reduced COA	-3,50,000
Gross LTCG	22,50,000	[26L - 22.5L]	
Ex. u/s 54B	22,50,000	STCG	36.5L
1) CG	22,50,000		
2) CNA/Dep. 26,00,000			
Net LTCG	Nil		

Urban Ag. (New) 30/7/26
3 yrs. Lock 14/1/27
29/7/29

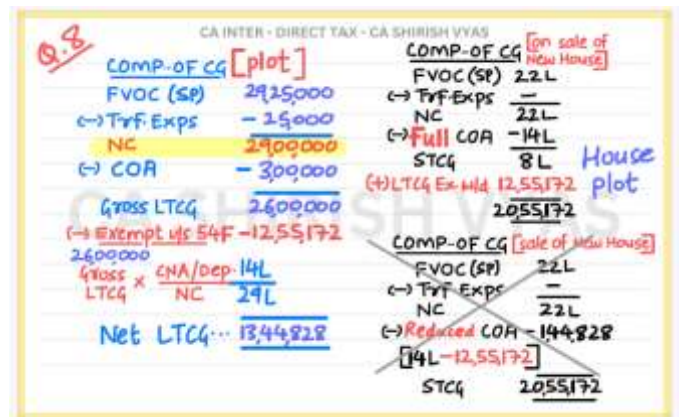
212



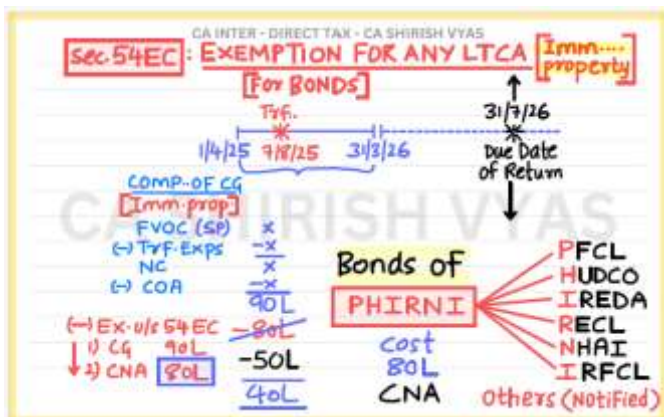
213



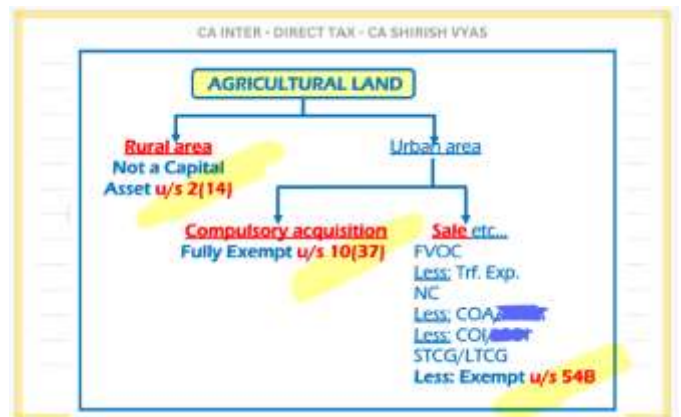
214



215



216



217

CA INTER - DIRECT TAX - CA SHIRISH VYAS

	I	II	III	IV
FVOC (SP)	180	120	140	70
less: GF COA				
Fmv (31/1/18)	150	150	90	90
SP	180	120	140	70
Lower	150	120	90	70
Higher	180	120	140	100
LTCG	30	Nil	40	(30)

Old Investors

218

CA INTER - DIRECT TAX - CA SHIRISH VYAS

	I	II	III	IV
FVOC (SP)	180	120	140	70
less: GF COA				
Fmv (31/1/18)	150	150	90	90
SP	180	120	140	70
Lower	150	120	90	70
Higher	180	120	140	100
LTCG	30	Nil	40	(30)

Old Investors

219

sec. 50AA:purchase
1/4/23**MLD - Units of SMF - Unlisted Deb./Bonds**

MLD = Market Linked Debentures

SMF = Specified Mutual Fund (> 65% Debt)

FVOC [Amt. Recd. on Maturity/SP]	xxx
less: Trf. Exps.	-xx
NC	xxx
less: Cost of Acquisition	-xx
Always Short-term	xxx

220

QF for Immovable Property

(Old Investors - pur. Before 23/July/24)

↓ 20% Tax (with Ind.)
 ↓ 12.5% Tax (w/o Ind.)

only for Res. I/H

use this knowledge only

if the Question is on Tax Caln.

221

Example:**Ans:**

with Ind. w/o Ind.

