

For CA/CMA FINAL

KHAZANA

DT LDR NOTES

(Increase 25 – 30 Marks)

*Covering PGBP Adjustments, Rates of Tax, Time Limits, Important Dates and
Tricky Points from Chapters and MCQ Case Scenarios*

Sabkarlenge

CA YASH KHANDELWAL

3rd Edition, April 2025
For CA & CMA Final
Direct Tax Laws &
International Taxation

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We express our sincere thanks to all our readers, authors and business associates for helping us in our mission of producing quality books for quality education. We wish all our young readers a brilliant success in various examinations and a bright future.

- Publisher

Preface

It gives me immense pleasure to present a KHAZANA for CA/CMA Final Direct Tax. This edition has been updated as per the syllabus which is applicable from May/June 2025 Exam and onwards.

This book has everything which student may require to Revise & Recall Direct Tax on the Last Day of Revision. The book has been developed keeping in the mind the massive volume of the subject and limited time of 1.5 days before exam to Revise. Students need to remember important Adjustments, Rates, Time Limits and Tricky Points to be able to prepare for Exemption.

To Remember, One must recall at repeated intervals and Direct Tax being a Voluminous Subject, it is possible that some important aspects go unrevised before exam. This Book, KHAZANA, shall help you to go through all those crucial aspects in less time efficiently.

Further for all revisions, updates and notes, students are requested to join the Telegram Channel:

Main Channel (CA Yash Khandelwal – Direct Tax)

Every effort has been made to avoid any errors and omissions in this book. Despite all the effort we believe some errors might have crept in. The students are welcome to point out any errors/suggestions. Please e-mail at sabkarlenge@gmail.com

Best wishes,

CA Yash Khandelwal

ACKNOWLEDGEMENT

I would like to thank my Parents (Gopal & Radhika), Krrish (My Brother) Rupal (My Sister) & MAA (My Grandmother) & Dadaji for all their support towards my studies, career and various aspects of my life.

This Book is dedicated to them.

Special Thanks to “CA Aakash Kandoi” for his valuable support & guidance throughout the making of this book.

I would also like to Thank My Best Half “Radhika” for her constant support and motivating me to make this book.

A Big Thanks to my Brother “Krrish” for designing the template of this book & pushing me always.

Special Thanks to my Student “Gayatri” for her contribution for this book.

Above all, a big Thank You to all my students for showering so much love in such a short span of time. We will make it big together.

*A wise man once said,
“SAB KAR LUNGA MAIN”*

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**SUNO,
TUM SAB KAR LOGE.**

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	(-) Ded ⁿ u/s 33AB	
	(i) Amount deposited in NABARD	XX
	(ii) 40% OF PQBP before ded ⁿ of 33AB	XX
	INCOME AFTER DED ⁿ u/s 33AB	(XXX)
	(-) AGRICULTURAL PORTION	(XX)
	T R C 60% 65% 75%	
	PQBP INCOME CHARGABLE TO TAX	XXX
	B/F LOSS IS NOT ALLOWED TO SET OFF as in the year	XXX
	IF 51% SHARES → not held by same person → of c/f of loss.	
	<u>TAX RATES</u> - Company - 25% / 30% ↳ IF OPTED 115 BAB	
	+ Surcharge 10% mandatory	
	+ 4% cess	
	→ PQBP Income - 15%	
	→ House Property } 22%	
	→ IFDS Depreciable Asset - 15%	
	→ STCG Non-Depreciable Asset - 22%	

SOME ADDITIONAL POINTS

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LESS:		
41.	RENT RECEIVED FROM VACANT LAND ↳ Reduced from Here and Taxable under IFOs	x x x
42.	RENT RECEIVED FROM COMMERCIAL PROPERTY ↳ Reduced from Here and Taxable under House Property	x x x
43.	PROCEEDS FROM ISSUE OF SHARES AT PRICE > FMV ↳ Reduced from Here and not taxable under IFOs	x x x
	GTI	x x x
	(less.) Deduction under sec. 80M.	(x x x)
	w.e. is lower ↓ Div paid x x x [Div recd - Expense (20%)] x x x	
		x x x

SLAB RATES UNDER OPTIONAL SCHEME

(1) Individual/ HUF/AOP/BOI/AJP (Resident/Non-Resident)

Total Income upto 2,50,000	Nil
Total Income > 2,50,000 upto 5,00,000	5%
Total Income > 5,00,000 upto 10,00,000	20%
Total Income > 10,00,000	30%

(2) Senior Citizen (Resident Individual of Age 60 or more)

Total Income upto 3,00,000	Nil
Total Income > 3,00,000 upto 5,00,000	5%
Total Income > 5,00,000 upto 10,00,000	20%
Total Income > 10,00,000	30%

(3) Super Senior Citizen (Resident Individual of Age 80 or more)

Total Income upto 5,00,000	Nil
Total Income > 5,00,000 upto 10,00,000	20%
Total Income > 10,00,000	30%

Note: A Resident Individual whose 60th/80th birthday falls on 1st April, 2025, would be treated as 60/80 years in the PY 2024-25, and would be eligible for higher basic exemption limit of 3 lakh/5 lakh in computing his tax liability for AY 2025-26

SLAB RATES under DEFAULT TAX REGIME u/s 115BAC(1A)

Total Income	0 - 3,00,000	Nil
	3,00,001 - 7,00,000	5%
	7,00,001 - 10,00,000	10%
	10,00,001 - 12,00,000	15%
	12,00,001 - 15,00,000	20%
	15,00,001 & Above	30%

Note: For Individual above 60/80 yrs of age, same slab rate shall be applicable.

↳ Benefit of 3L/5L Not available.

(4) FIRM / LLP / LOCAL AUTHORITY
ON THE WHOLE OF TOTAL INCOME - 30%

(5) CO-OPERATIVE SOCIETY

Total Income upto 10,000	10%
Total Income > 10,000 upto 20,000	20%
Total Income > 20,000	30%

(6) COMPANY - DOMESTIC

(i) If TOTAL T/O or Gross Receipts in PY 2022-23 is upto Rs. 400 cr	25%
(ii) In any other case	30%

(7) COMPANY - FOREIGN (General Rate) 35%

SURCHARGE

(1) Individual/HUF/AOP/BOI/AJP under Default Scheme i.e. 115BAC(1A)

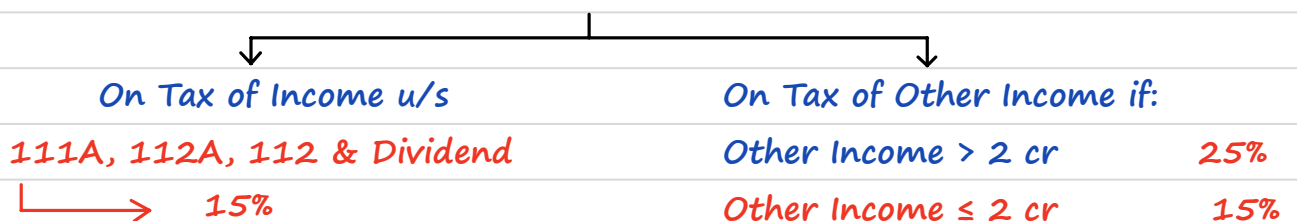
→ When Total Income (TI) does NOT include Income u/s 111A, 112A, 112 & Dividend

Total Income > 50 lakh upto 1 crore	10%
Total Income > 1 cr upto 2 cr	15%
Total Income > 2 cr	25%

→ When Total Income (TI) INCLUDES income u/s 111A, 112A, 112 & Dividend

Total Income > 50 lakh upto 1 crore	10%
Total Income > 1 cr upto 2 cr	15%

If Total Income > 2 cr:



Note: Other Income means → (Total Income - 111A, 112A, 112 & Dividend)

Imp Note: Under 115BAC(1A) (New Default Scheme) Max Surcharge Applicable is 25%.

(2) Individual/HUF/AOP/BOI/AJP under Optional Scheme i.e. Old Tax Regime

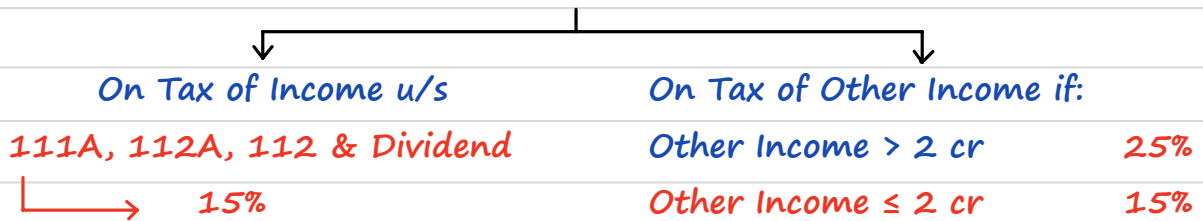
→ When Total Income (TI) **does NOT include** Income u/s 111A, 112A, 112 & Dividend

Total Income > 50 lakh upto 1 crore	10%
Total Income > 1 cr upto 2 cr	15%
Total Income > 2 cr upto 5 cr	25%
Total Income > 5 cr	37%

→ When Total Income (TI) **INCLUDES** income u/s 111A, 112A, 112 & Dividend

Total Income > 50 lakh upto 1 crore	10%
Total Income > 1 cr upto 2 cr	15%

If Total Income > 2 cr:



Note: Other Income means → (Total Income - 111A, 112A, 112 & Dividend)

If Total Income > 5 cr:



Note: Other Income means → (Total Income - 111A, 112A, 112 & Dividend)

(3) FIRM/LLP/LOCAL AUTHORITY

→ When the TOTAL INCOME > Rs. 1cr 12%

(4) CO-OPERATIVE SOCIETY:

If Total Income > 1 cr upto 10 cr	7%
If Total Income > 10 cr	12%
If Exercised option u/s 115BAD & 115BAE	10%

(5) COMPANY

TOTAL INCOME	Foreign Co.	Domestic Co.
If Total Income > 1 cr upto 10 cr	2%	7%
If Total Income > 10 cr	5%	12%
If Exercised option u/s 115BAA & 115BAB		10%

(6) AOP having only Companies as its Members : Max Surcharge will be 15% even if Income exceeds 2cr/5cr (irrespective of old/new regime)

SPECIAL RATES OF TAX

(1) Sec 115BB

30%

Tax on Winnings, lotteries, Card game, Horse Race

(2) Sec 115BBE

UNEXPLAINED money, investment, exp etc. (Sec 68 - 69D)

Tax 60%

- No basic Exemption, No expenditure allowed.

+ Surcharge 25%

- No set off of loss allowed against such income

+ cess 4%

Effective Rate 78%

(3) Sec 115 BBF

10%

Royalty Income from Patent developed & registered in India

• Developed in India- 75% Exp incurred in India

• No expense allowed.

(4) Sec 115 BBG

10%

Income from transfer of Carbon Credits

• No Exp Allowed

(5) Sec 115BBJ

30%

Net Winnings from Online Games

RATES OF CAPITAL GAINS TAX

Section	Nature of Asset	Rate Applicable upto 22/07/2024	Rate Applicable from 23/07/2024
111A STCG	Equity Share in a Company Unit of Equity Oriented Fund Unit of Business Trust	15%	20%
Other STCG	All transfers other than mentioned in Section 111A	Normal Tax Rates	Normal Tax Rates
112A LTCG	Equity Share in a Company / Unit of Equity Oriented Fund Unit of Business Trust	10% on LTCG exceeding Rs. 1,25,000	12.5% on LTCG exceeding Rs. 1,25,000
112(1) (a) & (b)	Listed Securities (other than a Unit) / Zero Coupon Bonds	Lower of 20% with Indexation 10% without Indexation	12.5%
112	All long term transfers other than mentioned above	20%	12.5%

Note for Resident Individuals and HUF

Tax Rate on Capital Gain Arising from transfer of Land or Building or Both acquired BEFORE 23/07/2024 shall be LOWER of :

- (1) 12.5% without Indexation
- (2) 20% after Indexation



Note: This Option is only used at the time of Tax Payment. For Computing Total Income, you have to calculate Capital Gain without Indexation.

REBATE u/s 87A

Available to Resident Individual only

Under Old Optional Tax Regime

When **Net** Total Income does not exceed Rs. 5,00,000

Rs. 12,500 or Tax

w.e. is lower

↳ After VI-A Dedn

Under Default Tax Regime u/s 115BAC

When **Net** Total Income does not exceed Rs. 7,00,000

Rs. 25,000 or Tax

w.e. is lower

↳ After VI-A Dedn

When Net Total Income > Rs. 7,00,000

&

Income Tax payable > (NTI-7,00,000), the rebate would be as follows:

Step 1 - Calculate (A). (A) = Total income - 7 lakhs

Step 2 - Calculate (B). (B) = Compute Income-tax liability on total income

Step 3 - If $B > A$, Rebate under section 87A would be a $B - A$.

Conclusion: Rebate u/s 87A will be $(B-A)$ or Tax w.e. is Lower

Notes :

This is Just like Marginal Relief, think it in that way.

Rebate u/s 87A is not available on Tax payable on LTCG u/s 112A.

Health & Education cess

Rate of Health and Education Cess

4%

Notes:

→ Deduction u/s VI-A **not available** against above special Income

→ Basic Exemption not available against above Income **except 112,112A,111A** in case of resident Individual & HUF.

Concept of Marginal Relief

- Applicable to all Assesseees
- Applicable Where **Surcharge** is Applicable
- This Concept is applicable when Income is Slightly higher than the threshold for Surcharge.
- For Eg:

For Ind/HUF/AOP/BOI/AJP
> 50L, 1Cr, 2Cr, 5Cr

Firm/Local Auth
> 1Cr

Company/Co-op Society
> 1Cr/10Cr

Conclusion of Difference Between Old & New Tax Regime

Old Tax Regime

→ Before FA 2023, It was Default, Now Its Optional.

→ Above 60/80 Years, Benefit of **3L/5L** is available.

→ Max Surcharge applicable is 37% above 5 Cr.

→ Rebate

Limit: 5,00,000

Max Amount: 12,500

New Tax Regime(115BAC)

→ From FA 2023, **Sec 115BAC** is default Tax Regime

→ No Extra Benefit **above 60/80** Years. Tax Rates are same for All.

→ Max Surcharge applicable is 25% above 2 Cr.

→ Rebate

Limit: 7,00,000

Amount: 25,000

Sec 115BAC(1A) - Default Tax Regime

APPLICABLE TO- Individual / HUF (R, NR-Both)

NORMAL SLAB RATES (Optional)	SLAB RATES u/s 115BAC(1A) (Default Tax Scheme)
0 - 2,50,000 - Nil	0 - 3,00,000 Nil
2,50,000 - 5,00,000 - 5%	3,00,001 - 7,00,000 5%
5,00,000 - 10,00,000 - 20%	7,00,001 - 10,00,000 10%
Above 10,00,000 - 30%	10,00,001 - 12,00,000 15%
	12,00,001 - 15,00,000 20%
	15,00,001 & Above 30%
	Note: For Individual above 60/80 yrs of age, same slab rate is applicable.
	Benefit of 3L/5L Not available.

Some Notes for Sec 115BAC

Opt Out Option:

- Assessee not having PQBP Income:

→ Every year, before filing Return, you can choose an option, between Default Tax Regime u/s 115BAC(1A) or Old Slab Rates.

- Assessee having PQBP Income:

If You opt out of 115 BAC, then in subsequent years also,



↳ You have to pay tax at Old Slab Rates

If in any future year, if you opt for 115BAC, then you can not opt out of 115BAC for lifetime.

Other Notes:

→ How will Employer deduct TDS of Employees?

Employee will give declaration to Employer in the beginning of the year.

Declaration given - 115BAC & Return filed - Normal Slab Rates

↳ Is It Possible? → YES

→ Standard Deduction of 75,000 from Salary is allowed u/s 115BAC(1A)

CONDITIONS
BENEFITS / EXEMPTIONS / DEDUCTIONS NOT AVAILABLE u/s 115BAC(1A)

SALARY

HOUSE PROPERTY

PGBP

Sec 10(15) - LTC

Sec 24 - Interest on SOP

Sec 32(i)(iia) - Additional Dep
Sec 35AB, 35ABA - Tea, Coffee, Rubber

Sec 10(13A) - HRA

(30,000 / 2,00,000)

Sec 10(17) - Allowance to MP/ MLA

Donation to Scientific Research

Sec 10(32) - Parents Minor's Income

Exceptions - LOP / DLOP Interest is Allowed

Sec 35(1)(ii) - Institute/ Research Assoc Scientific Research

1,500 p.a.

HP Losses (LOP/ DLOP)

35(1)(iia) - College, Uni → Social/ Statistical Research

Sec 16 - Profession Tax Entertainment allowance

Set Off against Other Head is NOT Allowed

35(ii) - Indian Co. Engaged in R&D

Sec 10(14) - Allowances

35(2AA) - IIT/ National Lab

Exceptions -

10AA - SEZ
35AD - Specified Business
35CCC - Agri Extension Project

- Daily Allowance
- Transport Allowance
- Conveyance Allowance
- Travel on Tour Allowance

Others

Any Deduction u/Chapter VI-A

Exceptions -

- (i) Sec 80JAA
- (ii) Sec 80CCD(2)
- (iii) 80CCH(2)

SEC 115BAA & BAB

Particulars	SEC 115BAA	SEC 115BAB
1) Applicable to	Domestic Companies	New Domestic Manufacturing Companies
2) Set up date	Any time	On or after 01/10/2019 before 31/03/2024
3) Tax Rate	22%	15%
4) Surcharge	10%(mandatory)	10%(mandatory)
5) Effective Tax Rate	25.168%	17.16%
6) Exempt from MAT?	YES	YES
7) Tax Rates for Special Rates Income (111A,112, 112A)	Special Rate + 10% Surcharge + 4% cess	Special Rate + 10% Surcharge + 4% cess
8) Tax Rates for House property & IFOS Income	25.168% (22% + 10% + 4%) (Sec 24 & Sec 57 Dedn allowed)	25.168% (22% + 10% + 4%) (Sec 24 & Sec 57 Dedn not allowed)
9) When option under this section can be exercised?	On or before due date of 139(1) for relevant P.Y. (Can't be withdrawn, once exercised)	On or before due date of 139(1) for First P.Y. (Can't be withdrawn, once exercised)
10) Company cannot claim deduction under chapter VI-A except	80 JJAA 80 LA 80 M	80 JJAA 80M

Space for Notes:

SEC 115BAD & BAE

Particulars	SEC 115BAD	SEC 115BAE
1) Applicable to	Resident Co-operative Societies	Resident Co-operative Societies engaged in Mfg/Generation of Electricity
2) Set up date	Any time	On or after 01/04/2023 before 31/03/2024
3) Tax Rate	22%	15%
4) Surcharge	10%(mandatory)	10%(mandatory)
5) Effective Tax Rate	25.168%	17.16%
6) Exempt from AMT?	YES	YES
7) Tax Rates for Special Rates Income (111A,112, 112A)	Special Rate + 10% Surcharge + 4% cess	Special Rate + 10% Surcharge + 4% cess
8) Tax Rates for House property & IFOS Income	25.168% (22% + 10% + 4%) (Sec 24 & Sec 57 Dedn allowed)	25.168% (22% + 10% + 4%) (Sec 24 & Sec 57 Dedn not allowed)
9) When option under this section can be exercised?	On or before due date of 139(1) for relevant P.Y. (Can't be withdrawn, once exercised)	On or before due date of 139(1) for First P.Y. (Can't be withdrawn, once exercised)
10) Co-op Society can not claim deduction under chapter VI-A except	80 JJAA 80 LA	80 JJAA

Common Deductions under above 4 Sections which the Assesseees can not claim:

- Sec 10AA → SEZ
- Additional Depreciation → Sec 32(1)(iia)
- Sec 32 AD → Investment allowance (not relevant anymore)
- Sec 33AB/33ABA → Tea Coffee Rubber

- Scientific Research → Donation to

35(1)(ii)	Institute, Research Assoc,	<div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 5px;">}</div> <div> Scientific Research Social/ Statistical </div> </div>
35(1)(iia)	College, University	
35(iii)	Indian Co. eng. in R&D	
35 (2AA)	IIT & National laboratory.	

- MAT/AMT is not applicable so MAT/AMT Credit will lapse.
- Sec 35C2AB) → Company engaged in Biotech or Mfg. Business(In-house research) (BAA/BAB)
- Sec 35AD → Specified Business.
- Sec 35CCC Agriculture Extension Project
- Sec 35CCD- Skill Development project(115BAA/BAB)
- No Deduction under chapter VI-A except → check point 10

Tax Rates u/s 115BAB & BAE

Income from Manufacturing	15%
Income from Non- manufacturing Activity	22%
STCG on Depreciable Assets	15%
STCG on Non- depreciable Assets	22%
Special Tax Income	special rates

Some Notes for Sec 115BAB & BAE

- It should be set up on or after 1st Oct 2019(BAB)/1st Apr 2023 (BAE)
- It should have commenced manufacturing on or before 31/03/2024
- It shall not be formed by splitting up a reconstruction of existing business.
- It shall use New Plant & Machinery
 - 20% Old is allowed
 - Imported is considered New
- It shall not use Building which was previously used as Hotel/Convention Centre.
- Businesses which are not considered as manufacturing for 115BAB/BAE:
 - Development of Computer Software
 - Mining
 - Printing of Books
 - Bottling of Gas into Cylinder
 - Conversion of Marble Blocks into Slabs
 - production of Films
- If a Company/Co-operative Society which is engaged in manufacturing(115BAB/BAE) enters into a Specified Domestic Transaction with Enterprises they have close connection with, the AO shall Compute their Income with regards to ALP.
Any Excess Income, computed at price above ALP shall be taxable at 34.32% (30%+10%+4%)

Taxation in the case of Buy Back

IN CASE OF FOREIGN COMPANY	IN CASE OF DOMESTIC CO. (LISTED or UNLISTED) (Upto 30/9/24)
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>In hands of company</p> <p>↓</p> <p>No Tax Treatment</p> </div> <div style="text-align: center;"> <p>In hands of Shareholders</p> <p>↓</p> <p>Sec 46A: Capital Gain is applicable in hands of shareholders</p> </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>In hands of company</p> <p>↓</p> <p>Domestic co. shall pay tax @ 23.296% (20% + 12% + 4%)</p> </div> <div style="text-align: center;"> <p>In hands of Shareholders</p> <p>↓</p> <p>Exempt u/s 10(34A)</p> </div> </div>
<p>FVOC(Buy Back Price) xxx</p> <p>(-) COA/ICOA xxx</p> <p>STCG/LTCG xxx</p>	<p>on distributed Income (Sec 115QA)</p> <p>Distributed Income =</p>
<p>POH = Date of Acquisition to Date of Buy Back</p>	<p>Buyback Price - Issue Price (incl. premium)</p>

Notes:

- Redemption of preference shares → also amounts to Buy Back of Shares
 - Tax on Buyback shall be paid to Govt → within 14 days of Buy Back
 - Sec 115 QB/QC:- Interest @1% pm or part From 15th day Till Actual payment of Tax
- Buy Back is taxable in the hands of Shareholders as Deemed Dividend u/s 2(22)(f) on or after 1.10.24

ANONYMOUS DONATION

Section 115BBC: **Taxable @ 30%**

Whole Anonymous donation is not taxable @ 30%, some amount is deducted from it →

↑ Higher of -

(i) 5% of TOTAL DONATION

(ii) Rs. 1,00,000

→ All donations - Corpus, Anonymous and Government Grant

→ Anonymous donation received by wholly Religious trust - **Not Taxable**

→ The amount which is deducted from anonymous donation → This is added with normal donation - and it is taxed at normal rates.

(Note: Govt Grant is not included in Total Donation as per ICAI, But as per ITR, it is included. So in Exams, try to solve both the alternatives)

Section 115BBI - Tax on Specified Incomes of Trust

Tax Rate - 30%

Deductions Allowed - No Deduction allowed

EXIT TAX

The "Accreted income" of trust registered under section 12AA/12AB/10(23C) shall be taxable at MMR 34.944% (30% + 12% + 4%)

Sec 115JB - Minimum Alternate Tax

Companies have to pay tax at:

- ↑ (i) Tax computed as per Normal provisions of Income tax OR
 ↑ (ii) 15% of Book Profit (MAT)

WHICHEVER IS HIGHER

Note: If Company is located in IFSC, MAT Rate is 9% instead OF 15%.

↳ Income of Co. must be in Convertible Foreign Exchange

→ MAT is Not Applicable to Companies Opting Sec 115BAA & 115BAB

→ Surcharge & Cess is applicable on MAT (Same as Normal Companies) :

TOTAL INCOME	Foreign Co.	Domestic Co.
1 cr < Total Income ≤ 10 cr	2%	7%
Total Income > 10 cr	5%	12%
+ Cess @ 4%		

Sec 115JC - ALTERNATE MINIMUM TAX

→ AMT is applicable to all Assessee except Companies

→ AMT shall not be applicable if ATI is upto 20 lakhs

↳ Individual/HUF/AOP/BOI/AJP

→ If unit is located in IFSC, AMT is applicable at 9% → Instead of 18.5%

→ In Case of Co-operative Society, AMT Applicable @ 15% → Instead of 18.5%

Tax Rates for Investment Fund

Tax Rates for Securitisation Trust

If Investment Fund is:

Company- 25%/30% (Based on Turnover)

Firm → 30%

Others- MMR

Unit Holders → Normal Tax Rates

→ Investment fund has to deduct TDS

u/s 194LBB while paying to Unit Holder:

Resident- 10%

NR/FC- Rate in force

Securitization Trust has to deduct

TDS u/s 194LBC while paying to

Unit Holders:

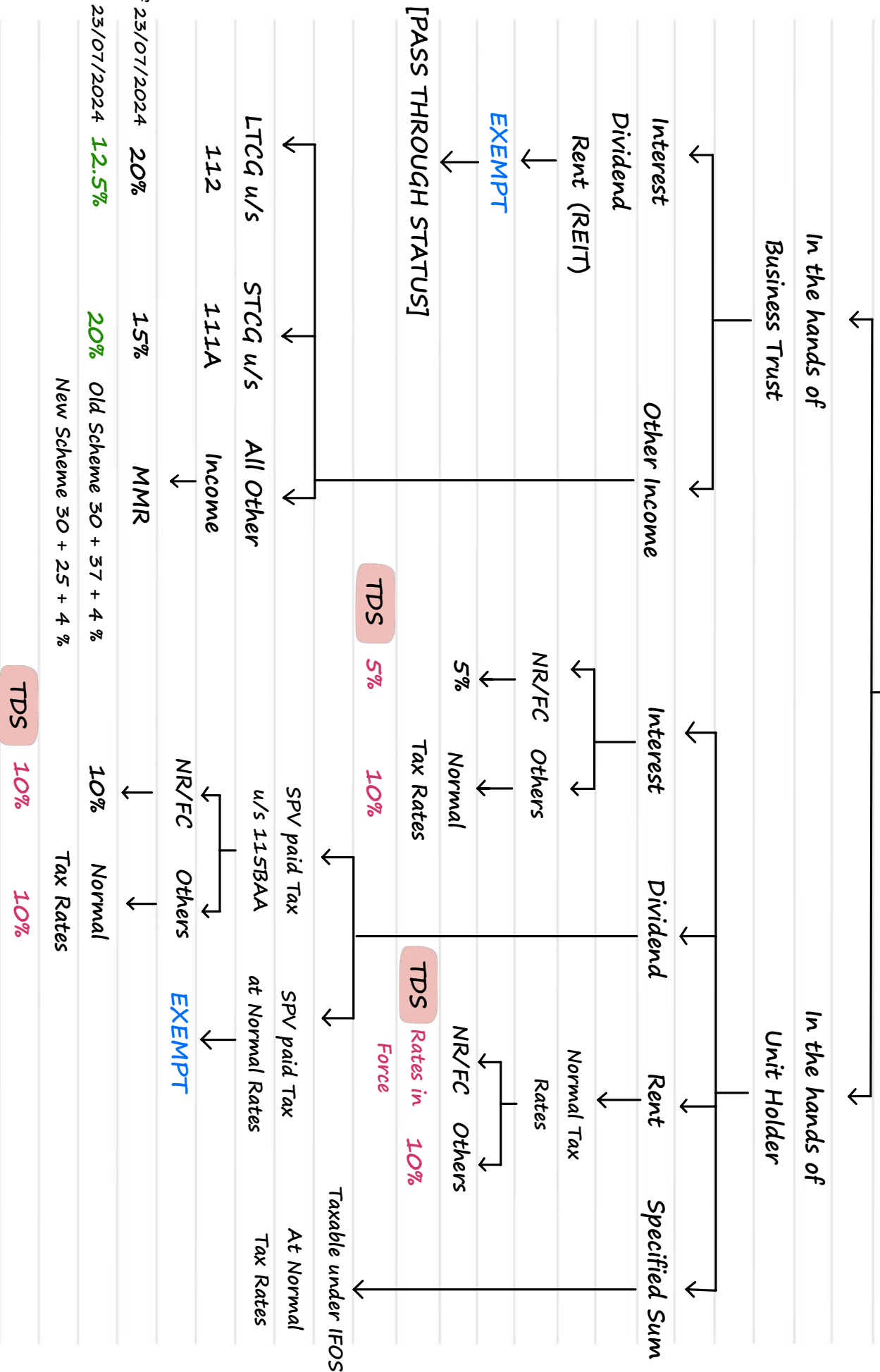
Resident: Ind/HUF - 25%

Others - 30%

NR/FC → Rates in force

Space for Notes

Business Trust
TAXABILITY



on or
Aft 23/07/2024 **12.5%** **20%** **15%** **MMR**

Old Scheme 30 + 37 + 4 %
New Scheme 30 + 25 + 4 %

TDS **10%** **10%**

TONNAGE TAXATION

Sec 115VG - COMPUTATION OF TONNAGE INCOME

Income = Daily Tonnage Income x No. of days ship is operated in a P. Y.



We have to calculate this now.

QUALIFYING SHIP HAVING NET TONNAGE	DAILY TONNAGE INCOME
Tonnage upto 1000	Rs. 70 for each 100 tons
> 1000 upto 10,000	Rs. 700 + Rs. 53 for each 100 tons
> 10,000 upto 25000	Rs. 5470 + Rs. 42 for each 100 tons
> 25000	Rs. 11,770 + Rs. 29 for each 100 tons

Notes:

- Tonnage shall be rounded off to nearest multiple of 100
- Tax Rate will be @ 30% + surcharge + cess (if applicable)
- MAT not applicable
- No Deductions/set off of losses allowed against Tonnage Income.

Tonnage Tax Reserve A/c

→ Minimum 20% of Book Profit shall be transferred to Tonnage Tax Reserve A/c in every P.Y.

→ Reserve Amount should be utilised for

Purchase of ship within 8 years

Business of operating ships

Shortfall in Reserve

Taxable Amount = Relevant Shipping Income \times $\frac{\text{Shortfall}}{\text{Minimum Reserve to be created}}$

Mis-utilization/ Non-Utilization of Reserve

Taxable Amount = Relevant Shipping Income \times $\frac{\text{Amount Mis-utilized/Un-utilized}}{\text{Total Reserve created during Year}}$

TAXATION OF AOP/BOI

(1) When Shares of Members are Known: -

All members having **NTI**
upto **Basic Exemption***

↓
Tax at slab Rate*

One or more members have
NTI > basic exemption

↓
Tax on Entire Income @ **MMR**

→ If Income of any member is taxable at Rate higher than MMR, then:

- His Share of Income will be taxable at Higher Rate
- Balance Income of AOP/BOI will be taxable at MMR

(2) When Shares of Members are UNKNOWN:-

Tax Entire Income @MMR

If Income of One Member is taxable at rate higher than MMR, then whole Income of AOP/BOI will be taxable at such higher rate.

Note: While calculating **NTI** (Net Total Income) of member share from AOP/BOI will not be included.

If AOP/BOI has paid tax at MMR, then share from AOP/BOI will be Exempt in the hands of members

Sec 40 (ba)

Interest, Salary, Bonus/Commission paid by AOP/BOI → shall be disallowed While Computing PGBP Income OF AOP/BOI.

IF AOP/ BOI ← Interest → Members

paid Interest too

↓
Only **Net Interest** paid by AOP/BOI shall be **disallowed**

→ **Loss OF AOP/BOI** shall be **carried/forward** by AOP/BOI only.

Rates of Depreciation

10%	15%	20%	25%	30%	40%
					Elec. Vehicles
Building	Plant & Machinery**, Motor Vehicle(Normal)	SHIPS	Intangible Assets	Motor Vehicle used for Hire	Computer/Laptop Aircraft Books-any Pollution control equipments
Furniture	Oil wells Windmills installed before 1- 4. 14.				Temporary Building Windmills inst. on or after 1.4.14.

****New Pl & Mach installed to mfg any article/ thing using technology/ knowhow developed in OR article/ thing invented in lab owned/ financed by Govt or recognised by Govt — Dep @ 40%**

Notes:

(i) Motor Vehicles:

- Business of running them on hire → 30%
Acquired & put to use between 23/08/19- 31.3.20 → 45%.
- Other Vehicles → 15 %
Acquired & put to use between 23/08/19- 31.3.20 → 30%.

- (ii) Buildings: Residential → 5%
General → 10%
Temporary → 40%.

(iii) Mobile/ EPABx → Not computer - 15%

(iv) UPS/ Printer/Scanner & other Accessories (Computers) - 40%

(v) Plant & machinery



(vi) If Asset is used for less than 180 days → Half Rate depreciation is allowable
→ cut off date:- 03rd October → Asset purchased on or after 4th Oct , half rate of depreciation will be allowable.

VIRTUAL DIGITAL ASSETS

Sec 115BBH - Tax on Income from VDA

Tax Rate : **30%** On Income (Consideration - COA) → [Taxable under Capital Gain]

Applicable on:

- Cryptocurrency
- NFT
- Any Other Digital Asset notified by Govt.

Not Applicable on:

- Gift Card, Discount Vouchers eg: paytm gift card, amazon gift card etc.
- Reward Points, loyalty points redeemable on next purchase eg: Big Bazaar cards, lifestyle cards, pantaloons card.
- Subscription eg: Amazon Prime, Netflix
- NFT whose transfer results in transfer of underlying Tangible Assets

Deduction, Losses Allow-ability :

Expenses: **No Deduction Allowed**

Losses: **No Setoff** against any Income or Carry Forward allowed for such losses

Note: VDA can be a Capital Asset or not, but its transfer will always be Taxable.
Sec 56(2)(X) is also applicable on Gifting of VDA.

Sec 194S - TDS on Payment on Transfer of VDA

TDS Rate: **1%** of Consideration

Time Of Deduction: Payment or Credit w.e. is earlier

TDS Deduction Limit: TDS not applicable upto

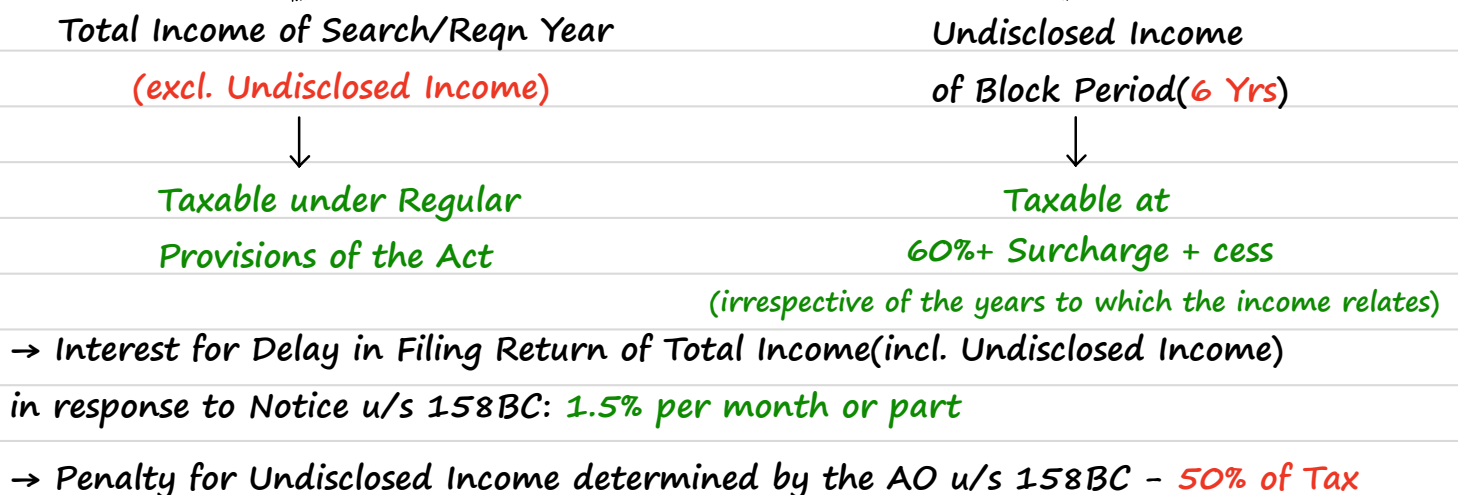
50,000	10,000
(1) Ind/HUF who have No PGBP Income or (2) Ind/HUF whose last year T/O \leq 1 cr in case of Business G/R \leq 50 lacs in case of profession.	All Others
TDS Remittance Date: 30 days from end of month of deduction In form 26QE	7th of Next Month

234A	234B	234C
Interest for delayed filing of Return	Interest for non/short payment of advance tax	Interest on delay in Instalments
Tax as per ROI [after adj. of TDS, TCS, adv tax etc]	Adv. Tax Short paid/not paid	Deferred Amount
x	x	x
1% per month or part	1% per month or part	1% per month or part
x	x	x
From due date u/s 139(1) to actual date of filing return	From 1st April of A.Y to Date of Assessment u/s 143(1)/143(3)	month 15/06 15% 3M 15/09 45% 3M 15/12 75% 3M 15/03 100% 1M

Note: 1) No Interest u/s 234C if Assessee paid 12% & 36% in 1st & 2nd Instalments Respectively.
2) No Interest u/s 234B if Assessee paid upto 90% or more of Advance Tax.