House Property

purchased (2003-04)

Cost 500,000

Sold (2025-26)

SP 32,00,000

Cost Inflation Index

2003-04 109

2025-26 376

compute Tax

FVOC (SP)	32L	32L
(-) COA	-17,24,771	-5L
[Cost x Index / Index] - Trf. Pur.		
5L x 376 / 109		
	14,75,229	27L
	20%	12.5%
	2,95,046	3,37,500

222

AGRICULTURAL INCOME

=

Rent from Ag. Land

+

Income from Ag. operations

223

AGRICULTURE INCOME (In mixed operations)

	Agricultural Income (Exempt)	Non-agri.. income (Taxable)
Income from Tea Business	60%	40%
Income from Coffee Business		
→ Coffee grown and cured	75%	25%
→ Coffee grown, cured, roasted and grounded	60%	40%
Income from Rubber Business	65%	35%

224

Sugarcane

cultivation
cost 200market
value 240Ag...
Profit
40

+

sugar

Further
Expenses 100

=

Total Cost 300

- SP 525 =

Total
Profit
225

Non-Agr. Profit 185

225

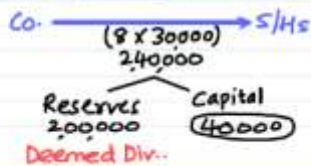
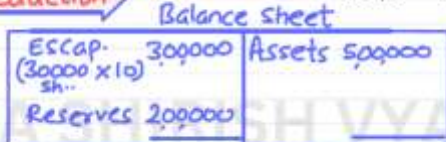
DEEMED DIVIDEND

- 2 (22) (a) Release of Assets
- 2 (22) (b) Bonus
- 2 (22) (c) Liquidation closure
- 2 (22) (d) Reduction
- 2 (22) (e) Loan by closely held Co.
- 2 (22) (f) Buy back

226

Liquidation**2 (22) (c)**

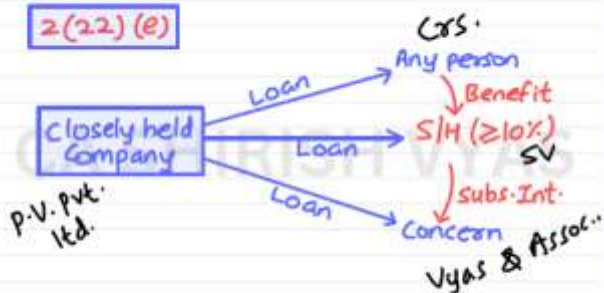
227

Reduction**2 (22) (d)**Rs. 10 $\rightarrow$ Rs. 2

228

Bonus**2 (22) (b)**

229

2 (22) (e)

230

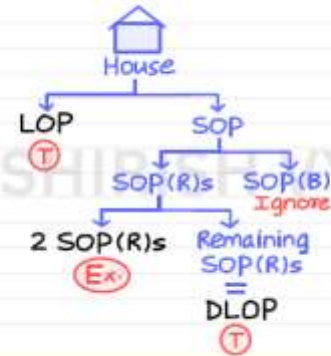
Sec 2(22)(f): Buy back of shares:

With effect from 1/10/2024, any amount received by a shareholder on **buy back** of shares [in accordance with the provisions of sec. 68 of the Companies Act, 2013] is **deemed as dividend**.

Note: Cost of shares bought back is allowed as **capital loss**.

INCOME FROM HOUSE PROPERTY

232



233



234

	LOP	DLOP	SOP(R)
Gross Annual Value	xxx	xxx	Nil
less: Municipal Taxes	-xx	-xx	Nil
Net Annual Value	xxx	xxx	Nil
less: Dedn u/s 24			
⇒ Standard Dedn (30%)	-xx	-xx	Nil
⇒ Int. on loan	-xx	-xx	-xx (Limit)
	xxx	xxx	(xxx)

Add: Recovery of UR (Amt recd -30%)

Add: Arrears of Rent (Amt recd -30%)

TAXABLE IFHP.....xxx

235

Note:1 GROSS ANNUAL VALUE

↑ Municipal Value	xxx
↑ Fair Rent	xxx
↓ Higher Standard Rent	xxx
↑ Expected Rent	xxx
↑ Actual Rent Recd./Receivable	xxx
GROSS ANNUAL VALUE	xxx

- Vacancy

$$\text{ARR} + \text{Vacancy Rent} \geq \text{ER} \quad \text{GAV} = \text{ARR}$$

$$\text{ARR} + \text{Vacancy Rent} < \text{ER} \quad \text{GAV} = \text{ER}$$

236

Q Expected Rent 1,00,000
Actual Rent 10,000 pm
Vacancy 3m

Ans: Expected Rent 1,00,000
Actual Rent Recd. 90,000
GAV 90,000

ARR + Vacancy 90,000 + 30,000 = 1,20,000
ER 1,00,000
1,20,000 > 1,00,000
∴ GAV = ARR = 90,000

237

Q Expected Rent 5,00,000
Actual Rent 30,000 pm
Vacancy 3m

Ans: Expected Rent 5,00,000
Actual Rent Recd. 270,000
GAV 5,00,000

ARR + Vacancy 270,000 + 40,000 = 3,10,000
ER 5,00,000
3,10,000 < 5,00,000
∴ GAV = ER = 5,00,000

238

Note:2: MUNICIPAL TAXES

- 1) paid ✓ o/s ⊗ (pymt. basis)
- 2) Owner ✓ Tenant ⊗
- 3) % → municipal Value
- 4) Local Authority
(Local Tax, Water Tax, Corporation Tax, Sewerage Tax, Property Tax etc..)

239

Note-3: INTEREST ON LOAN

- 1) paid/o/s ✓ (Accrual basis)
- 2) Any purpose (from Anyone)
- 3) If SOP(R) — Limit

For pur./const. (loan on/after 1/4/99) max. 2L
 Otherwise max. 30,000

240

4) Pre-Construction Interest

If Loan Taken date before const. comp. date

	Year	Interest	
Loan Taken	19-20	80000	Pre-const int. 320000 ÷ 5
	20-21	120000	
	21-22	120000	
Const. completed	22-23	120000	+ 64000
	23-24	120000	+ 64000
	24-25	120000	+ 64000
	2025-26	120000	+ 64000
			+ 64000

241

Note-4: UNREALISED RENT

Deduct from Actual Rent
 Recovery of UR — Add at the end
 (Amt. Recd — 30%)

Note-5: ARREARS OF RENT

past { Year 1 100,000
 2 100,000
 3 100,000
 Current Yr. 4 1,20,000 + 60,000
 Annuity
 Add at the end
 (Amt. Recd — 30%)

242

Note-6: PARTLY LOP

Divide all Amts. in ratio except ARR

	Fully LOP	LOP 8m SOP 4m	LOP 50% SOP 50%
Gross Annual Value	xxx	xxx	Nil
less: Municipal Taxes	-xx	-xx	Nil
Net Annual Value	xxx	xxx	Nil
less: Dedn. u/s 24:			
⇒ Standard Dedn.	-xx	-xx	Nil
⇒ Int. on loan	-xx	-xx	-xx

(Limit)

243

Note-7: CO-OWNERSHIP ≥ 2 owners

	Single column	
Gross Annual Value	xxx	SOP(R) Limit per owner ☆☆☆
less: Municipal Taxes	-xx	
Net Annual Value	xxx	
less: Dedn. u/s 24:		
⇒ Standard Dedn.	-xx	
⇒ Int. on loan	-xx	
	xxx	
Ratio		

244

SET OFF & CARRY FORWARD OF LOSSES

⇒ 3 STEPS:

- 1) Inter-Source Adjustment
 - 2) Inter-Head Adjustment
 - 3) Carry-forward → Subsequent years
- } same year

245

Loss under Heads	Set off in the Year of loss	Set off in Subsequent yr.	
Income from Salaries	Not possible		
Income from HP	Anywhere [max. 2 L]	Same head	8 yrs.
<u>Income from Business:</u>			
- Normally	Anywhere (except IFS)	Same head	8 yrs.
- Speculation	Speculation Income	Spec. Income	4 yrs.
- O & M	O & M	O & M	4 yrs.
- 35AD Business	35AD Business	35AD Business	∞
<u>Capital Gains:</u>			
- LT	LT	LT	8 yrs.
- ST	ST/LT	ST/LT	8 yrs.
IFOS	Anywhere	C/f not allowed	



246

NP 100
Depn (120)
(20) → unabsorbed Depn.

NP (40) → Business loss [8 years]
Depn (60) → unabsorbed Depn [α years]
(100)

247

Normally, Business without delivery
is speculation

[Eg: Intra-day Trading]

However, Derivatives (F & O)
is not speculation

248

Q.1

Mr. Aditya furnishes the following details for the year ended **31-3-26**.

Particulars	Amount (₹)
Loss from speculative business A	25,000
<u>Income from speculative business B</u>	5,000
Loss from specified business covered under section 35AD	20,000
<u>Income from salary (computed)</u>	3,00,000
Loss from let out house property	2,50,000
<u>Income from trading business</u>	45,000
<u>Long-term capital gain from sale of urban land</u>	2,00,000
Long-term capital loss on sale of shares (STT not paid)	75,000
Long-term capital loss on sale of listed shares in recognized stock exchange (STT paid at the time of acquisition and sale of shares)	1,02,000

Following are the brought forward losses:

- (1) Losses from owning and maintaining of race horses pertaining to A.Y. 2022-23 ₹2,000.
- (2) Brought forward loss from trading business ₹5,000 relating to A.Y. 2019-20.