BLOCK ASSESSMENT

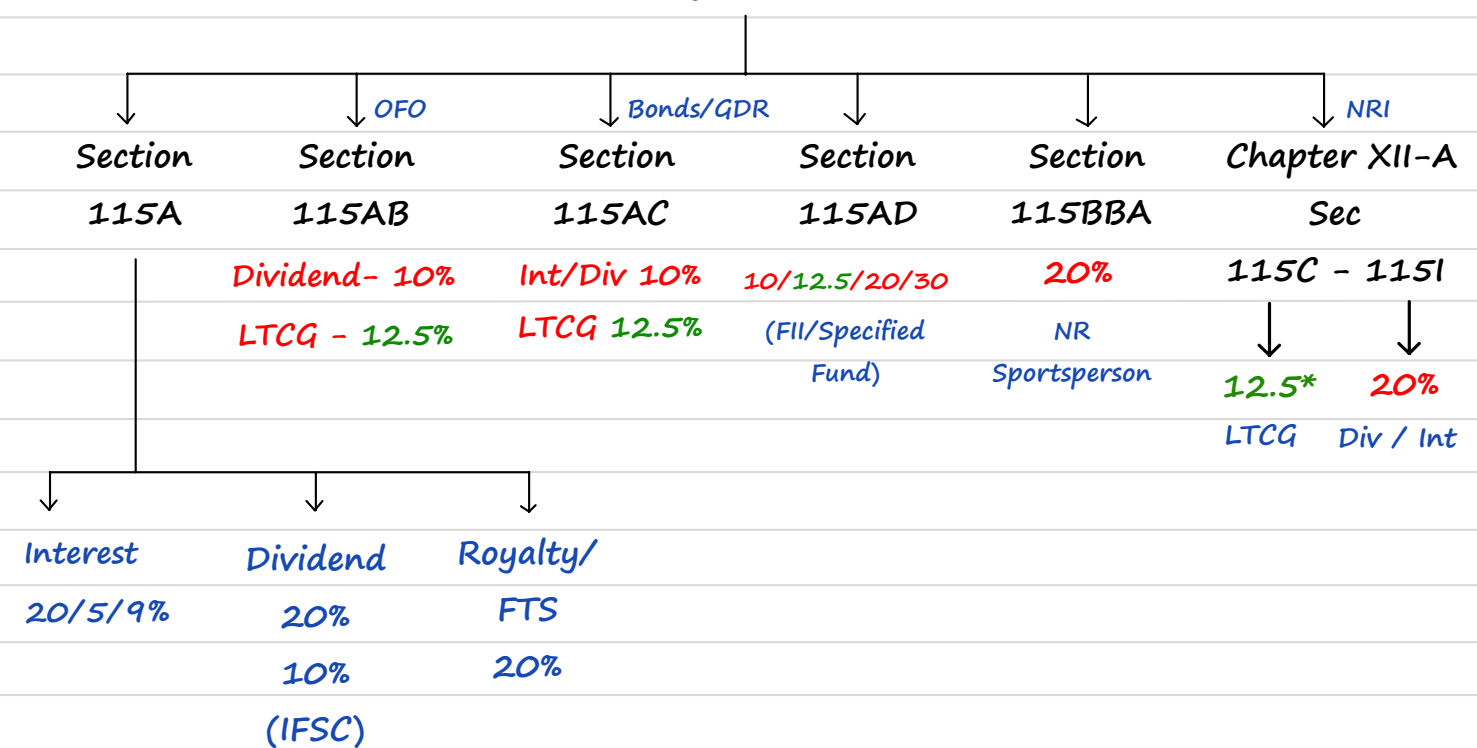
Assessment of Income & Tax Calculation:



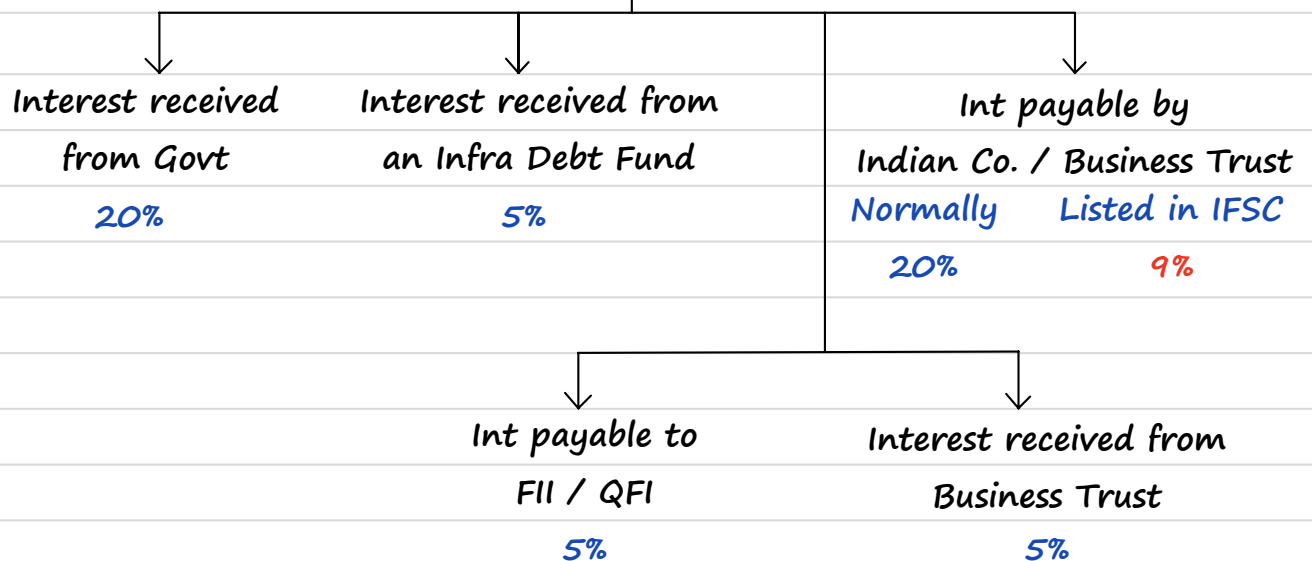
ALL NR TAX RATES

SabkarLenge

Things to study



Sec 115A Interest



Sec 115A - Tax on Dividends & Income received on Units in case of NR/FC

Rate of tax on Dividend Income - 20% or DTAA w.e. is lower

if recd from unit in IFSC u/s 80LA(1A) - 10%

Sec 115A - Tax on Royalty and FTS in case of NR/FC

Rate of tax - 20% or rate as per DTAA, whichever is lower

Sec 115A → Tax on Interest in case of NR/FC

Particulars	Rate of Tax
(I) Interest Recieved from Indian Government or Indian concern other than II,III,IV,V below [Money Borrowed in foreign Currency]	20%
(II) Interest recieved u/s 194LB from an Infrastructure Debt fund referred in sec 10(47) [No condition of Investment in Foreign Currency]	5%
(III) Interest payable by Indian Company or Business Trust on:- → Loan Agreement, Rupee Denominated Bonds. Any other long term Bond (5% for security issued before 30.6.23) → When any RDB or Other long term Bond is listed only on recognised Stock exchange in IFSC [Money Borrowed in foreign Currency]	20% 9%
(IV) Interest Payable to Foreign Institutional Investor or Qualified Foreign Investor for Investment in: • RDB of Indian Co. • Govt. Security • Municipal Debt Security [No condition of Investment in Foreign Currency]	5%(upto 30.6.23) 20% After that
(V) Distributed Income in the nature of Interest from SPV recieved from Business Trust [No condition of Investment in Foreign Currency]	5%

Notes:

(1) As per sec 10(15), Interest payable to NR/FC by a unit in IFSC on moneys borrowed by it on or after 1.9.2019 is completely **EXEMPT FROM TAX**.

(2) As per section 10(4C) , Interest on RDB issued by Indian co. or Business Trust during the period 17.9.2018 - 31.3.2019 is completely **EXEMPT FROM TAX**.

Space for Notes

115A : INTEREST RATES FOR NR

Securities/loan issued	upto 30.6.23	after 30.6.23
Indian co./Bus. Trust(194LC)	5%/4%(IFSC)	20%/9%(IFSC)
FII/QFI(194LD)	5%	20%

Some Important Notes on Sec 115A

(Common for Interest, Royalty, FTS, Dividend)

1) The assessee is not required to file ROI if:-

- Total Income consists only of Income u/s 115A
- TDS has been deducted at rate not less than u/s 115A.

(2) No deduction of any expenditure us 28-44C & sec 57 is deductible while computing above Income.

(3) Deduction under chapter VI-A is not allowed on above Income.

Exception:

But deduction u/s 80LA shall be available to the unit of NR/FC located in an IFSC.
→ Dividend & Interest recieved by that unit will be allowed as deduction u/s 80LA.

[Sec 80LA- Deduction is allowed on profits of 10 A.Y.s out of Block of 15 A.Y.s, which means 100% deduction will be available on dividend & Interest Income.]

- (4) Unabsorbed Depreciation can't be set off against above Income - current as well as Brought Forward.
- (5) Set-off & carry forward of losses is Allowed against above Income.
- (6) Deduction of payment is allowed to the payer only if TDS is deducted and paid, otherwise disallowance u/s 40(a)(i) will be attracted.
- (7) Special Rate is applicable to above Income only, Other Income is taxable at Normal Tax Rates.

Sec 44DA - Special Provisions for computing Income by way of Royalties, FTS in case of NR/FC

Taxability of Royalty & FTS in hands of NR/FC

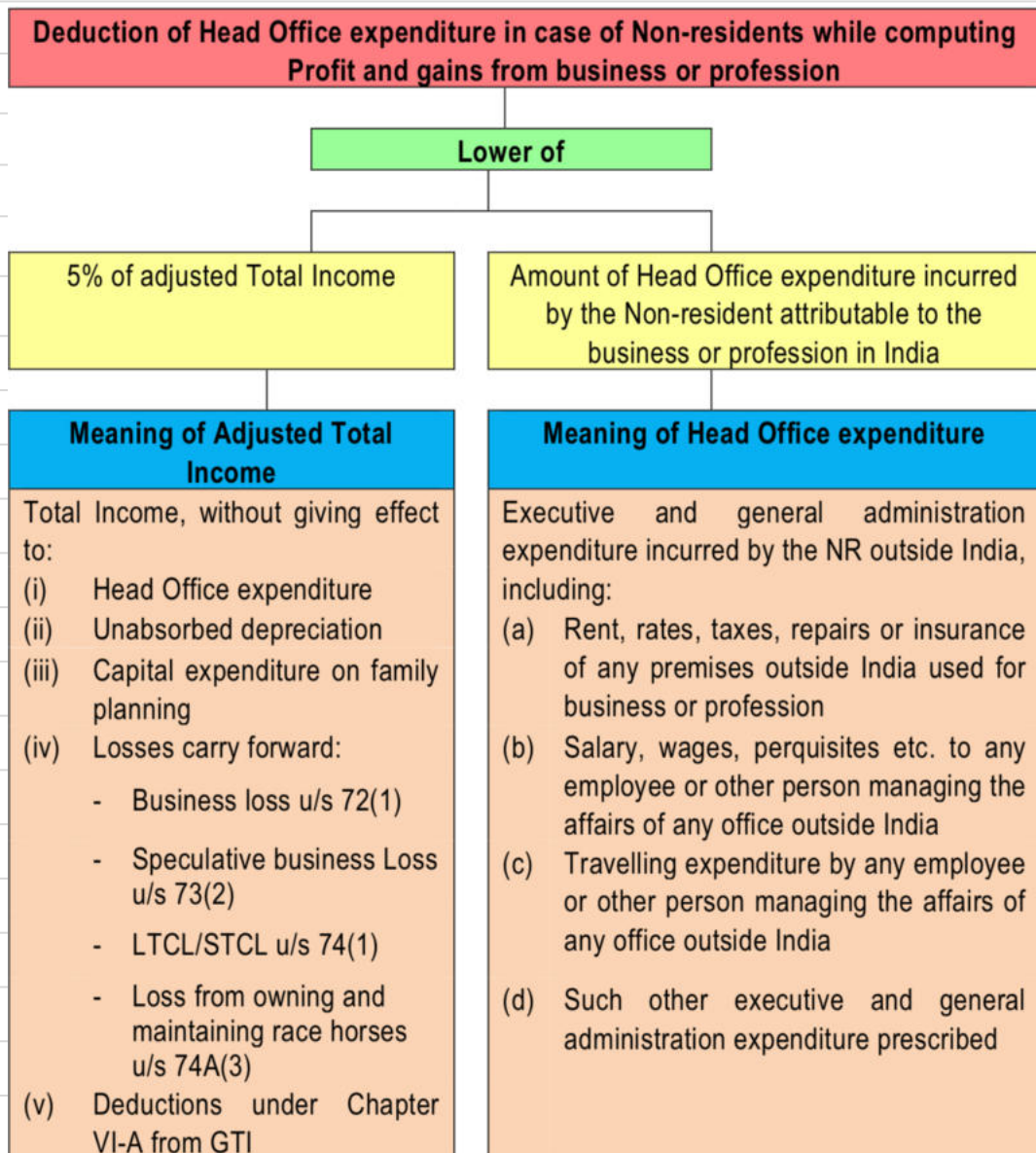
Sec 115A	Sec 44DA
where NR/FC does not have any PE or fixed place of Business or profession in India.	Where NR/FC has PE in India or performs professional services through a fixed place in India & Royalty-FTS is effectively connected with such PE.
Tax Rate:- 20% + surcharge (2% or 5%)+ cess 4%	Tax Rate:- Normal Tax Rates Foreign Co. 35% Foreign Firm 30%
→ No need to maintain BoA & documents. → No Audit requirement	Compulsory maintenance of BoA & other Documents. Compulsory Audit requirement.
→ Deduction under chapter VI-A allowed. (Only SOG, GGB, GGC)	Deduction under chapter VI-A allowed.
→ Losses of Other Business in India can be set-off	Losses of Other Business in India can be set-off
→ No deduction of Expenses is allowed while computing such Income.	All expenses will be allowed as deduction while computing Income under PGBP.

No deduction shall be allowed:

- For any expenditure which is not wholly & exclusively incurred for business of such PE or fixed place.
- For any amount paid by PE to its head office or other offices

Note: Deduction shall be allowed for reimbursement of Actual Expenses incurred by HO or other offices if such expenses are incurred for such PE in India.

Sec 44C - Deduction in case of Head office Expenses in Case of Non - Resident.



In Case of Loss, ATI = Avg. of Preceeding 3 Years ATI

NR - SPECIAL RATES OF TAX

	Sec 115AB	Sec 115AC	Sec 115AD
1) Applicable to:	Overseas Financial Organisation	Non- Resident incl. Foreign co.	Foreign Institutional Investor or specified Fund
2) Applicable on:	Units of UTI & Mutual fund acquired in Foreign Currency	Bonds of Indian co. or GDR acquired in Foreign Currency.	Securities Other than Units of UTI & Mutual fund.
3) Tax Rates:	LTCG → 12.5%* Dividend → 10% (*LTCG - 10% before 23.7.24)	LTCG → 12.5%* Dividends → 10% Interest → 10% (*LTCG - 10% before 23.7.24)	LTCG - 10% STCG - 30% Interest & Dividend: FII → 20% Specified fund → 10% LTCG u/s 112A: 12.5% in excess of ₹ 1.25 Lakh* STCG u/s 111A: - 20%*
4) TDS	12.5% on LTCG & 10% on Dividend (Sec 196B)	12.5% on LTCG & 10% on Dividend & Interest (Sec 196C)	Interest & Dividend: FII → 20% Specified Fund → 10%

Notes on Sec 115AD:-

Specified fund means:

- A fund which is registered as Category III Alternative Investment Fund regulated by SEBI.
- which is located in any IFSC
- of which all the units are held by non-residents other than units held by sponsor or manager.

→ In case of Specified fund, the provisions of this section shall apply to the extent of Income that is attributable to the units held by NR. (not being PE of NR in India)

→ Higher Surcharge of 25%, 37% will not apply in case if NR is a foreign fund in case of dividend, capital Gain u/s 111A, 112A & 112.

Sec 115BBA - Income of NR Sportsperson, Sports Association & Entertainer

Tax Rate - 20%

→ TDS u/s 194E

a) A Sportsman - Non-Resident & not a citizen of India Any Income received or receivable by way of:

- Participation in India in any game (other than sec 115BB)
- Advertisement
- Contribution to articles for any game in India in newspapers, magazines or Journals.

b) A NR Sports Association or Institution

Any amount paid or payable to such association or institution in relation to any sports (other than sec 115BB)

c) An Entertainer - Non-Resident & not a citizen of India.

Any Income received or receivable from his performance in India.

Note:- Umpire or Referee does not come under this section.

Some Common points about Sec 115A, 115BBA, 115 AB, 115 AC and 115AD

- Sec 28 to 44C & section 57 not available.
- Chapter VI-A deductions not available.
- Indexation benefit not available.
- Other Income Taxable at Normal Tax Rates
- Benefit of Basic Exemption limit not available.
- These provisions are mandatory.

Special Provisions for NRI → Chapter XII-A

Section 115C

NRI means - NR + Indian Citizen / Person of Indian Origin

Foreign Exchange Assets- Any of the following assets purchased in **Convertible**

Foreign Exchange:

- Shares of Indian Company - **Private or Public.**
- Debentures of Public Ltd. Indian Co.
- Deposits of Public Ltd. Indian Co
- Government Securities.

LTCG - **LTCG** from foreign Exchange Assets

Investment Income: **Dividend and Interest** from Foreign Exchange Assets.

Section 115E

Tax Rates

- LTCG - **12.5%** (10% upto 22/7/2024)
- Investment Income- **20%**
- Other Income - **Normal Tax Rates**

Presumptive Taxation for Non-Residents

44B	44BBA	44BBC	44BB	44BBB
Shipping Business	Operation of Aircraft	Operation of Aircraft	Services for prospecting/ extraction/production of mineral oils	services for Turnkey Projects.
7.5% of	5% of	20% of	10% of	10% of
1) Freight(Money) received in India- Irrespective of from where goods/passenger is loaded.		Freight charged/ recieved from passengers	Gross Amt. recieved or recievable in India for Services.	Amount recieved or recievable for Such services
2) Freight on Goods/Passengers loaded from India- Irrespective of where money is received				
<ul style="list-style-type: none"> • No Expenses Allowed (All 5 Sections) • Freight Includes Demurrage & handling Charges Also 			No set off of unabsorbed depreciation and brought forward loss is allowed u/s 44BB/44BBB.	

Interest rate to be charged if excess money not repatriated:

- (i) Where the international transaction is denominated in Indian rupee:
At the one year marginal cost of fund lending rate of SBI as on 1st April of the relevant P.Y. + 3.25%
- (ii) Where the international transaction is denominated in foreign currency:
At six month London Interbank Offered Rate (LIBOR) as on 30th September of the relevant P.Y. + 3.00%

Sec 92BA - Specified Domestic Transaction

Any of the following transactions where the aggregate value of such transactions in the PY > ₹ 20 Crore

Transfer Pricing - Secondary Adjustment

- Such secondary adjustment, however, shall not be carried out if, the amount of primary adjustment made in any P.Y is upto Rs. 1 crore or the primary adjustment is made for A.Y.2016-17 or an earlier assessment year.
- If Option 1 & Option 2 is not opted, and AE doesn't repatriate the excess money, the assessee can pay additional tax at 18% +12% surc.+4% cess effectively 20.9664%

Section 94A- Notified Jurisdictional Area

Section 94A allows the Indian Government to notify the non-cooperative countries or islands, i.e. those locales that abstain from sharing information, as Notified Jurisdictional Area (NJA)

- All parties → Deemed to be Associated Enterprises.
- All Transactions → Deemed to be an International Transaction
- All provisions of Transfer Pricing shall apply except variance of 1%/3%.
- Payment to any person in NJA → TDS rate will be 30%
- If Assessee receives any funds from a person located in NJA, then assessee have to offer explanation about the source of funds in the hands of that person.
↳ If Assessee does not give satisfactory explanation, then that funds will be taxable as Income in the hands of the assessee.

Sec 94B - Excess Interest

BEPS Action Plan 4 suggests → For Removal of Thin Capitalization → That's why Sec 94B was introduced.

- Applicable to **Indian Co. or PE of Foreign Co. in India.**
- Enterprise who takes loan from NR-AE who pays Interest more than **1 crore**
- Interest allowed → **30% of EBITDA**

Excess Interest:-

- i. **Total Interest - 30% of EBITDA**
 - ii. **Interest paid to AE**
- } w.e. is lower

Excess Interest can be c/f for **8 years**

- Where the debt is issued by a Unrelated lender (**not AE**) but an AE either:
 - a) provides an implicit or explicit **guarantee** to such lender or
 - b) **deposits** a corresponding and **matching amount** of funds with the lender, such debt shall be deemed to have been issued by an associated enterprise.

TDS

SECTION	RATES	LIMITS/ CONDITIONS
Sec 192	Slab Rates	TDS deducted at the time of payment
Salary		The amount of TDS/TCS already deducted/collected shall be reduced from salary while deducting TDS.
192A	10%	Service < 5 yrs & Amt ≥ 50K - TDS Applicable
PF Accumulated Balance	NO PAN - 20%	Service ≥ 5 yrs - NO TDS
194I	P&M - 2%	NO TDS If Aggregate Rent is upto Rs. 2,40,000
Rent	BUILDING - 10%	TDS is applicable on Non-refundable Deposits
Rent kaun deta hai? - Main		
194C	Ind/HUF - 1%	NO TDS if:
C- Contractor	Others - 2%	<ul style="list-style-type: none"> Single Payment is upto Rs. 30,000 Aggregate amt. during F. Y. is upto 1lac Contract is for Personal Purpose of Ind/HUF
194J - JANHIT	Operation of	• NO TDS if
Professional Fees	Call Centre - 2%	<div style="display: flex; align-items: center;"> <div style="text-align: center;"> <p>↓</p> <p>Fees for professional services</p> </div> <div style="text-align: center;"> <p>↓</p> <p>FTS</p> </div> <div style="text-align: center;"> <p>↓</p> <p>Royalty</p> </div> <div style="text-align: center;"> <p>↓</p> <p>Non compete Fees</p> </div> <div style="margin-left: 20px;"> <p>≤ 30,000</p> </div> </div>
	Others - 10%	The Limit of 30,000 is for each payment
	<div style="text-align: center;"> <p>FTS</p> <p>↓</p> <p>Being a Professional service 10%</p> <p style="margin-left: 100px;">Others 2%</p> </div>	• Commission/sitting Fees Paid to Non-Executive/Independent Directors.
	<div style="text-align: center;"> <p>ROYALTY</p> <p>↓</p> <p>Sale, Distribution of films 2%</p> <p style="margin-left: 100px;">Others 10%</p> </div>	↳ No Threshold limit
		• No TDS on personal payments by Ind/HUF for FPS
194H- Hafta.	5% (5 takka)	NO TDS if Amt is upto Rs. 15000.
Commission/ Brokerage	2%	NO TDS on Underwriting Commission or brokerage on Public issue
	(From 1/10/2024)	

194M- Man Se	5%	KAUN KAATEGA - Individual/HUF
Payment of	2%	not covered in 194C, 194J, 194H
• Contract	(From	KISKA KATEGA - Any Resident Person
• Professional fees	1/10/2024)	LIMIT- Agg. Amt. > Rs. 50 lakh
• Commission/Brokerage		Paid in the PY
Sec 194G- Gamble	5%	NO TDS if Amt is upto Rs. 15,000.
Lottery sale	2%	If Lottery seller wins lottery on unsold tickets,
Commission	(From 1/10/2024)	it will be taxable@30%
194D	5%	NO TDS if Amt is upto Rs. 15000.
Insurance Commission		
194B- Lottery, Puzzles	30%	• NO TDS if Amt/Aggregate Amt is upto RS. 10,000
↳ Badi lottery		• Deducted at the time of payment only
194BB - Horse Race		• If winning is in kind, the payer shall release
↳ Bhag Bhag		winnings only after ensuring that TDS is paid to Govt
194E → Payment to NR Sportsman, Association, ENTERTAINER	20% + cess 4% (effectively 20.8%)	Sportsperson & Entertainer shall be NR+ Non-Citizen Refer Sec 115 BBA in NR chapter.
Sec 195 Payment made to NR or Foreign co.	Rate in Force ↓ (given in finance act every year)	→ TDS only applicable if amt. recd. by NR or foreign Co. is taxable in India. → If Rates given in DTAA are lower, then those Rates will apply.
194 TDS on Dividend	10% Kaun kaataga- Domestic Company Kiska Katega - Any Resident Person	Deducted at the time of payment only Payment made by ↓ Cash No limit Any other Mode No TDS upto Rs. 5000

193 Interest on Securities	10%	No TDS: Int payable on CG or SG Securities Int paid to LIC, GIC Int Payable by SPV to Business Trust
194A- <i>Alag wala Interest</i> Interest other than Int. on securities	10%	LIMIT for Int paid by: -Banks/co-op bank/ Post off. - Rs. 40,000 -Others 5000 <i>50,000 for senior citizens</i>
194DA Maturity Proceeds of LIP DA- DAULAT	5% (After 1/9/2019) 2% (From 1/10/2024)	On Income Component (Maturity less premium paid) NO TDS if:- • If amount <i>less than Rs. 1,00,000</i> • If Sum is Recd. on death of Insured. • If Maturity exempt u/s 10(10D)
194IA Sale of Immovable Property <i>If there are more than one transferor/transferee, Amt shall be aggregated for TDS</i>	1% of Sale Price Or SDV w.e. is higher	• No TDS on Rural Agri land • Consideration or SDV < 50L → NO TDS <i>↳ TDS on 50 lacs or more</i> • Consideration includes maintenance fees, parking fees & all other similar charges
194IB TDS on Rent of Immovable Property	5% 2% (From 1/10/2024) NO PAN - 20%	• NO TDS IF RENT per month is upto <i>Rs. 50,000</i> • Deducted at the time of payment/credit of rent of last month w.e. earlier • Deduction <i>not to exceed Rent for Last month</i>
194 IC - Indira Colony. Consideration for agreement as per Sec 45(5A) ↳ Joint development Agreement	10%	IF CONSIDERATION IN KIND → NO TDS

194 LA Compulsory Acq of Immovable Property	10% of Sale Price	Amount upto Rs. 2,50,000 → NO TDS Rural or Urban Agri land-NO TDS
194K TDS on Income in respect of units.	10% KAUN KAATEGA - UTI/MF KISKA KATEGA- Resident person	NO TDS if payment is upto Rs. 5000 in a PY
194LB TDs on Interest on Infrastructure Debt fund	5%	KAUN KAATEGA - Inf. Debt Fund KISKA KATEGA - NR/FC.
194N- Nahi Denge TDS on Cash withdrawals in excess of Rs. 1 crore When Recipient is a Co-operative Society, Limit of Rs. 3 Crores is applicable.	When limit is 1cr/3cr: Rate- 2% When limit is 20 lacs: 20 lakhs to 1cr/3cr - 2% Above 1cr/3cr -5%	→ TDS only applicable on excess amount over and above limit. Eg- withdrawal 1.20 cr/3.2 cr TDS applicable on 0.20 Cr only. Limit will be checked separately for different banks → If assessee has not filed ROI for all 3 preceding PYs for which Due Date u/s 139(1) is expired, Limit will be Rs. 20 lakhs
194O TDS on payment by E-commerce Operator	1% on Gross Amt. KAUN KAATEGA- E-Commerce operator KISKA KATEGA - E-Commerce participant (resident person) Sec 206AA If No PAN- 5% 0.1% (From 1/10/2024)	NO TDS if all the following conditions are satisfied: i) E- comm. participants Ind/HUF ii) Gross amount of Sale/Services during P.Y. is upto Rs. 5 lakh iii) PAN or aadhaar furnished.

194P ↓ Pari Pauna TDS by Bank in case of Senior Citizen	TDS rate - Slab Rate Payer-Specified Bank Payee- Individual Resident aged 75 yrs or more	Section only applicable if Senior citizen has ONLY: Pension Income Interest in any Account in which he receives pension That A/c should be with the same Bank only. The payee is not reqd to file ROI.
194Q Purchase of Goods of more than Rs. 50 lakhs during P.Y.	Rate- 0.1% NO PAN- 5% Kaun Kaatega: Any Buyer whose last year T/O > Rs. 10 crore Kiska Katega: Seller	→ Only applicable on excess amount over 50 lakhs, not whole amount. → TDS under this section not applicable if: TDS already deducted under any other section eg. 1940 TCS already collected u/s 206C(1H)

Notes:

- Where both 194Q & 206C (1H) applies, TDS has to be deducted u/s 194Q
- Where TDS u/s 194Q & TCS u/s 206C(1)/(1F)/(1G) applies, TCS has to be collected under above sections.
- TDS u/s 194Q, 1940, 206C(1H) not applicable on securities transactions through RSE.
- TDS u/s 194Q not applicable on GST/VAT/Excise component. But It will be applicable on whole amount of any Advance payment.
- If Buyer is NR- 194Q not applicable
If Seller is NR - 206C(1H) not applicable } But it will be applicable if NR has PE in India
- For 1st Year of Business, TDS u/s 194Q not applicable since last year T/O is zero.
- If Whole Income of Seller is Exempt- 194Q not applicable
If Whole Income of Buyer is Exempt - 206C(1H) not applicable
- For Sec 194Q, Dept. of CG/SG can become buyer, but they can not be seller

<p>Sec 194R Added by F.A. 22 w.e.f. 1/7/22 Any Benefit or Perquisite, whether converted into money or not, arising from Business or Profession</p>	<p>Rate- 10%</p>	<p>Payer - HIJACR Assessee Payee- Any Resident Person NO TDS If: Amt of benefit/perq provided to a person is upto Rs. 20,000 in a P.Y. If Gift is in kind, payer has to ensure that TDS has been deducted & paid to the govt. in respect of such benefit.</p>
<p>Sec 194BA Added by F.A. 23 Net Winnings from Online Gaming</p>	<p>Rate- 30%</p>	<p>At the time of: - Withdrawal - Amt. Remaining in A/c at end of F.Y. If winnings is in kind or partly kind, the payer shall release winnings only after deducting tax</p>

To whom HIJACR are applicable?

HIJACR → (1) Assessee other than Individual/HUF



(2) Ind/HUF whose last year T/O > 1 crore in case of Business

G/R > 50 lacs in case of profession.

Master Chart for Remembering all limits

→ NO TDS if amount is upto Limit
 ↳ No TDS If Amounts ≤ Threshold limit

Which means TDS is only applicable if Amount paid is more than the threshold Limit



All Other sections

→ TDS is applicable starting from this Amt.

Sec 194IA → TDS applicable if Amt is 50 lakhs or more

→ NO TDS till Rs. 49,99,999

Sec 194DA → TDS applicable if

Amt is 1,00,000 or more

→ No TDS till Rs. 99,999

Sec 192A → TDS applicable if

Amt is Rs. 50,000 or more

→ No TDS till Rs. 49,999.

TCS

Sec 206C(1)

(a) Alcoholic liquor for human consumption	1%
(b) Tendu leaves	5%
(c) Timber obtained under a forest lease	2.5%
(d) Timber obtained by any mode other than (c)	2.5%
(e) Any other forest produce not being timber or tendu leaves.	2.5%
(f) Scrap	1%
(g) Minerals, being coal or lignite or iron ore	1%

Note : No TCS shall be collected if Resident Buyer gives declaration that above goods are to be utilised for the purpose of → manufacturing, processing or producing articles or things or for generation of power and **not for trading purposes**,
But Still Buyer have to deduct TDS u/s 194Q if conditions apply.

Sec 206C(1C) : Lease or a licence of parking lot, toll plaza or mine or a quarry

TCS Rate - 2%.

TCS shall be collected by every person who grants a lease or a licence or enters into a contract or otherwise transfers any right or interest in any -

- parking lot or
- toll plaza or
- a mine or a quarry

to another person (**other than a public sector company**) for the use of such parking lot or toll plaza or mine or quarry for the purposes of business.

Note - Mining and quarrying **excludes mining and quarrying of mineral oil i.e. mining and quarrying of petroleum and natural gas.**

Sec 206C(1F): Sale of motor vehicle **or other notified goods** of value exceeding **10 lakhs** TCS shall be collected by seller, on sale of a motor vehicle **or other notified goods (luxury goods w.e.f 01.01.2025)** of the value > **Rs. 10 lakhs**, from the buyer @**1%** of the sale consideration.

Note: TCS under this section is not applicable when Manufacturer sells cars to the dealers. Only applicable on Retail Sale

→ Limit of Rs. 10 Lacs has to be checked at **each purchase**, not on aggregate sale made during the P.Y.

↪ If individual sale is less than 10 lacs, Applicability of 206C(1H) has to be checked.

Sec 206C(1G) - TCS on Remittance outside India OR Sale of Tour Package

As per section 206C(1G), every person,

- being an **authorized dealer**, who receives amount, under the LRS of the RBI, for remittance from a buyer, being a person remitting such amount;
- being a **seller of an overseas tour programme package**, who receives any amount from the buyer who purchases the package.

is required to **collect TCS on such amount received from the buyer.**

TCS Rates

Remittance for the Purpose of:

(i) Education or Medical Purpose

Upto 7 Lacs - **No TCS**

Amt or Agg. Amt > 7 Lakhs - **5%**

(ii) For Education Purpose, if remitted
amt is Obtained by Loan from FI

Upto 7 Lacs - **No TCS**

Amt or Agg. Amt > 7 Lakhs - **0.5%**

Remittances affected by Amendment

(iii) Remittances for purposes

other than mentioned in (i) & (ii)

Upto 7 Lacs - **No TCS**

[i.e. Other than Medical or Educational]

Amt or Agg. Amt > 7 Lakhs: **20%**

(iv) For Overseas Tour Program Package

Upto 7 Lacs - **5%**

Above 7 Lacs - **20%**

Note: But TCS u/s 206C(1G) is not applicable to a Non-Resident who has visited India during the P.Y.

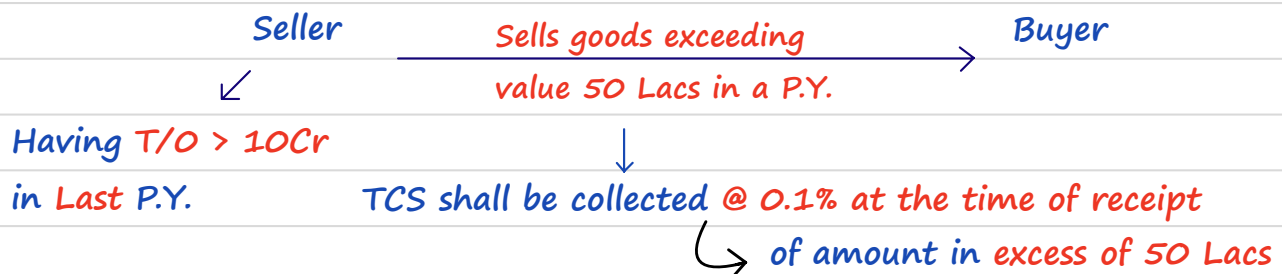
So Basically:

	Education or Medical	Education Loan	Other Purpose	Overseas Tour
Upto 7 Lacs	0%	0%	0%	5%
Amt > 7 Lacs	5%	0.5%	20%	20%

GUIDELINES:

- No TCS on expenditure through **International Credit Card** while being overseas.
- Threshold of ₹ 7 lakhs is **combined threshold** for TCS on LRS
 [Eg: Education+Medical + Other Purpose, their combined Limit is 7 Lacs]
- Limit of 7 Lacs will applies for the full F.Y. Amount will be counted for whole F.Y even if amendment is made effective later
- Threshold of ₹ 7 lakhs for LRS is counted remitter wise and not authorised dealer wise (Details be submitted through undertaking by remitter & TCS accordingly)
- To qualify as '**overseas tour program package**', the package should include at least Two of the followings:
 - international travel ticket,
 - hotel accommodation (with or without food)/ boarding /lodging,
 - any other expenditure of similar nature or in relation thereto.

Sec 206C(1H) Sale of goods of value **exceeding 50 lakh**



- TCS is not required to be collected under this section if already collected u/s 206C(1)/(1F)/(1G) or if Goods are exported.
- Where both 194Q & 206C (1H) applies, TDS has to be deducted u/s 194Q
- TCS u/s 206C(1H) shall be calculated on whole amount including GST.
- If Collectee did not provide PAN, TCS shall be collected @ 1%
- In case of Sale of Fuel to NR Airlines, TCS u/s 206C(1H) not applicable

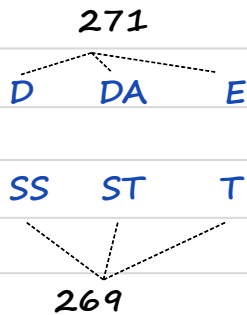
PENALTIES

SabkarLenge

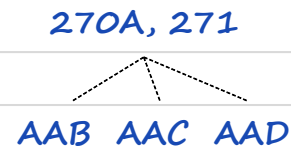
Tax Audit
271A, 271B,
221(1)

Transfer pricing
271AA, 271BA,

Cash loan/Advance



Under-reporting/Undisclosed



SFT
271FA, 271FAA

1) Cash Loan & Advances

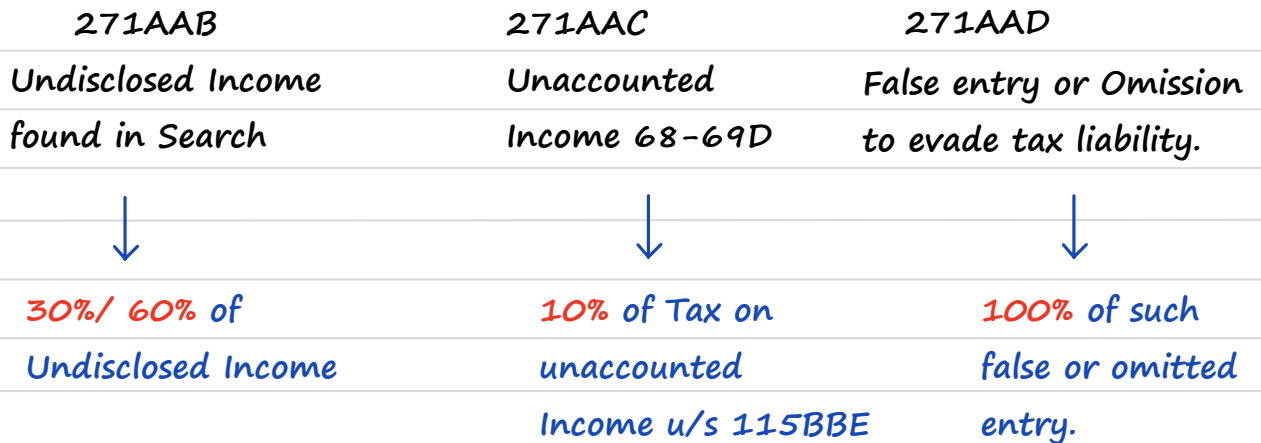
	loan or deposit taken	Any Transaction received	loan/deposit paid
269	SS ↓ 20,000	ST ↓ 2,00,000	T ↑ 20,000
271 Penalty	D 100% of amount of loan	DA 100% of amount received	E 100% of amount of loan

2) Under reporting/ Undisclosed

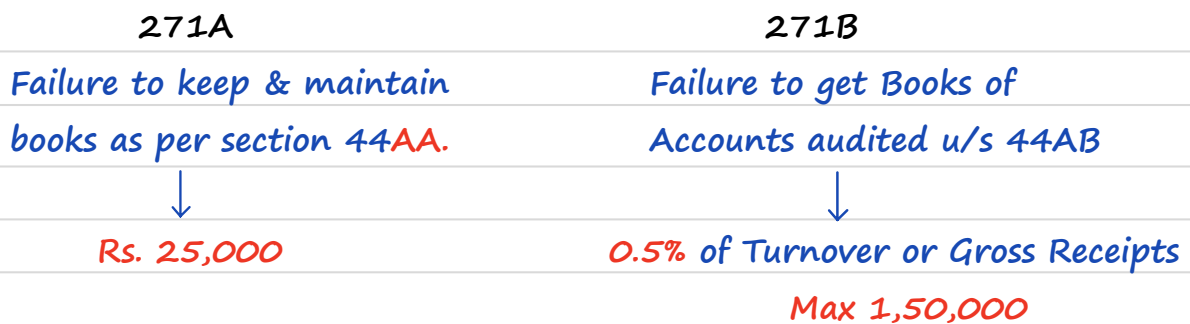
270 A - Under-reporting/ Mis-reporting of Income

Penalty	50% of Tax on URI	200% of Tax on URI
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271AA