249

Ans:

STATEMENT OF TOTAL INCOME

IF Salaries	3,00,000	
less: HP loss	-20,000	1,00,000
IF Business		
* Trading Business	45,000	
less: Bf Bus. loss	-5,000	40,000
* Spec. Business	5,000	
less: Spec. Loss c/f	-25,000 (20,000)	Nil
Capital Gains		
* LTCG	2,00,000	
less: LTCL (STT pd.)	-1,02,000	
less: LTCL (STT not pd.)	-75,000	23,000
		<u>1,63,000</u>

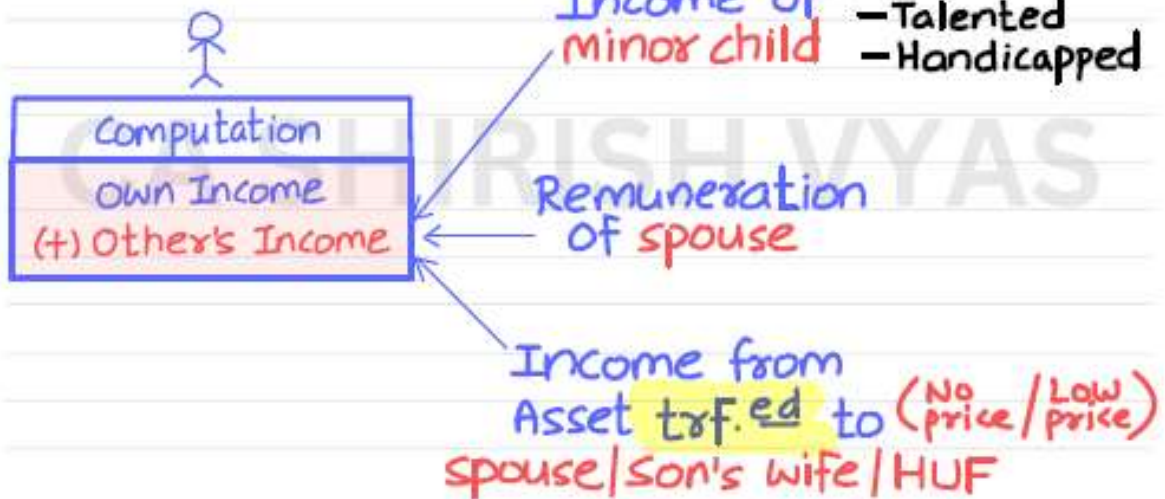
250

Note: Following losses shall be c/f

- 1) Spec. loss of Rs. 20,000
- 2) Loss from sp. Bus. Rs. 20,000
- 3) Loss from HP Rs. 50,000

251

CLUBBING



CA INTER - DIRECT TAX - CA SHIRISH VYAS

RESIDENTIAL STATUS

Resident

World Income Taxable

Non-Resident

Indian Income Taxable

253

CA INTER - DIRECT TAX - CA SHIRISH VYAS

How to decide R or NR ?

Normally	182 days or 60 + 365 days
Employment (I.C)	182 days or N/A
Visit (I.C/PIO) Ind Income $\leq$ 15L	182 days or N/A
Visit (I.C/PIO) Ind Income $>$ 15L	182 days or 120 + 365 days Always NOR
I.C (Not liable in any Foreign country) Ind Income $>$ 15L	Deemed Resident Always NOR

254

CA INTER - DIRECT TAX - CA SHIRISH VYAS

PY 25-26

py 24-25
py 23-24
py 22-23
py 21-22

≥ 182 days

or

≥ 60 days
+
 ≥ 365 days

Resident

World Income Taxable

255

CA INTER - DIRECT TAX - CA SHIRISH VYAS

How to decide ROR or NOR ?

Resident (in PY 25-26)

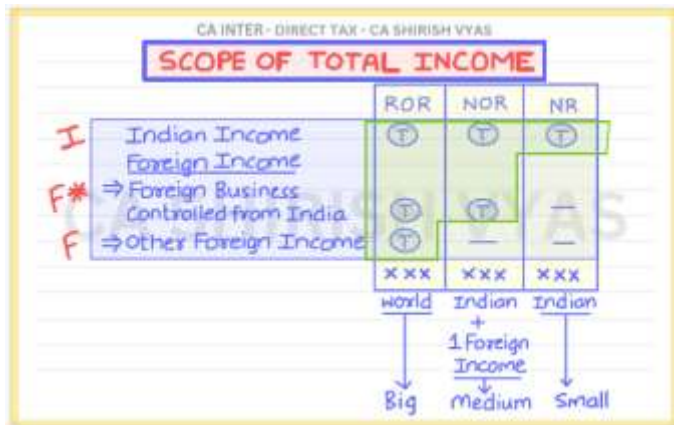
Also Resident in ≥ 2 yrs out of 10 preceding yrs. + ≥ 730 days in India in 7 preceding yrs.