(3) Tax Audit

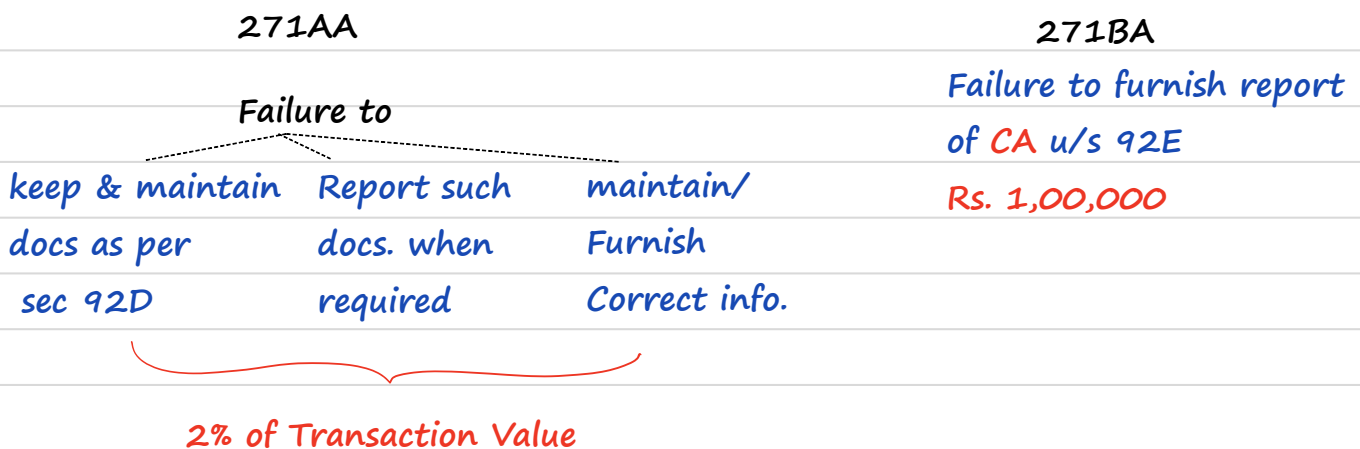


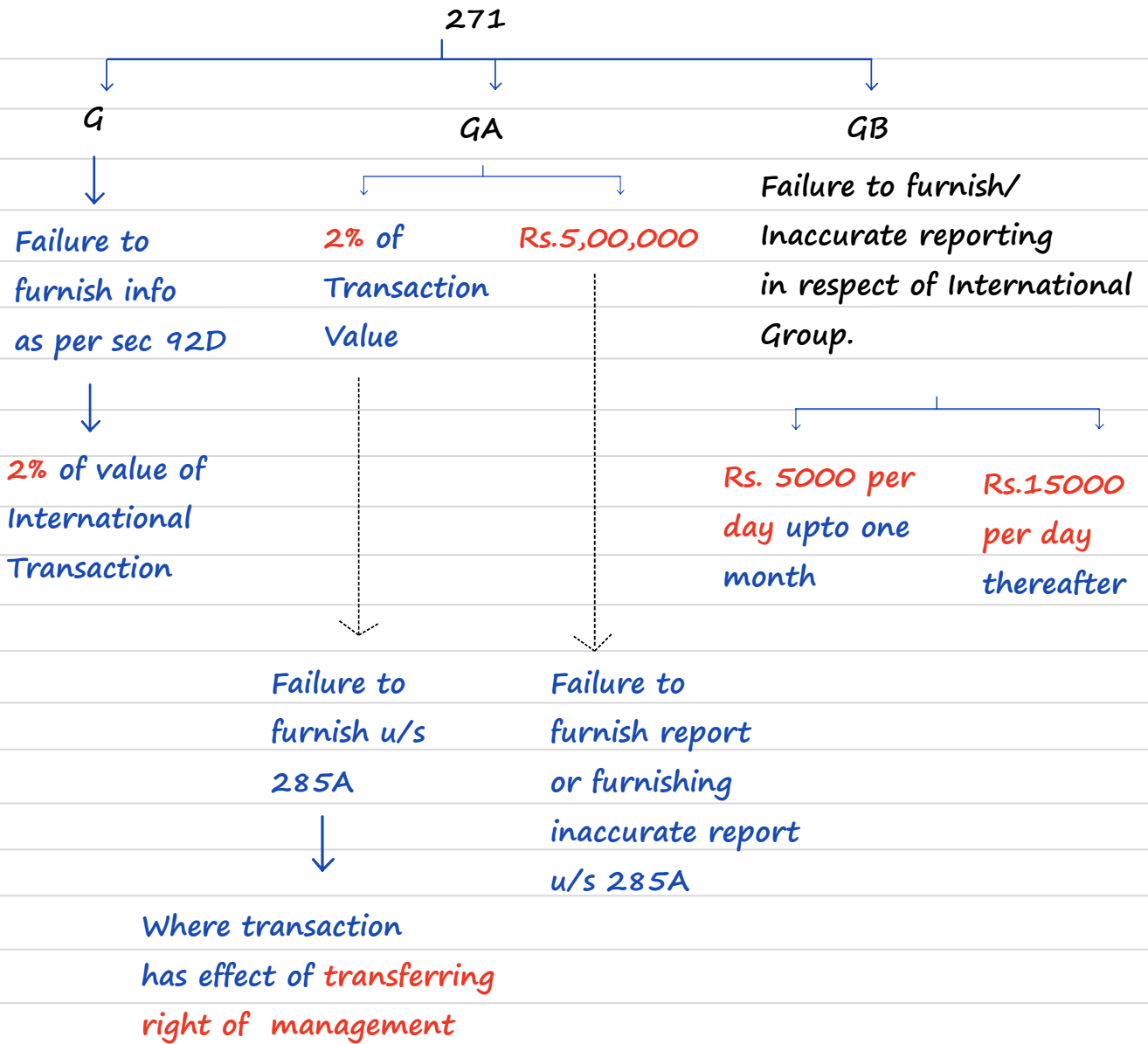
Note: If Assessee has not maintained BOA, penalty shall only be leviable u/s 271A & not 271B because if BOA are not maintained, the question of getting them audited doesn't arise

221(1) Failure to pay any tax - Self Assessment Tax, TDS, TCS, tax demand

Penalty → Maximum: Amount of Tax in Arrears

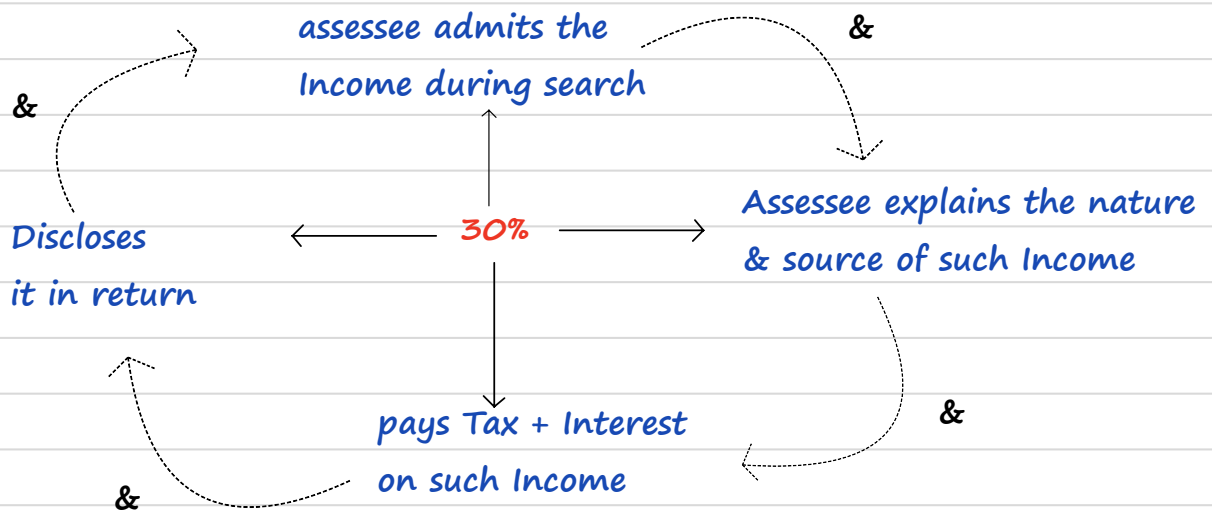
4) Transfer pricing





Notes:

30%/60% - 271AAB



60%- If even 1 condition is not satisfied, 60% penalty will be leviable.

270A Calculation

Penalty amount- 50%/200% of Tax as calculated below

If Return is filed:

Tax on Baad	-	Tax on pehle
Wali Income		Wali Income

At the time of:

Scrutiny	Tax on Income	-	Tax on Income
Assessment	u/s 143(3)		u/s 143(1)

Order of Assessment
143(1)
↓
143(3)
↓
147

Re-assessment	Tax on Income	-	Tax on Income
	u/s 147		u/s 143(3)

Under Reported Income = Income u/s [143(3) - 143(1)]
Income u/s [147 - 143(3)]

If Return is not filed: Tax On Assessed Income

URI = Company/firm - Assessed Income

Other Cases = Assessed Income u/s 144 - Basic Exemption

If there is loss: Tax on Difference in loss (Reduction of loss/Increase in Income)

Penalty = Underreporting - 50 % of Tax

Misreporting - 200% of Tax

270A(6): Cases which are not considered as under-reporting.

- The amount of income in respect of which the assessee offers an explanation
- The amount of under-reported income determined on the basis of an estimate
- The amount of under-reported income represented by any addition made in conformity with the ALP determined by the TPO.
- The amount of undisclosed income on account of a search operation

Statement of Financial Transactions(SFT)

Due Date for filing SFT: 31st May of the year immediately following the F.Y. in which the Transaction is recorded.

Sec 271FA- PENALTY FOR NON-FILING OF SFT

→ On failure to furnish SFT or Reportable Accounts

↳ Penalty is Rs.500 per day till the period of Notice

→ On failure to pay the same till expiry of notice:

↳ Penalty would be Rs. 1000 per day after expiry of notice.

Sec 271FAA: Inaccurate Info in SFT or Reportable A/cs or Failure to Comply with Due Diligence Req.

Penalty = Rs. 50,000 + 5000 for every Reportable Account

No penalty shall be imposed if the assessee gives a reasonable cause for such failure.

Sec 271K -

Where any College
University
Research Association

regd. u/s 35

Institution

regd u/s 80G

Fails to deliver a prescribed statement in prescribed time → Penalty: Rs. 10,000- 1,00,000

Sec 272A(1)- Penalty on non-compliance of AO's Order - 10,000 for each Default

Sec 271 AAE-

Any Trust regd. u/s 11/10(23C) gives any benefit to related person u/s 13(1) (eg.Benefit to trustee, founder etc.)

Penalty

1st Violation : 100% of the Amount
Subsequent Violation: 200% of the Amount

271C

Failure to Deduct TDS/or ensure payment of Tax to Govt.



In case of Sec 194R, 194S, 194BA



Benefit/Gift in B&P

VDA

Winnings from Online Games

Where Payment is

Wholly in Kind OR

Partly in Cash & Partly in Kind

AND

Cash is not sufficient to meet the TDS Liability

Penalty Amt: Amt of TDS that assessee failed to pay or failed to ensure payment of.

Section 276B - Prosecution for Failure to Pay TDS

Failure to deposit TDS under Chapter XII-D or XVII-B attracts rigorous imprisonment of 3 months to 7 years and a fine.

Finance Act, 2024 Amendment:

Prosecution is exempt if TDS for a quarter is deposited by the due date for filing the TDS statement under Section 200(3).

Section 271H

Failure to file TDS/TCS statements within the due date attracts a penalty.

Relief under Sub-section (3):

No penalty is levied if the person:

- Pays TDS/TCS, along with applicable fees and interest, and
- Files the statement within 1 month from the due date.

Section 271GC - Penalty for failure to submit Statement of Activities by Liason office of NR

Period of Failure

Penalty

upto 3 months

Rs. 1,000/day for which the failure continues

In other cases

Rs. 1 Lakh

- (1) Depreciation on Motor Vehicles: (not much relevant now)
Business of running them on hire → 30%
Acquired & put to use between 23/08/19- 31/3/20 → 45%
Other Vehicles → 15%
Acquired & put to use between 23/08/19- 31/3/20 → 30%
- (2) Depreciation on Windmills:
Windmills installed before 1/4/14 : 15%
Windmills installed after 1/4/14 : 40%
- (3) Sec 115BAB:
Applicable to Mfg. Companies set up on or after 1/10/19 - Before 31/03/24
- (4) Sec 115BAE:
Applicable to Mfg Co-op Societies set up on or after 1/4/23 - Before 31/03/24
- (5) Sec 43CA (Not Relevant Anymore)
Imp Note: Between period 12/11/20- 30/6/21
Sale a Residential Unit & Sale is upto → Then 120% will be taken
by Builder Rs. 2 Crores instead of 110%
- (6) Once in a lifetime option:
 - Sec 54 - 2 house exempt if CG is upto 2 Crores
 - Option between SLM & WDV
- (7) Cut off date:
3rd october → Asset purchased on or after 4th Oct , half rate of Depreciation will be allowable
- (8) Sec 36(1)(va): PF Due Date - 15th of Next Month

(9) Sec 80EEA: SDV upto 45 Lacs (not relevant for exams)
 Loan shall be sanctioned between: 1/4/19 to 31/3/22

(10) Sec 80 IAC Start up Incorporated during → 1/4/16 - 31/3/24

(11) Due Date of Return of TDS / TCS

Quarter Ended	TCS Return	TDS Return
30th June	15th July	31st July
30th September	15th October	31st October
31st December	15th January	31st January
31st March	15th May	31st May

If TDS/TCS Return is filed after 1 year of Due Date → Penalty u/s 271H shall be leviable - 10,000 to max 1,00,000.

(12) Equalisation Levy Payment

Sec 165 - 7th of Next month for all months

Sec 165A- 7th of July/October/January
 31st March for Last Quarter

} Equalisation Levy @2% is
 Not Applicable on /after 1/8/24

(13) ULIP - 1/02/21

(14) Sec 80C + 10(10D):

Policy Before 31/03/12 - Upto 20%

From 1/4/12 - 31/3/13 - Upto 10%

On or after 01/04/2013 - 10% - Normal

15% - Divyang

} Of Sum Assured

For ULIP

Before 1/2/21	After 1/2/21
Only 10%/15%/20%	2.5 Lacs Limit &
To be Checked	10%/15%/20% both to be checked

(15) Secondary Adjustment : 90 Days me paisa leke aao India me

(16) BAR: 01/09/21 - not binding, appeal to HC 60 days

(17) LIP Amendment- 1/4/23

Other than ULIPs

	Before 1/4/23	On or after 1/4/23
Conditions to Check for Exemption:	Premium → upto 10%/15% of sum assured	Premium → upto 5,00,000 & Premium → upto 10%/15% of sum assured

(18) 115A : INTEREST RATES FOR NR

Securities/loan issued	upto 30.6.23	after 30.6.23
Indian co./Bus. Trust(194LC)	5%/4%(IFSC)	20%/9%(IFSC)
FII/QFI(194LD)	5%	20%

(19) Sec 50AA CG: 1/4/23

(21) Change in Rate of Capital Gains Tax : 23/7/2024

(22) Change in Period of Holding of Assets to 12 months and 24 months depending on whether the Asset is Listed or Unlisted respectively: 23/07/2024

(22A) BAR shall allow Application for withdrawal by 31/10/2024 for the transferred applications from BAR to AAR in cases where order is still pending
BAR may on receipt of an application may, declare the order as withdrawn on or before 31/12/2024

- (23) Date from which Indexation is no longer available: **23/07/2024**
- (24) An Unlisted Bond/ Debenture transferred/ redeemed/matured shall always be Short Term Capital Gain irrespective of Period of Holding from: **23/07/2024**
- (25) Tax on Income where Shares are issued at premium by closely held Co a.k.a Angel Tax shall not be applicable from: **01/04/2025 (AY 2025-26, PY 2024-25)**
It has been omitted from Finance Act, 2024.
- (26) Buy-Back is taxable as Deemed Dividend u/s 2(22)(f) from: **01/10/2024**
- (27) First Regime under Taxation of Charitable Trusts [u/s 10(23)(iv)/(v)/(vi)/(via)] is merged with the Second Regime (Sec 11 to 13) from: **01/10/2024**
- (28) No new applications for registration under First Regime from: **01/10/2024**
- (29) Registration shall be granted by CIT after enquiries within **6 months from end of Quarter** of receipt of application from: **01/10/2024**
- (30) Change in Rates of Certain sections of TDS from: **01/10/2024 (IBM KA GHODA)**
- (31) Sec 206(1F) also requires collection of Tax on Sale of other notified goods (luxury goods) of value exceeding ₹10 lakhs apart from Tax on Sale of Motor Vehicles from: **01/01/2025** (Heads up!! Its from the New Year date, not October!)
- (32) Block Assessment shall be applicable on Search Initiated/ Assets requisitioned on or after **01/09/2024**
- (33) CIT(A) can set aside an Assessment and refer the case back to the AO for Fresh Assessment **where assessment was a BJA made u/s 144 on / after 01/10/2024**
- (34) Filing appeal with ITAT shall be within **2 months from End of Month** in which the order sought to be appealed against is communicated w.e.f **01/10/2024**
- (35) The Monetary limit of the Tax Effect for filing of appeal by the Department has been revised w.e.f. **17/09/2024** (Modi ji ke Birthday se!) (60lac, 2cr, 5cr)

PGBP

1) 33AB(Tea/Coffee/Rubber) : Amount should be deposited in NABARD A/C:

-DD of 139(1) or

-6m from the End of P.Y.

w.e. is Earlier

33ABA(Natural Gas/Petroleum): Deposit should be made in SBI A/c before end of PY

2) Sec 35 Scientific Exp : Pre-Commencement Exp. Allowed: 3 Preceding years before date of Commencement

3) Lock in Period for Sec 33AB/ABA/35AD: 8 Years

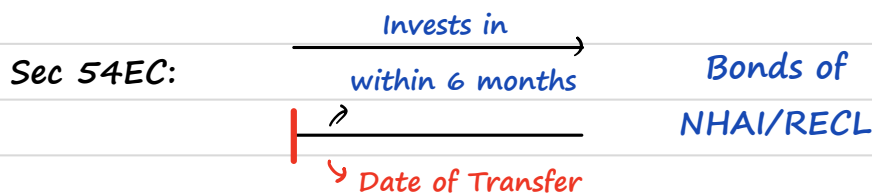
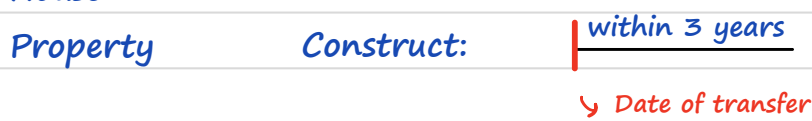
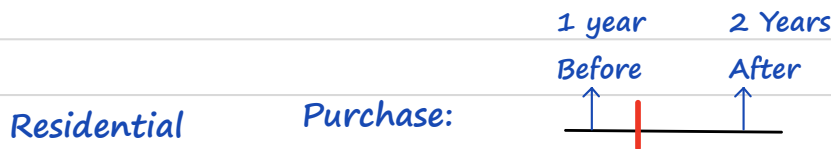
4) 44AA: Maintenance of Prescribed Books: TO/GR Limit is Checked for

Profession : All 3 Years

Business: Any 1 of 3 Years

CAPITAL GAIN

Sec 54, 54F:



Sec 54G/54GA:

Purchasing L&B/Pl&M:

1 year
before

3 years
After

Lock-in Period:

For 54EC: 5 Years

For All Other Sections: 3 Years

Date of Transfer

Various Entities

Exit Tax/Buy Back: Tax should be paid within 14 days of Buy Back/trust becoming non-eligible

Buy back is taxable in the hands of shareholders as deemed dividend u/s 2(22)(f) on or after 1/10/24

Investment Fund: Unit Holders can carry forward Loss if Unit is Held by Them for 12 Months or More

MAT & AMT Credit can be C/f for 15 Years

Charitable Trusts and Exit Tax

Sec 11(2): In 5 Years period, If accumulated Amount is not applied, it will become Income of Last year.

Sec 13(9) : Exemption u/s 11(2) will not be given if:

→ Statement to A.O. is not given atleast 2 months prior to Due Date of ROI

→ ROI not filed upto due date of ROI u/s 139(1) or 139(4). [Not 139(8A)]

→ If 85% not applied, it can still be taken in applied:

How?