ROR

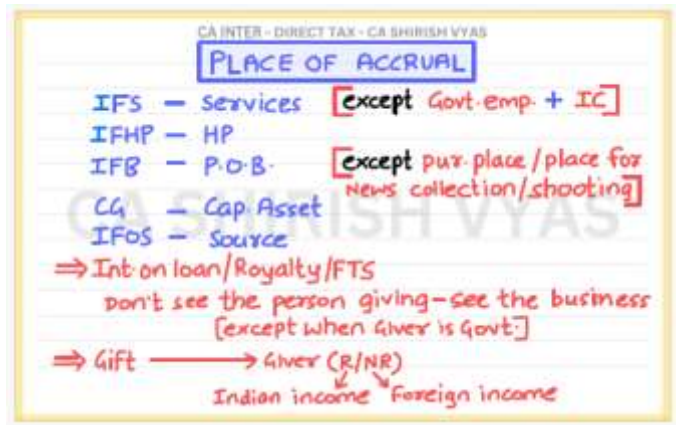
otherwise **NOR**

120 + 365 days
Deemed Resident
Always NOR

256



257



258



259



260

DEDUCTION u/s 10AA		RISH VYAS
STATEMENT OF TOTAL INCOME		EXPORT BUSINESS
Income from Salaries	XXX	Manufactures or
Income from House Property	XXX	computer s/w Developer
Income from Business	XXX	Located in
Capital Gains	XXX	SEZ
Income from Other Sources	XXX	Business start Before 1/4/21
GROSS TOTAL INCOME	XXX	
Less: Deductions under chapter VI A	-XX	
Less: Deduction u/s 10AA	-XX	
NET TAXABLE INCOME (N.T.I.)	XXX	

261

CA FINAL - DIRECT TAX - CA SHIRISH VYAS	
P & L A/c	ET = Brought in India or deposited in sp. A/c in Foreign within 6m. [end of PY]
By Sales	
Domestic 200	Brought in India 25
Export 50	250
Net Profit 100	
Dedn. = Taxable IFB $\times \frac{ET}{TT}$	
First 5 yrs. 100%	
Next 5 yrs. 50%	
Next 5 yrs. 50%	
or SEZ RARA	
	$= 100 \times \frac{ET}{TT}$
	$= 100 \times \frac{25}{250}$

262

CA FINAL - DIRECT TAX - CA SHIRISH VYAS	
IFS XXX	Alternate Minimum Tax
IFHP XXX	
IFB XXX	
Cg XXX	
IFOS XXX	
GTI XXX	
less: Dedn. -XX	
NTI XXX	Normal Tax @ Normal Rates + SC + HEC
Add: 80IA to 80RRB	
Add: 10AA	
Add: 35AD	
less: Depn. on 35AD Assets	
ATI XXX	AMT @ 18.5% + SC + HEC
If upto 20L - No AMT (I/H)	whichever is high

263

RETURNS**sec.139(1) VOLUNTARY RETURN:**

a) Who should file ?

Assessee

Companies

P.Firms

RAOSO

FECO

Always file

Others

File only if

GTI before

Ex. u/s 54, 54B etc.

> Basic Exemption

264

Resident person having
 Asset located
 Outside India or having
 Signing authority in an A/c
 Outside India
 Foreign Travel > 2L
 Electricity bills > 1L
 Current A/c Deposit > 1cr
 Other prescribed conditions
 $T > 60/10L$ $T \geq 25,000$ $S \geq 50L$
 $\geq 50,000(sc)$

265

b) When to file ? [Due Dates]

31/Oct. CAP

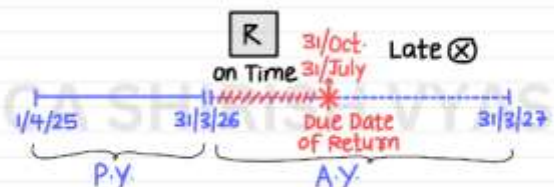
31/July



c) How to file ?

Prescribed Form [ITR]

266

sec.139(3) : RETURN OF LOSS:

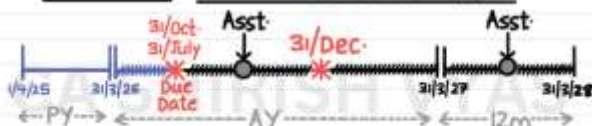
⇒ Exception

HP Loss

Unabsorbed Depn.

Late ✓

267

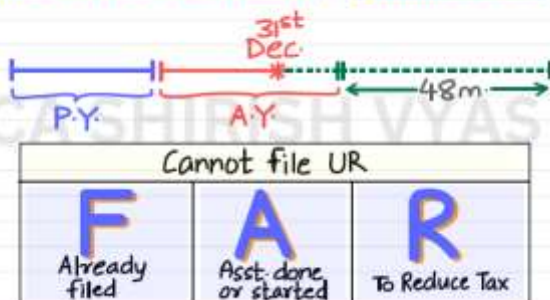
sec.139(4) : BELATED RETURN :**sec.139(5) : REVISED RETURN :**

upto 31/Dec. of the A.Y.
 or
 Before completion of Asst.
 whichever is earlier

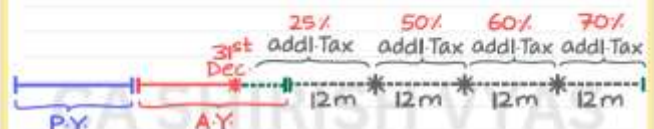
268

sec.139(9) : DEFECTIVE RETURN :

269

UPDATED RETURN - sec.139(8A)

270

sec.140B

271

CA INTER - DIRECT TAX - CA SHIRISH VYAS		
	OLD REGIME OPTIONAL	NEW REGIME DEFAULT
Income from Salaries		only TCDC ✓
Allowances Ex-10(13A)(14)	✓	⊗
LTC Ex-10(5)	✓	⊗
Free Lunch Ex.	✓	⊗
Std. dedn.	50000	75000
Ent. Allow. dedn.	✓	⊗
P. Tax dedn.	✓	⊗
Income from HP		
Int. dedn. [SOP]	✓	⊗

272

CA INTER - DIRECT TAX - CA SHIRISH VYAS		
	OLD REGIME	NEW REGIME
Income from Business		
Add. Depn.	✓	⊗
Donation (SR)	✓	⊗
35AD Full Cost Dedn.	✓	⊗
35AD Depn.	⊗	✓
Capital Gains	same	same
IFOS		
MP/MLA Daily Allow. Ex-10(17)	✓	⊗
Minor ch. Ex-10(32)	✓	⊗
Family Pension Std. dedn.	1/3rd 15,000	1/3rd 25,000

273

CA INTER - DIRECT TAX - CA SHIRISH VYAS		
	OLD REGIME	NEW REGIME
Set-off		
HP Loss		
Inter-head Adj. upto 2L	✓	⊗
Dedn. u/c VIIA		
80 JIAA	✓	✓
80 CCD(2)/CCH(2)	✓	✓
others	✓	⊗
Dedn. u/s 10AA		
For Exporter	✓	⊗

274

CA INTER - DIRECT TAX - CA SHIRISH VYAS		
	OLD REGIME	NEW REGIME
Slab Rates	upto 2.5L 0% 2.5L-5L 5% 5L-10L 20% >10L 30%	upto 4L 0% 4L-8L 5% 8L-12L 10% 12L-16L 15% 16L-20L 20% 20L-24L 25% >24L 30%
	Different for SC	Common for all
37% SC	✓	⊗

275

CA INTER - DIRECT TAX - CA SHIRISH VYAS		
	OLD REGIME	NEW REGIME
Rebate u/s 87A	12,500 If NTI upto 5L	60,000 If NTI upto 12L
	All incomes except LT u/s 112A	Slab Rate Income
	Marginal Rebate ⊗	Marginal Rebate ✓
AMT		
Alternate Min. Tax	✓	⊗

276

PGBP

EFFECT OF IMPORTANT ADJUSTMENTS

Taxes, Bonus and commission, Leave salary, Interest on loan from PFI/SFC/SIC/SB/NBFC, Contribution to RPF, payment to Indian railways: → Paid up to the due date of filing return → Not paid up to the due date of return	✓ X
Income tax and interest on I.T	X
GST and interest on GST	✓
Penalties under IT/GST [breach of law]	X
Interest on loan to purchase machinery up to the date of put to use	X
Depn. as per books	X
Depn. as per I.Tax	UBE
Travelling expense for opening new branch	✓
Travelling expense for new line of business	X
Employer's contribution to RPF paid upto dd of return	✓
Employee's contribution to RPF paid upto dd of fund	✓
Contribution to NPS – 14% of (Basic + DA – in terms)	✓
Provision for gratuity	X
Opening/closing stock overvalued at 110% → 100% → 10%	✓ X
Opening/closing stock undervalued at 90% → 90% → 10%	✓ UBE/UBI
Purchase of EPABX system – Capital Exp. (Depn. allowed @15% - UBE) EPABX-Electronic Private Automatic Branch Exchange It is Private telephone network inside office	X
Terminal/retirement benefit in cash up to ₹ 50,000	✓
Payment to producers of dairy/agricultural products etc. in cash	✓
Cash payment to transport operator up to ₹ 35,000	✓

Compounding/regularization fees/illegal exps	X
Amount waived by creditors	✓
Amount waived by Banks	
→ Working capital loan [for Goods etc.]	✓
→ Other loans [for fixed assets etc]	X
License/Franchise fees – Capital Exp.	X
₹ 65 Recovered from debtors amounting ₹ 100 [70 Allowed in past as bad ∴ 30 treated as good debts]	
→ Assume good debts of ₹ 30 fully recovered	X
→ Balance recovery of ₹ 35 [65-30] from bad debts	✓
Interest on loan to pay advance tax/income tax	X
Bank guarantee given for disputed GST liabilities	X
Last year – expense exceeding ₹10,000 claimed on due basis – paid in cash in current year	UBI
Expense on which TDS not deducted last year but deducted and deposited in current year	30% UBE

✓ - Allowed X - Disallowed **UBE/UBI** – Unrecorded Business Exp/Income

FORMAT FOR COMPUTATION OF TAX LIABILITY**STATEMENT OF TOTAL INCOME**

Particulars	Amt.
* Income from Salaries	XXX
* Income from House Property	XXX
* Income from Business [Note 1]	XXX
* Capital Gains	XXX
* Income from Other Sources:	XXX
GROSS TOTAL INCOME	XXX
Less: Deduction u/s 10AA	- XX
Less: Deduction under Chapter VI A	- XX
NET TAXABLE INCOME	XXX