If its Outstanding

- Trust will give declaration to A.O. that the amount is still outstanding.
- Till when: Should submit it 2 months prior to Due date of ROI

Any Other Reason

- Assessee will give declaration to AO. that we will apply in Next P.Y.
- Till when: Should submit it 2 months prior Due date of ROI.

CBDT CIRCULAR: Due Date of ROI tak bhi submit kar diya to chalta hai.

[Time limits- 1,2A,2B,3,4 is same for Institute regd u/s 10(23C)]

*This date is extended to 30.6.24

SabkarLenge

TIME LIMITS u/s 12AB

WITHOUT ENQUIRIES

CASE	Time limit of application	Time limit for grant of Registration by CIT	Period of Registration	Validity from
(1) Existing Trusts regd. u/s 12A/ 12AA ↳ same for 10(23C)	3 months* from the date of this amendment i. e. till 30.06.21	3m. from the end of month in which appl. was recd.	5 Years	A.Y. from which approval was earlier granted.
(2A) New Trust. First time Applicant (Provisional Regn) (Trust which has not commenced Activities) ↳ same for 10(23C)	1 month prior to the P. Y. for which regn is applied	1m from the end of month of receipt of Appl	3 Years	A.Y. from which application is made.

As per Finance Act, 2024 - The Time Limit for Grant of Registration by CIT after 01/10/24 shall 6m from the end of quarter of receipt of Application in the following cases.

The Time Limit for Grant of Registration by CIT before 01/10/2024 is given below

WITH ENQUIRIES

CASE	Time limit of application	Time limit for grant of Registration by CIT	Period of Registration	Validity from
(2B) First Time Applicant (Trust which has already commenced Activities) w.e.f 1/10/23 ↓ (need not apply for Provisional Regn) ↳ same for 10(23C) *	Can Apply at any time after commencement of Activities	within 6 months from the end of the month in which application was received	5 Years	A.Y. immediately following the F.Y. in which application is made.

<p>(3) Provisional Regn to Final Regn.</p> <p>↳ same for 10(23C) *</p>	<p>6m from commencement of activity or 6m prior to expiry of provisional regn w. e. earlier</p> <p>(If above time limit expires before 30.6.24, it shall be extended to 30.6.24)</p>	<p>6m from the end of month in which application was received</p>	<p>5 years ↓ starting from AY. for which it was granted provisional regn.</p>	<p>A.Y. from which provisional regn was granted</p>
<p>(4) Renewal of Trusts regd. u/s 12AB after 5 years</p> <p>↳ same for 10(23C) *</p>	<p>6 months prior to expiry of regn.</p>	<p>6m from the end of month in which appl. was recd.</p>	<p>5 years</p>	<p>A.Y. from which appln was made.</p>
<p>(5) Trust has adopted modifications (which violates conditions of Regn)</p>	<p>30 days from date of modification</p>	<p>6m from the end of month in which appln was recd</p>	<p>5 years</p>	<p>A.Y. from which appln was made.</p>
<p>(6) Trust becomes inoperative under Sec 11(7)</p>	<p>6 months prior to the commencement of A.Y. for which regn is sought to be made operative</p>	<p>6m from the end of month in which application was received</p>	<p>5 years</p>	<p>AY. from which appln was made</p>

*No new applications under first regime [i.e. u/s 10(23C)(iv)/(v)/(vi)/(via)] on or after 1/10/2024

Exit Tax: On dissolution, Assets must be distributed within 12 months from the end of month of Dissolution

TDS/TCS

Sec 192A: Service < 5 yrs, Amount > 50K - TDS Applicable.
Service > 5 yrs - NO TDS

Sec 194N: If assessee has not filed ROI for all 3 preceding P. Ys for which Due Date u/s 139(1) is expired, Limit will be Rs. 20 lakhs

Sec 239A Summary

1) File Application to AO for Refund

2) Time Limit: 30 Days from payment

3) AO
Accept Or Reject

4) Order to be passed: 6 months from the end of month in which application was recd

VI-A Deductions

For Sec 80JJAA:

• Employees shall be employed for not less than 240 days in a year.

↓
150 days in case of mfg. of apparel or footwear or leather.

Return Filing

Time Limit for Belated/Revised Return:

Before **3 Months** prior to end of Relevant A.Y.

OR

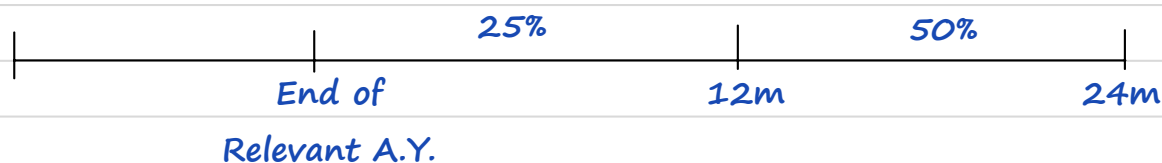
Before **Completion** of Assessment

whichever is earlier

Section 140B - The Assessee has to pay **additional income-tax** at the time of furnishing the updated return under section 139(8A):

Time of furnishing Updated return	Additional Income-tax Payable
If return is Filed after expiry of the time limit but before the period of 12 months from the end of the relevant A.Y.;	25% of Aggregate tax [i.e. Tax + surcharge + cess + Interest]
If return is Filed after the expiry of 12 months from the end of the relevant A.Y. but before completion of 24 months from the end of the relevant A.Y.	50% of Aggregate tax [i.e. Tax + surcharge + cess + Interest]

Note: Fees is not added while calculating 25%/50%



Assessment Procedure

Sec 143(1) Summary Assessment :

→ Time limit - 9 months from the end of F. Y. in which ROI was filed.

Sec 142A Valuation Officer:

→ Time limit: 6 months from the end of month in which reference was made.

This time will be excluded from Time limit of completing Assessment

142(2A) Special Audit:

→ Time Limit: Max 180 days → Total period

143(2) Scrutiny Notice:

Time Limit: shall be served within 3 months from the end of F.Y. in which ROI was filed.

Sec 148A: Conducting Inquiry before 148 notice:

Time given: 7- 30 days from the date of issue of notice / as AO may specify*

Decide: A.O. has to decide weather it is a fit case for issuing Sec 148 notice by passing an order.

with the approval of specified Authority

*Time of Passing Order by A.O.

If reply is received

One month from the end of month in which reply was received.

If reply is not received

One month from the end of month in which allowed time expires.

*Note - From 1/9/24 there is no specific timeline for A.O. to pass the order

Section 149 - Time limit for notices under sections 148 and 148A

Aspect	Before 01/09/2024	After 01/09/2024
General Time Limit	3 Years From the end of R.A.Y	Sec 148 - 3 Years AND 3 months Sec 148A - 3 Years From the end of R.A.Y
Time Limit where Escaped Income > 50L	Sec 148 - 10 Years Sec 148A - Not Specified	Sec 148 - 5 Years and 3 Months Sec 148A - 5 Years

Sec 153 - TIME LIMIT FOR ASSESSMENT

<u>Case</u>	<u>Time Limit</u>
For Sec 143(3)/144	
AY. 19-20 & AY. 20-21	→ 12 months from end of A.Y. in which Income was assessed.
AY. 21-22	→ 9 months from the end of A.Y. in which Income was assessed.
AY 22-23 & thereafter	→ 12 months from the end of AY in which Income was assessed
Where updated return u/s 139(8A) is furnished, Assessment Order u/s 143(3)/144 shall be made within → 12 months from end of FY in which such return was furnished.	
Section 153(1B) - Where a return u/s 119(2)(b) is furnished, Assessment Order u/s 143/144 shall be made within 12 months from end of FY in which such return was furnished	
Section 153(3A) - When any assessment or reassessment is pending on date when search is commenced u/s 132, making of requisition u/s 132A it shall be extended by 12 month	
Section 153(4) - If reference is made to TPO, additional 12 months time is available in all cases	
Sec 147	→ 12 months from end of F.Y. in which notice was served

Search Seizure Survey

For Survey Sec 133A & 131(3):

Books of Accounts & Other Documents → IT Authority can Impound for 15 working Days

For retaining beyond 15 days, IT Authority has to take permission from:

- CCIT DGIT + their principals
- CIT DIT

→ Prohibitory Order/Order of Restraint: This Order is valid for Max 60 Days.

→ Assessee Over whom AO has no Jurisdiction: He shall transfer/ hand it over to the officer who has jurisdiction over such assessee.

↳ Within 60 Days from Completion of Search

Provisional Attachment:

Done during Search or within 60 Days of Completion of Search

Valid Till: Operational for 6 Months, after which it gets automatically vacated.

Sec 132B : Application of Seized Assets:

If assessee makes an application **within 30 days** from the end of the month in which asset was seized.



AO Releases Asset **within 120 days** from the conclusion of search under section 132.

The assessee can **raise a question** as to the **jurisdiction** of an AO within the prescribed time limit as under:

- Where Return has been Filed u/s 139(1) → **1 month** from the date of service of notice u/s 142(1) or 143(2) or **completion of assessment**, w.e. is earlier
- Where **no return** of income has been filed → **Time allowed** in notice u/s 142(1) or 148 or 144 to show cause why the BJA should not be made, w.e. is earlier.
- Where search is initiated u/s 132 or BOA or docs or any assets are requisitioned u/s 132A → **1 month** from the date on which notice was served or completion of assessment, w.e. is earlier.

Revision u/s 263

- Time limit of passing order: **2 years** from the end of FY in which order of A.O. was passed.

Revision u/s 264

- Time limit of passing Order:

on his own motion

on application of assessee

↓
1 year from date of order of A.O.

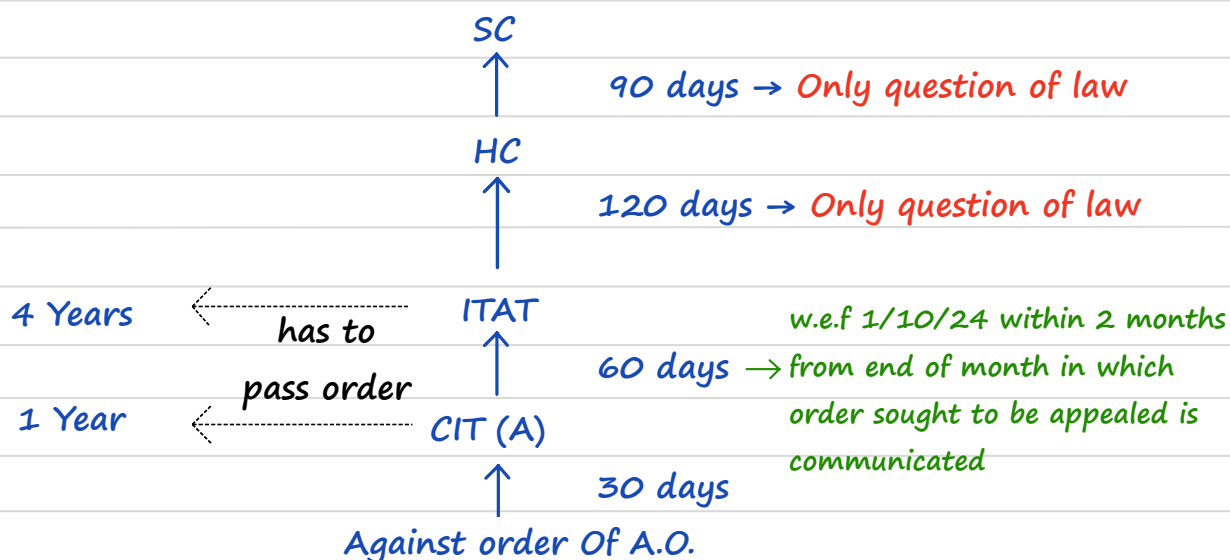
↓
1 year from end of F.Y. in which application was made

- Time limit for application by Assessee →

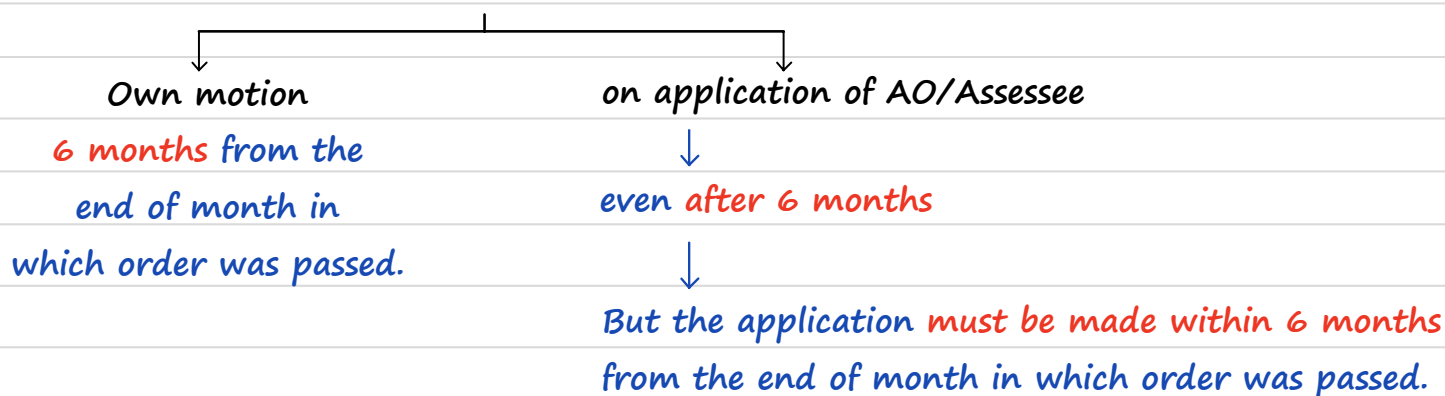
Assessee can apply within 1 year from the date of receiving order of A. O.

Appeals & Revision

Appellate Authority hierarchy

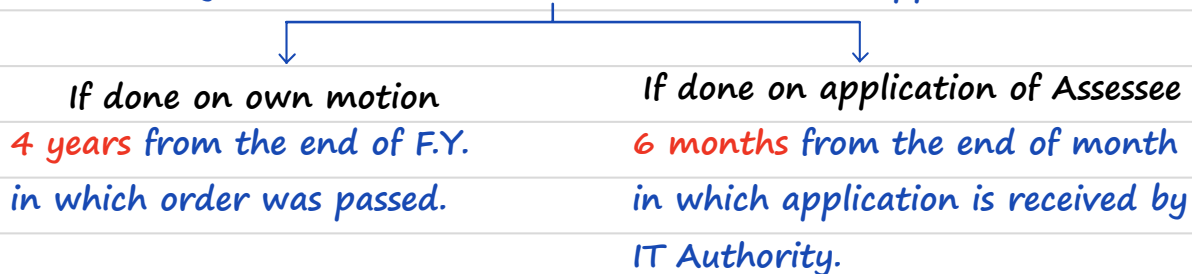


Sec 254 : Rectification of Mistake by ITAT



154 - Rectification of Mistake

→ It can be done by IT Authorities on its own motion or on application of the assessee



→ Assessee has to apply for Rectification within 4 years from the end of FY in which order is passed.

Transfer Pricing

Excess Money shall be repatriated to India within:-

CASE	DATE	PERIOD OF INTEREST
(i) If primary adjustment is made suo-motu by the assessee in his ROI.	90 days from due date of ROI u/s 139(1)	from due date of filing of ROI u/s 139(1)
(ii) If primary adjustment is made by AO or the appellate authority & accepted by the assessee	90 days from date of order of AO or App. Authority	From date of order of AO or App. Authority
(iii) If primary adjustment is determined by APA u/s 92CC for a P.Y.		
• If the APA has been entered on or before the due date of ROI for the P.Y.	90 days from DATE of Filing of ROI u/s 139(1)	From due date of ROI u/s 139 (1)
• If the APA has been entered after the due date of ROI for the P.Y.	90 days from the end of month in which APA was entered	From the end of month in which APA was entered.
(iv) If Assessee has opted safe harbour rules u/s 92CB	90 days from due date of ROI u/s 139(1)	from due date of ROI u/s 139(1)
(v) If primary adjustment is determined under Mutual Agreement Procedure (MAP)	90 days from date of giving effect of MAP by A.O.	from the date of giving effect of MAP by AO.

Sec 92D: TP Info & Docs is reqd. to be kept for 8 Years → AO/CIT can ask to furnish them within 10 Days

Sec 94B: Excess Interest can be c/f for 8 Years

Adv Ruling: Appeal to High Court against order of BAR can be done within 60 days from date of communication of such ruling or Order.

PGBP

All points are covered in PGBP adjustments only.

CAPITAL GAINS

(1) Reverse Mortgage → Transfer of Capital Asset in Reverse mortgage is **not Taxable**



But Cap Gain is taxable at the time of sale of Capital Asset by Bank for recovering the loan.

(2) Sale of Right entitlement → **Always STCG** applicable

(3) Slump Sale

Depreciable Asset

Example: Building

Example: Land



If Land revalued hai,
toh revaluation effect
bhi hatana padega



For FMV 1 → **Book Value** / SDV

For Net Worth → **WDV** as per Income Tax Act

Depreciable Asset



For FMV 1 → SDV because Immovable Property

For NW → WDV as per Income Tax Act

If WDV as per IT Act is not given, Book value is considered as WDV as per IT Act

(4) Advance forfeited by previous owner is **not deducted** → If received **before 1/4/14** Advance is always deducted before Indexation.

(5) Cost of Improvement incurred before 1/4/2001 is ignored.

(6) Section 54 → Upto 2 Crores → 2 Houses allowed

→ 2 adjacent flats → even if purchased by 2 separate agreements

→ even if used by 2 tenants before purchase.

Section 54 → Jo ghar purchase Kiya hai



It shall be used for residential purposes



But it is not necessary for buyer to use for his own residential purposes



Buyer can let out the house for Residential Purpose to anyone.

(7) Furniture → not allowed in Section 54C → Dep Asset → always STCG

→ COA = WDV for Dep Asset

In Section 54G, If there is both STCG + LTCG } Exemption should be first exhausted against STCG first, then LTCG.

Because, Tax Rate for STCG shall be higher (Q 30)

(8) Section 45(4), Section 9B →

For Section 9B - FMV on the date when **asset is received by partner**

(9) ULIP

- Considered as Equity oriented fund
- Taxable at @ 12.5% in excess of 1.25 Lakhs u/s 112A
- ULIP → Taxable under CG and LIP → Taxable under IFOS
- ULIP issued before 1/2/21 → Taxable under IFOS as it is not a Capital Asset
- While computing 10% / 15% / 20% → Take 10% / 15% / 20% of Sum Assured
- 10% / 15% / 20% → Deduction u/s 80C is allowed only upto this amount
- While computing CG u/s 45(1B) → Take Maturity proceeds (-) Prem. paid till date

ASSESSMENT OF VARIOUS ENTITIES

MAT

Income from Units of UTI → Not deducted → It is not exempt anymore.

AMT

When unabsorbed loss and unabsorbed depreciation both are given then

↓

PGBP Profit for 10AA Deduction shall be calculated by deducting **unabsorbed depreciation** only → Not unabsorbed loss.