STATEMENT OF TAX

	STCG u/s 111A	LTCG u/s 112A	LTCG (Other)	Win.	Balance
Net Taxable Income	XXX	XXX	XXX	XXX	XXX
Tax on above	XXX	XXX*	XXX	XXX	XXX
	20%	12.5%	12.5%	30%	Slab Rt..
			↓		
			XXX		
Less: Rebate u/s 87A			- XX		
			XXX		
Add: Surcharge			+ XX		
			XXX		
Add: HEC @ 4%			+ XX		
NORMAL TAX			XXX		

* LTCG u/s 112A is **exempt up to ₹ 1,25,000.**
Balance is taxable @ **12.5%.**

Note 1:**STATEMENT OF INCOME FROM BUSINESS**

	Amt.	Amt.
N.P as per P/ L A/c		XXX
Add: <u>DISALLOWED EXPENSES:</u>		
----- } Dr.⊗	XXX	
----- } Dr.⊗	XXX	
----- } Dr.⊗	XXX	+ XXX
		XXX
Less: <u>NON-BUSINESS INCOMES:</u>		
----- } Cr.⊗	XXX	
----- } Cr.⊗	XXX	
----- } Cr.⊗	XXX	- XXX
		XXX
Less: <u>UNRECORDED BUSINESS EXPS: [U B E]</u>		
-----	XXX	
-----	XXX	- XXX
		XXX
Add: <u>UNRECORDED BUSINESS INCOME: [U B I]</u>		
-----	XXX	
-----	XXX	+ XXX
TAXABLE INCOME FROM BUSINESS		XXX

Please write reasons for items added and deducted in Net Profit

Note 2: STATEMENT OF OTHER HEADS OF INCOME**STATEMENT OF TOTAL INCOME u/s 115BAC**

Particulars	₹
Net Taxable Income under regular provisions	XXX
<u>Add back:</u> Deductions not allowed u/s 115BAC*	+ XXX
Net Taxable Income under sec. 115BAA/BAB	XXX

* Like Deductions under chapter VIA, Sec.10AA, Additional depn., Donation for scientific research, Full cost dedn u/s 35AD [Depn on such assets to be deducted] etc....

SUMMARY OF TDS

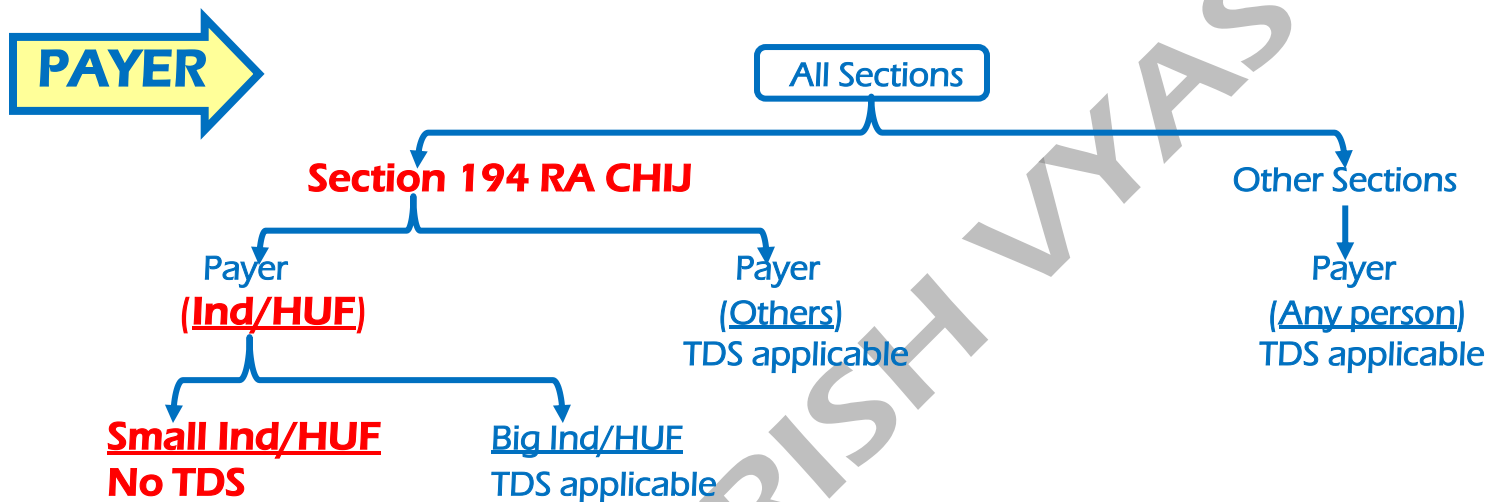
Section		Nature of Payment	When to deduct?	How much?
192	S	Salary	If Taxable IFS > Basic Exemption	Slab Rates
193	I	Interest on Securities	If > ₹ 10,000	10%
194	D	Dividend from Indian Company	If > ₹ 10,000 [if S/H is Individual]	10%
194A	I	Interest other than Int. on Securities	Bank/PO Interest – If > ₹ 50,000 Other Interest – If > ₹ 10,000	10%
194BB	W₁	Horse Race Winnings	If > ₹ 10,000 per transaction	30%
194B	W₂	Other Winnings	If > ₹ 10,000 per transaction	30%
194BA	W₃	Winnings from Online Games	Any Amount	30%
194C	C₁	Payment to Works Contractor	Single Payment > ₹ 30,000 or Aggregate Payment > ₹ 1,00,000	<u>Receiver</u> Ind./HUF 1% Others 2%
194D	C₂	Insurance Commission	If > ₹ 20,000	<u>Receiver</u> Company 10% Others 2%
194G	C₃	Lottery Commission	If > ₹ 20,000	2%
194H	C₄	Other Commission	If > ₹ 20,000	2%
194I	R	Rent of L/B/F/P/M/E [Land/Bldg/ Furniture/Plant/Machinery/Equip.]	If Rent > ₹ 50,000 p.m.	L/B/F 10% P/M/E 2%