VDA

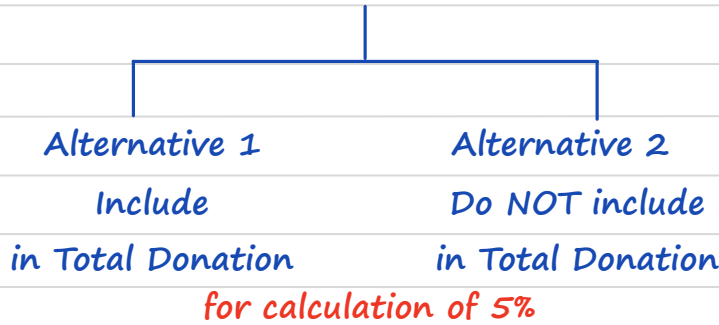
- Tax Rate- 30% on VDA Income (consideration- COA) → Taxable under CG
- TDS Rate- 1% on consideration.
- VDA Income shall be taxable at 30%+ 4% Cess irrespective of other Income.
- BEL will not be exhausted

TRUST AND EXIT TAX

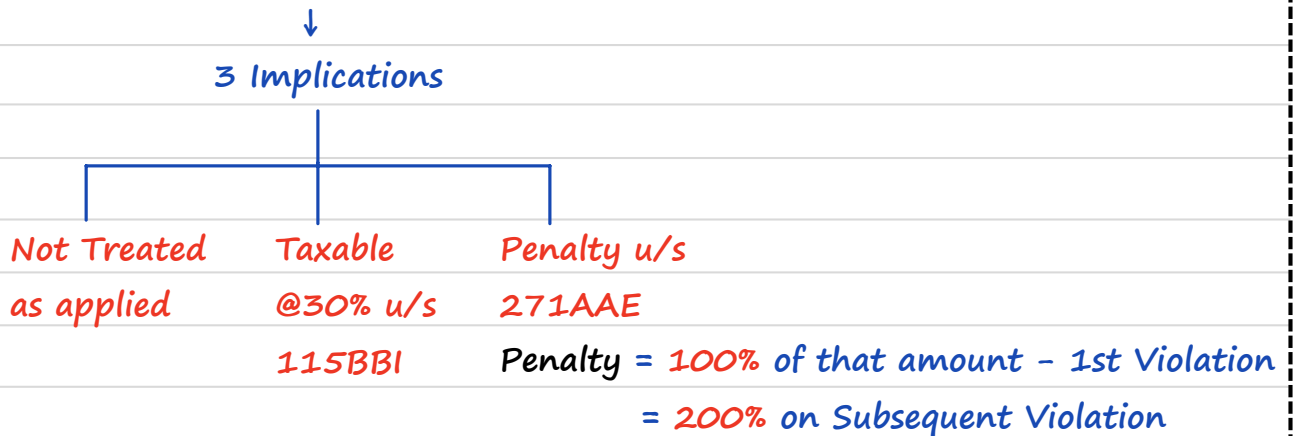
(1) Income not invested in 11(5) Safe Investment modes → Taxable @ 30% u/s 115BBI

(2) Anonymous donation

Govt grant → Do both alternatives in Exam



(3) Income applied for the benefit of Related Person



(4) If loan already taken as applied in any PY, don't take repayment as applied again.

BUSINESS TRUST

Interest and Dividend from SPV → Taxable in the hands of Unit holders

Other Interest and Dividend → Taxable in the hands of Business Trust

Distribution of Income



BUY BACK

Rule 119A → Interest Calculation → Tax Liability Lower multiple of 100 pe round off karna padta hai.

Jab bhi hum Section 119A mein Interest calculate karenge, toh Tax ko round off karna padega to lower 100 → Kyunki hame fraction ignore karna hai

→ Kab lagega?

- Jab bhi Assessee → CG ko Interest pay Karega OR
- Jab bhi CG → Assessee ko Interest pay Karega

TRANSFER PRICING

(1) Section 94B- 30% of EBITDA me local Borrowings count nahi Karte hai.

(2) Cost plus method → GP margin → Always taken on sale

↓

Unless mentioned in Question

↑

(3) TNMM → Operating profit margin → Always taken on cost

NR TAXATION

(1) Royalty / Interest / Dividend Received → Net of TDS

(2) Royalty / Interest / Dividend Earned. → Gross

[Gross up karne ke liye TDS Rate + Cess lena padega]

(3) Interest u/s 115A

- Indian Concern or Govt → 20%
- Indian Company → 20%/9%

In Foreign Currency hona chahiye.
If Indian Currency → Rate = 35%

(4) FTS

- Approved by Govt → 20%
- Not Approved by Govt → 35%

Paper mein kuch nahi diya hai toh assume kar lena ki approved hai & yeh assumption likh dena

(5) NR → Indexation available nahi hai.

(6) Agar FTS ke consideration ke liye Debenture de rahe hain → Toh NR ke hands mein 2 Income taxable hogi

- FTS
- Interest on debentures.

SECTION 115BAA & 115BAB

Generally asked points

(1) For Section 115BAB → Set up Date → 01/10/2019

Section 112A, Dep - Half Rate (+) Capitalisation

(2) Scientific Contribution & Section 35(2AB) → **Not Allowed**

(3) In-House Research → Revenue & Capital Expenditure → Allowed

Section 35(1)(i), 35(1)(iv) Allowed

(4) Section 80JJAA Deduction → 240 days / 150 days Applicability

(5) Section 80M = Dividend Paid
Dividend Received [↓]

(6) Additional Depreciation is **Not Allowed**

(7) Section 115BAB Tax Rates

- Business Income → 15%
- IFOS & HP → 22%
- STCG Dep Assets → 15%
- STCG Non - Dep → 22%
- Special Incomes → Special Rates

115BAB/BAE

not relevant

anymore as it

can't be opted

after 31.3.24

SEARCH SURVEY

Section 133A

Survey

Any Place where BOA are Kept

Business Place - Business Hours

Other Place - After Sunrise Bef Sunset

Books Impound kar Sakte hain 15 days

Section 133B

Power to Collect Info

Business Premises

Business Hours

Books Impound nahi kar sakte

TDS RATES

On Sections other than specifically mentioned below Rate applied on whole amount & NO PAN Rate 20%

0.1%	1%	2%	5%
194Q No PAN 5% On excess over limit	194-O No PAN 5%	194-I [P&M] 194N On excess over limit	194H 194D 194G
206C(1H) No PAN 1% On excess over limit	194C [Ind /HUF] 194IA	194C [Others] 194J [FTS, Non Prof, Call Centre, Royalty on Films]	194M 194LB 194-IB 194DA
194O From 1.10.24		194DA, 194G, 194H, 194-IB, 194M *	194N [> 1 Cr, If Limit 20L]
10%	20%	30%	Slab Rate
192A No PAN MMR%	194E	194B 194BB	192 194P
194-I 194J 193, 194 194A, 194K 194LA 194-IC 194R			

TDS Deductible Starting from the Limits

- 192A - ₹ 50,000 or more
- 194DA - ₹ 1,00,000 or more
- 194-IA - ₹ 50,00,000 or more

TDS Applicable on Excess Amount Over

Limit Under these Sections:

194N, 194Q, 206C(1H), 206C(1G)

Section 10AA Other Chapter Linkings

TP- AO Calculates ALP & Section 10AA not allowed on Increased Amount of Income

Sec 143(1) - If Section 10AA liya hai, due date of ROI ke baad Return file kiya

Sec 115BAA, 115BAB, 115BAC - Section 10AA deduction not Allowed

MAT - Section 10AA deduction nahi hota because not exempt

AMT - ✓

Sec 35AD - If Ded u/s 35AD is availed then Ded u/s 10AA and Ch VI-A is not available

Summary of Amendments in Rates of TDS

Memory Technique: IBM ka GHODA

Section	Before	After (w.e.f 1/10/24)
194DA - Maturity Proceeds of LIP	5%	2%
194G - Lottery Sale Commission	5%	2%
194H - Commission/ Brokerage	5%	2%
194-IB - Rent of Immovable Property	5%	2%
194M - Payment of Contract, Prof Fees / Commsn & Brokerage	5%	2%
194-O - Payment by ECO	1%	0.1%

→ If 206C(1) applies on a Transaction, and Buyer gives declaration that he's buying for mfg/gen. of Elec, then 206C(1) is not Applicable.

Then we check applicability of 194Q, if Buyer has last year T/O is > 10 Cr.

If Buyer has Last YR T/O upto 10 Cr and the Seller has last year T/O > 10Cr, Do we Apply 206C(1H)? Answer - NO

206C(1H) does not apply on Transactions on which Sec 206C(1) is applicable.

PART- I

MCQ TRICKY POINTS

Pt	Particulars										
1	Dep on Motor Cars → 15% (30% in case of Hire) If Purchased betw 23/08/19 - 31/03/20 → 30% (45% in case of Hire)										
2	As per Section 54 → if your capital Gain is upto 2 Cr, you can take exemption of 2 residential houses.										
3	194HIJACR → (1) All Assessee ≠ Individual or HUF (2) Ind / HUF whose Last Year T/o > 1Cr → Business G/R > 50L → Profession Section 194M is applicable when Aggregate Amount Paid > 50L. The Limit of 50L is checked Payee-Wise.										
4	Appeal to ITAT can be filed against order of CIT imposing penalty u/s 270A for under-reporting of Income.										
5	Maturity proceeds of LIP is exempt u/s 10(10D) if → policy is taken between 01/04/03 to 31/03/2012 → premium paid ≤ 20% of sum assured in a year after 01/04/2013 → premium paid ≤ 10% of sum assured & 15% in case of Divyang people										
6	On Buyback, Domestic Co is required to pay tax @ 23.296% [i.e. 20+12%+4%] on Distributed Income, being Buyback Price (-) Issue Price (including Premium). If the Buy back took place on /after 1/10/2024 it shall be taxable in the hands of shareholders u/s 2(22)(f) AS DEEMED DIVIDEND.										
7	<table border="0"> <tr> <td>Sec 133A Power of Survey</td> <td>Sec 133B Power to Collect Info</td> </tr> <tr> <td>Visit any place where BOA is Kept</td> <td>Visit Business Premise only</td> </tr> <tr> <td>Visit Business Premise-Business Hr</td> <td>Visit during Business Hrs only</td> </tr> <tr> <td>Other Premise- Aft Sunrise Bef Sunset</td> <td></td> </tr> <tr> <td>Can Impound for 15days</td> <td>Can NOT impound BOA</td> </tr> </table>	Sec 133A Power of Survey	Sec 133B Power to Collect Info	Visit any place where BOA is Kept	Visit Business Premise only	Visit Business Premise-Business Hr	Visit during Business Hrs only	Other Premise- Aft Sunrise Bef Sunset		Can Impound for 15days	Can NOT impound BOA
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Other Premise- Aft Sunrise Bef Sunset											
Can Impound for 15days	Can NOT impound BOA										

Pt	Particulars
8	Amount not received till due date is calculated at 8% for computation of Income u/s 44AD
9	<p>Sec 80IB / 80IA / 80IAB / 80IAC etc</p> <p>Recd from Govt = Eligible for Deduction</p> <ul style="list-style-type: none"> • Transport Subsidy • Interest Subsidy • Power Subsidy <p style="text-align: right;">Not Eligible as Deduction</p> <ul style="list-style-type: none"> • Duty Drawback
10	<p>As per Section 9 - Income deemed to accrue or arise in India</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>↓</p> <p>Includes</p> <p>Salary Payable by GOI to Citizen of India for rendering services outside India</p> </div> <div style="text-align: center;"> <p>↓</p> <p>Does not Include</p> <p>Any allowance and Perquisites paid or allowed by Govt to Indian Citizen for rendering services outside India is EXEMPT</p> </div> </div>
11	Equalisation levy u/s 165 is only leviable when payment is made for purpose of Business & profession.
12	TDS on rent u/s 194-IB is deductible only if rent > 50,000
13	Section 194E & 115BBA → Referee, Umpire & Commentator are not covered.
14	Advance Ruling can be taken by both Resident & Non- Resident.
15	If deduction u/s 10AA, 35AD & VI-A [80IA - 80RRB] is given in question then always check applicability of AMT
16	Chapter VI-A deductions are not allowed against LTCG, LTCG u/s 112A, STCG u/s 111A & special rates of Income Tax

Pt	Particulars
17	When Capital Asset converted to Stock in Trade For Section 54EC → 6 months are counted from the date of sale of Stock in Trade
18	Threshold Limit for 194J has to be checked separately for <ul style="list-style-type: none"> • Fees for Professional Service - 30,000 • FTS - 30,000 • Royalty - 30,000 • Non-Compete Fees - 30,000 Fees to Independent/ Non-Executive Director → NO Threshold Limit
19	Exemption from Sec 194N available only to APMC Commission agent, Not to any assessee who buys Agricultural produce for Raw Material
20	Transfer of Bonds / GDR by one NR → another NR o/s India Sec 47(viia) → Not a Transfer
21	For Income linked Deductions → 80-IA, IB, IAC etc. , deduction under chapter VI-A will be allowed on enhanced income due to disallowance of 40(a)(ia), 40A(3) & 43B [Refer circular Study Material]
22	Section 194-1 → TDS is not deductible on returnable security deposit.
23	For 44AE, No. of Months is counted from Date of Purchase, not from Date of Put to Use
24	If Immovable property is received as gift, it is taxable under IFOS if → SDV > 50,000 of such property. If more than one property is received → this limit will be checked for every property.
25	Sec 115 BBA is applicable Non- Resident & non-citizen of India

Pt	Particulars										
26	<p>Repayment of Loan in Cash = 24,000 → Disallowed u/s 269T</p> <p>Principal = 19,000</p> <p>Interest = 5,000</p> <p>Amount of Penalty u/s 271E = 19,000</p> <p>Penalty u/s 271E = 100% of such Loan/ Deposit / Advance Repayment</p> <p><i>(Note: A bracket groups 19,000 and 5,000, with an arrow pointing to 'Amount Considered while Checking Limit')</i></p>										
27	<p>If 2 Tonnage Tax companies amalgamate, the scheme is available to the Amalgamated Co for longest unexpired period</p> <p>Ex: A Ltd (+) B Ltd = C Ltd</p> <p>6 yrs 8 yrs 8 yrs</p>										
28	Section 44BBB → Turnkey projects → Only available to Foreign Co.										
29	<p>2 Disallowances</p> <ul style="list-style-type: none"> • Sec 40(a)(ia) → Appeal to CIT(Appeals) • Unexplained Investments → Sec 264 NOT possible → Total Merger → Only Sec 154 possible → Partial Merger 										
30	<p>Section 115BAB → Municipal Tax and Standard Deduction is not allowed u/s 115BAB from Rental Income under the head "Income from House Property"</p> <p>Section 115BAA → Sec 24 & Sec 57 allowed</p> <p>Section 115BAB → Sec 24 & Sec 57 NOT Allowed</p>										
31	Section 10(4D) - Specified Fund → Capital Gains on Transfer of Shares of Indian Company → Taxable										
32	<table border="1"> <thead> <tr> <th>Sec 44AB</th> <th>Sec 44AD/44ADA</th> </tr> </thead> <tbody> <tr> <td>For 10 cr Limit,</td> <td>For 3cr/75 Lakhs Limit</td> </tr> <tr> <td>5% of Total Receipts/Payments is checked.</td> <td>5% of Turnover/Gross Receipts is checked</td> </tr> <tr> <td>Receipts can be more than T/O</td> <td></td> </tr> <tr> <td>(5% se upar Cash/Bearer Cheque/Crossed Cheque me nahi hona chahiye)</td> <td>(5% se upar Cash/Bearer Cheque/Crossed Cheque me nahi hona chahiye)</td> </tr> </tbody> </table>	Sec 44AB	Sec 44AD/44ADA	For 10 cr Limit,	For 3cr/75 Lakhs Limit	5% of Total Receipts/Payments is checked.	5% of Turnover/Gross Receipts is checked	Receipts can be more than T/O		(5% se upar Cash/Bearer Cheque/Crossed Cheque me nahi hona chahiye)	(5% se upar Cash/Bearer Cheque/Crossed Cheque me nahi hona chahiye)
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(5% se upar Cash/Bearer Cheque/Crossed Cheque me nahi hona chahiye)	(5% se upar Cash/Bearer Cheque/Crossed Cheque me nahi hona chahiye)										

CASE SCENARIO TRICKY POINTS

Pt	Particulars												
1	Section 78- Share of Unabsorbed loss of retired partner can't be carried forward. But this does not apply to Unabsorbed Depreciation												
2	<table border="0"> <tr> <td>Section</td> <td>269SS</td> <td>269ST</td> <td>269T</td> </tr> <tr> <td></td> <td>↓ 20,000</td> <td>↓ 2,00,000</td> <td>↑ 20,000</td> </tr> <tr> <td>Penalties ←</td> <td>Sec 271D</td> <td>Sec 271DA</td> <td>Sec 27E</td> </tr> </table>	Section	269SS	269ST	269T		↓ 20,000	↓ 2,00,000	↑ 20,000	Penalties ←	Sec 271D	Sec 271DA	Sec 27E
Section	269SS	269ST	269T										
	↓ 20,000	↓ 2,00,000	↑ 20,000										
Penalties ←	Sec 271D	Sec 271DA	Sec 27E										
3	Partner's remuneration, Salary, Interest u/s 40(b) is allowed as Deduction while computing income u/s 44AE but it is not allowed in case of 44AD/ 44ADA.												
4	When Date of sale & Date of agreement of capital Asset is different, then SDV on the date of agreement is taken if, any payment is done on that date through a/c payee cheque, ECS mode etc.												
5	Section 80JJAA Applicable → IF employee for ≥ 240 days (≥ 150 days for Apparel, Footwear and Leather) Salary > 25,000 → NO Deduction Salary ≤ 25,000 → Deduction Milega												
6	In PY 24-25, No New Company/Co-op Society can not opt for 115BAB/BAE. As the last date was 31.3.24. So in any question, 115BAB/BAE will only be applicable if it was opted before 31.3.24 in PY 23-24, otherwise No Relevance												
7	If in 1940, Amount is directly received by E-comm Participants from Customers, On that amount also, ECO will deduct TDS u/s 1940.												
8	<table border="0"> <tr> <td>Order of Assessment</td> <td>Under Reporting is when</td> </tr> <tr> <td>143(1)</td> <td>↓</td> </tr> <tr> <td>143(3)</td> <td>Income as per Sec 143(3) > Income as per 143(1)</td> </tr> <tr> <td>147</td> <td>Income as per Sec 147 > Income as per 143(3)</td> </tr> </table>	Order of Assessment	Under Reporting is when	143(1)	↓	143(3)	Income as per Sec 143(3) > Income as per 143(1)	147	Income as per Sec 147 > Income as per 143(3)				
Order of Assessment	Under Reporting is when												
143(1)	↓												
143(3)	Income as per Sec 143(3) > Income as per 143(1)												
147	Income as per Sec 147 > Income as per 143(3)												

Pt	Particulars																								
9	Penalty u/s 270A → 50% of Tax → Under Reporting → 200% of Tax Misreporting																								
10	URI → Ind/HUF → ROI not filed = Income Assessed (-) Basic Exemption Limit																								
11	No Eq levy of the NR providing the specified service has a PE in India & specified service is effectively connected with such PE																								
12	Sec 206C(1H) is applicable on Receipt i.e. Amount incl. GST																								
13	194Q is applicable on Amt Excl. GST, But on whole Amt of Advance Payment																								
14	Section 194Q → If Both 194Q & 206C(1H) applies Means Buyer and Seller Both have Last Year T/o > 10 Crores Then 194Q will apply.																								
	<table border="1"> <thead> <tr> <th>Date of credit to account of Car accessories & Co.</th> <th>Date of Payment to Car accessories & Co.</th> <th>Value of spare parts without GST (₹)</th> <th>GST @18%</th> <th>Total value of spare parts/ payment</th> <th></th> </tr> </thead> <tbody> <tr> <td>15.05.2024</td> <td>02.06.2024</td> <td>45,00,000</td> <td>8,10,000</td> <td>53,10,000</td> <td>→ 206C(1H) applicable on 3,10,000</td> </tr> <tr> <td>18.06.2024</td> <td>30.06.2024</td> <td>15,00,000</td> <td>2,70,000</td> <td>17,70,000</td> <td>→ 194Q applicable on 10,00,000</td> </tr> <tr> <td>28.08.2024</td> <td>17.08.2024</td> <td>21,50,000</td> <td>3,87,000</td> <td>25,37,000</td> <td>→ 194Q applicable on 25,37,000</td> </tr> </tbody> </table> <p style="text-align: center; color: red;">Advance Payment</p>	Date of credit to account of Car accessories & Co.	Date of Payment to Car accessories & Co.	Value of spare parts without GST (₹)	GST @18%	Total value of spare parts/ payment		15.05.2024	02.06.2024	45,00,000	8,10,000	53,10,000	→ 206C(1H) applicable on 3,10,000	18.06.2024	30.06.2024	15,00,000	2,70,000	17,70,000	→ 194Q applicable on 10,00,000	28.08.2024	17.08.2024	21,50,000	3,87,000	25,37,000	→ 194Q applicable on 25,37,000
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28.08.2024	17.08.2024	21,50,000	3,87,000	25,37,000	→ 194Q applicable on 25,37,000																				
15	Only 1/5th of Voluntary retirement scheme payment is allowed as deduction in the current year Failure to report → International Transaction → Deemed to be International Transaction → Specified domestic Transaction Considered as Misreporting of Income and penalty of 200% shall apply If co. is engaged in any other business activity other than manufacturing, eg. trading of F&O, then it is not eligible for opting Section 115BAB(not relevant anymore)																								

Pt	Particulars
16	<p>MAT is not applicable to Foreign Co in following cases</p> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="width: 45%;"> <p>Foreign Co is a resident of country with which India has a DTAA & such Foreign Co does not have any PE in India.</p> </div> <div style="width: 45%;"> <p>Foreign Co is a resident a country with which India does not have DTAA & Foreign Co is not required to seek Registration under any law.</p> </div> </div>
17	<p>If Income Tax rate is 10% & DTAA rate is also 10% then → rate of DTAA will be taken as Income Tax Rate involves Cess also.</p>
18	<p>In case of NR, LTCG is Taxable @ 12.5% on/after 23/7/24. The benefit of 1st and 2nd proviso not available</p>
19	<p>Income of foreign co. from</p> <ul style="list-style-type: none"> • Capital Gain on Securities or • Interest, royalty or FTS <p>has to be deducted while computing book profit if tax rates on above income is less than MAT Rate ie. 15%</p>
20	<p>In case of section 115BAA/ 115BAB/ 115BAC → Section 35(1)(i) & 35(1)(iv) are allowed → But 35 (2AB) is not allowed</p>
21	<p>Municipal Taxes payment deduction u/s 24 is only allowed if it is paid by owner of the property.</p>
22	<p>Section 80JJAA → Deduction allowed if salary paid is Upto 25000. 25000 ✓ 25001 ×</p> <p>If salary of employees are paid in cash/Bearer/crossed cheque Ded u/s 80JJAA is not allowed.</p> <p>Example: If salary is 15000 pm and paid in cash, then 2 disallowance will be there</p> <ul style="list-style-type: none"> • Section 40A (3) → because more than 10,000 in cash • Section 80JJAA Deduction will not be allowed.