CA SHIRISH VYAS / CA INTER / DIRECT TAX / LAST MINUTE REVISION

194J	F	Fees for P rofessional services Fees for T echnical services N on-compete fees R oyalty (for films) R oyalty (others) D irectors fees	If > ₹ 50,000 If > ₹ 50,000 If > ₹ 50,000 If > ₹ 50,000 If > ₹ 50,000 Any Amount	10% 2% 10% 2% 10% 10%
194LA	C	C ompulsory A cquisition of immovable property (except Ag.land)	If Compensation > ₹ 5,00,000	10%
194IA	P	P urchase of immovable property (except Rural Ag. Land)	If Consideration ≥ ₹ 50,00,000	1%
194IB		R ent of immovale property paid by small individual/HUF	If > ₹ 50,000 p.m.	2%
194IC		Monetary consideration in J oint D evelopment A greement	No threshold	10%
194K		Income distributed by U TI/ M F	If > ₹ 10,000	10%
192A		Premature withdrawal from R PF	If ≥ ₹ 50,000	10%
194DA		Maturity proceeds of big premium l ife i nsurance p olicy	If ≥ ₹ 1,00,000	2% [income element]
194M		Payment for w orks c ontract, p rofessional services & O ther c ommission [paid by those who are exempt u/s 194C/J/H]	If > ₹ 50,00,000	2%

CA SHIRISH VYAS / CA INTER / DIRECT TAX / LAST MINUTE REVISION

194N		Cash withdrawal		
		⇒ Filer	If > ₹ 1 crore	2% on excess
		⇒ Non-filer	Up to 20 L	0%
			> ₹ 20L up to ₹ 1 cr.	2%
			> ₹ 1 crore	5%
194P		Pension to senior citizen (≥ 75 yrs.)	If NTI > Basic Exemption	Slab rates
194Q		Purchase of goods [Buyer's turnover in preceding yr. > ₹ 10 cr.]	If > ₹ 50,00,000	0.1% on excess
194R		Perquisites /benefits to businessman	If > ₹ 20,000	10%
194T		Partner's remuneration & interest	If > ₹ 20,000	10%



Small Individual/HUF means an Ind/HUF who does not carry on any business/profession or :

- whose **Total Sales**/Turnover in *preceding FY* is **up to Rs. 1 crore** [if such Ind/HUF carries on a **business**]
- or
- whose **Gross receipts** in *preceding FY* is **up to Rs. 50 lakhs** [if such Ind/HUF carries on a **profession**]

Under section **194C & J**, there is **no requirement** of deducting TDS if the payment is **personal** in nature.

RATES OF TCS

TCS is applicable on following Sale / Lease Transactions:

Section	Type of Transactions	TCS %
206C(1)	<u>Sale</u> of following goods: - T endu leaves - T imber and other forest produce - A lcohol, S crap & M inerals [Coal & iron ore] <u>Note:</u> If the buyer purchases above goods for personal consumption or for use in Manufacturing / Power Generation then TCS is not applicable .	5% 2% 1%
206C(1F)	<u>Sale</u> of Motor Car & other notified goods valued at > 10 lakhs (Note 1)	1%
206C(1C)	<u>Lease</u> of Parking lot/ Toll Plaza/ Mine [for business purpose]	2%
206C(1G)	<u>Sale</u> of Foreign currency by authorised dealer to any person for remittance abroad: → Remittance for Educational/Medical purpose → Loan money remitted for Educational Purpose (if loan is from Banks or Fin.Inst. or App. Ch.Inst.) → Other Remittance No TCS if aggregate remittance per remitter is upto ₹ 10 lakhs. TCS is calculated on amt. in excess of ₹ 10 L.	5% 0% 20%
206C(1G)	<u>Sale</u> of Overseas Tour Package → Upto ₹ 10 lakhs → Balance	5% 20%