Pt	Particulars
23	When deduction US 10-AA is given, always check the year of operation. 1st 5 years = 100% Next 5 years = 50%
24	Tonnage Tax Company Ko 20% of Book profit → reserve amount mein daalna padta hai • If there is shortfall of 5%, its 25% (1/4th) of 20 → Relevant shipping Income × 25% is taxable
25	If more than 2 properties are given, those 2 properties are taken as SOP whose GAV is more so as to save tax.
26	In 94B, local borrowing is not included in limit of 30% of EBITDA.
27	Under 206C(1G) If Education Loan taken from Indian FI & remitted → TCS Rate = 0.5% If Education Loan taken from Employer / Foreign Bank → Rate = 5%
28	NO PAN Section 194Q Rate = 5% 206C(1H) Rate = 1%
29	For 269ST, Circular for NBFC & HFC Every Instalment = Single Transaction All Instalments → NOT to be aggregated for ceiling Limit → Which means we will check each Instalment for Ceiling Limit of Rs. 2L
30	Firm pays Interest to Partner • Resident → TDS u/s 194A NOT applicable • NR → TDS u/s 195 will be applicable
31	Amount Disallowed u/s 94B can be c/fwd for 8 Years, And it can be allowed when there is unused limit of 30% of EBITDA in next 8 Years.

Pt	Particulars
32.	<p>While Calculating Interest in Secondary Adj, SBI Rate of 1st April of Relevant PY is Taken.</p> <p>Which 1st April is considered?</p> <p>→ If we're doing Sec. Adj of PY 24-25, so we will be doing it in AY 25-26, so the relevant PY for calculating Interest would be PY 25-26 and SBI Rate will be taken of 1.4.25</p>
33.	<p>SFT Reporting to be done in following cases:</p> <p>Cash Withdrawl > 50 lacs in FY from Current A/c</p> <p>Payment of Credit Card from Savings A/c - 10 lacs or more</p>
34	Interest on House Property is allowed as deduction only after construction is Completed.
35	<p>If AO goes for survey during Business Hours, But does not take prior permission from CCIT or above, It would not be Valid.</p> <p style="text-align: center;">↳ For Collecting Info u/s 133B, prior permission of Higher Auth. is not reqd</p>
36	Immunity will not be granted by the AO if the Penalty Proceedings u/s 270A have been initiated on account of Misreporting of Income
37	<p>3 Amendments of Trust Came from PY 21-22, AY 22-23</p> <p>→ Expenditure to be treated as applied only on Payment basis, not on accrual basis</p> <p>→ Amt Applied out of Corpus not treated as Applied.</p> <p>→ Loan Taken & spent to be treated as applied only on Repayment</p>

All the Best!

When in Doubt, Just Say...

SAB KAR LUNGA MAI

CONDITIONS
BENEFITS / EXEMPTIONS / DEDUCTIONS NOT AVAILABLE u/s 115BAC(1A)

SALARY

HOUSE PROPERTY

PGBP

Sec 10(15) - LTC

Sec 24 - Interest on SOP

Sec 32(i)(iia) - Additional Dep
Sec 35AB, 35ABA - Tea, Coffee, Rubber

Sec 10(13A) - HRA

(30,000 / 2,00,000)

Sec 10(17) - Allowance to MP/ MLA

Donation to Scientific Research

MP/ MLA

Exceptions -
LOP / DLOP

Sec

Sec 10(32) - Parents Minor's Income

Interest is Allowed

35(1)(ii) - Institute/ Research Assoc

Minor's Income

Research Assoc

1,500 p.a.

HP Losses (LOP/ DLOP)

35(1)(iia) - College, Uni

Sec 16 - Profession Tax Entertainment allowance

Set Off against Other Head is NOT Allowed

35(ii) - Indian Co. Engaged in R&D

Entertainment allowance

35(2AA) - IIT/ National Lab

allowance

10AA - SEZ

Sec 10(14) - Allowances

35AD - Specified Business

35CCC - Agri Extension Project

Exceptions -

- Daily Allowance
- Transport Allowance
- Conveyance Allowance
- Travel on Tour Allowance

Others

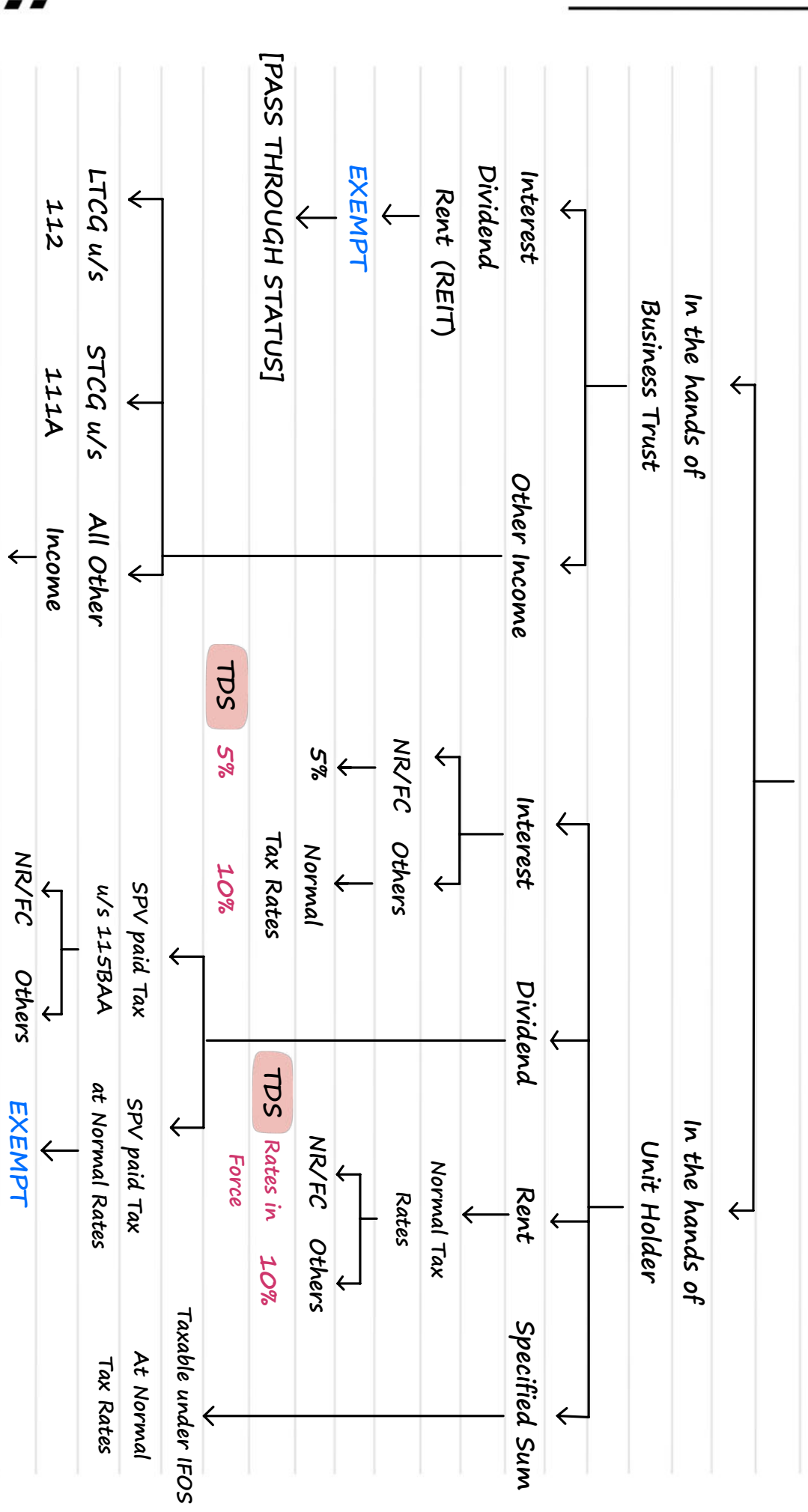
Any Deduction u/Chapter VI-A

Exceptions -

- (i) Sec 80JAA
- (ii) Sec 80CCD(2)
- (iii) 80CCH(2)

BUSINESS TRUST

TAXABILITY



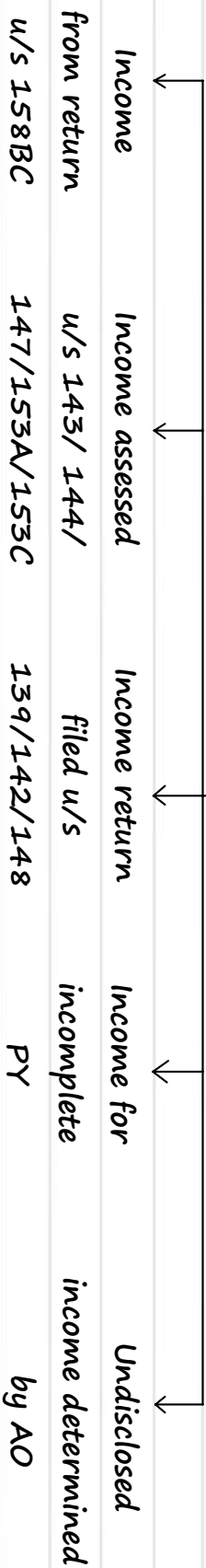
On or After	Rate	Scheme	Rate	Rate
Bef 23/07/2024	20%	Old Scheme 30 + 37 + 4 %	15%	MMR
On or After 23/07/2024	12.5%	New Scheme 30 + 25 + 4 %	20%	10% Normal Tax Rates

TDS 10% (Interest, Dividend, Rent, Specified Sum)



SECTION 158BB

Total block period income
Components of total income



Special provisions & rules

Computation	Treatment	Previous losses & Unabsorbed Depn	International/ Domestic Transactions	Rules for Firm	Sections applicable
Tax	Loss				
	If disclosed Income	Cannot be set off against undisclosed Income			Sec 68, 69,
(-) Tax on Prev Assessed Income	shows Loss		Not included in Block Period	Income before Sal, Int,	69A, 69B, 69C applies
(-) Tax in Filed Returns	Ignore			Assessed Separately	Commission & Bonus
(-) Tax on Incomplete Yr Inc		Can be carried forward to future years			92CA applies with ref to Modified Year

SECTION 158BE

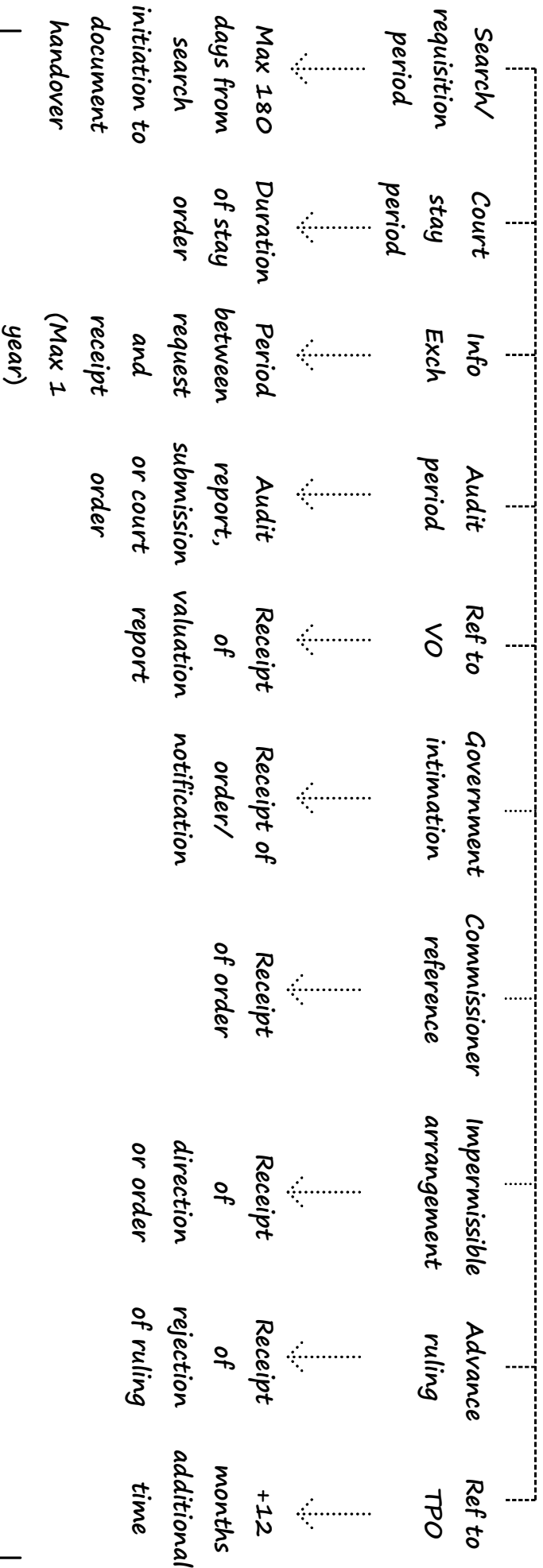
VO = valuation office
TPO = transfer pricing officer

Start of assessment
Base timeline : 12 months from last authorisation

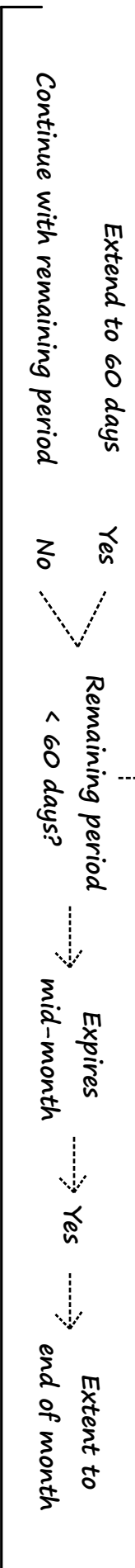
Additional time needed?

Yes

Exclusion periods



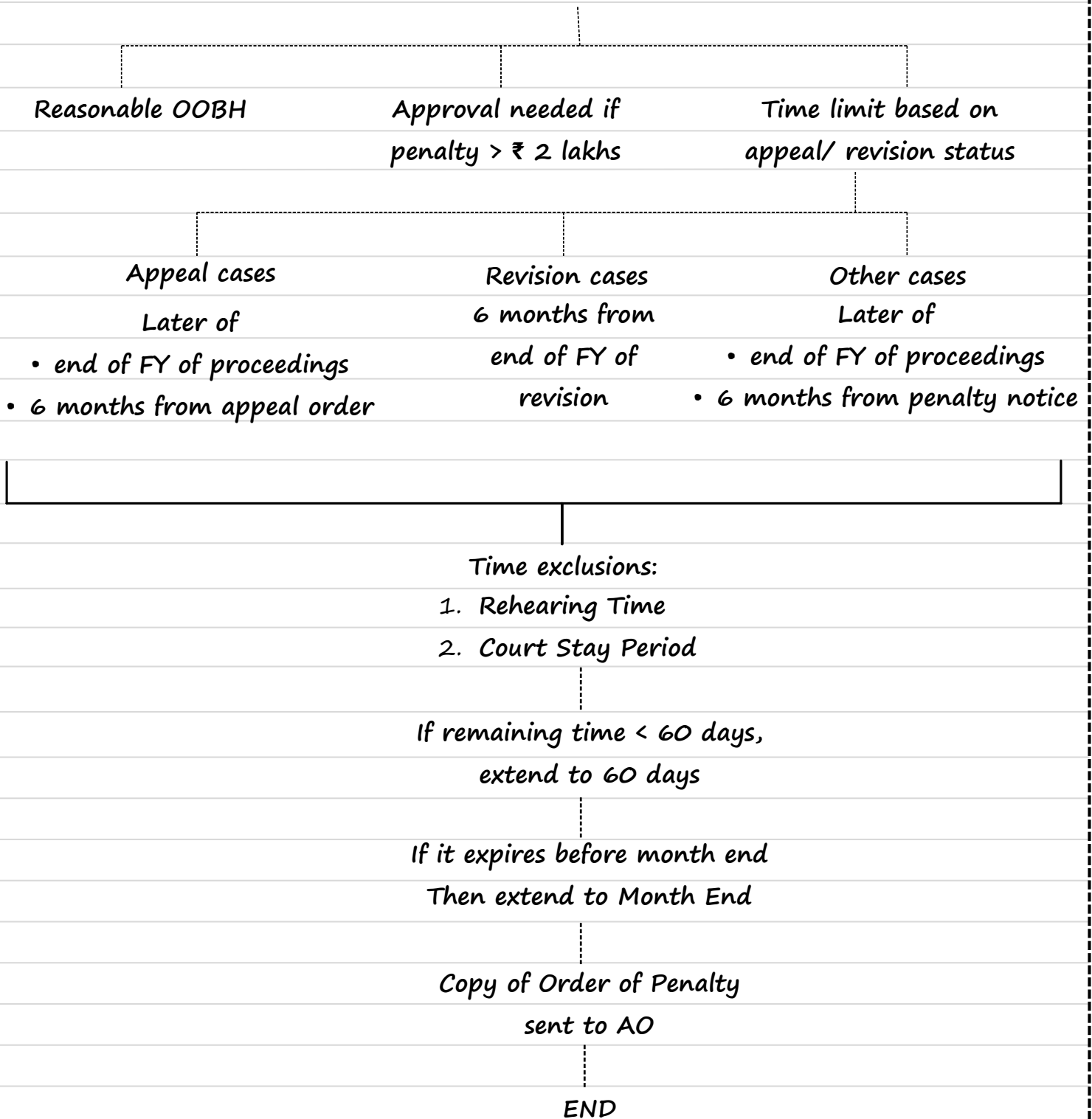
Final timeline calculation



FINAL ASSESSMENT ORDER

IMPOSITION OF PENALTY

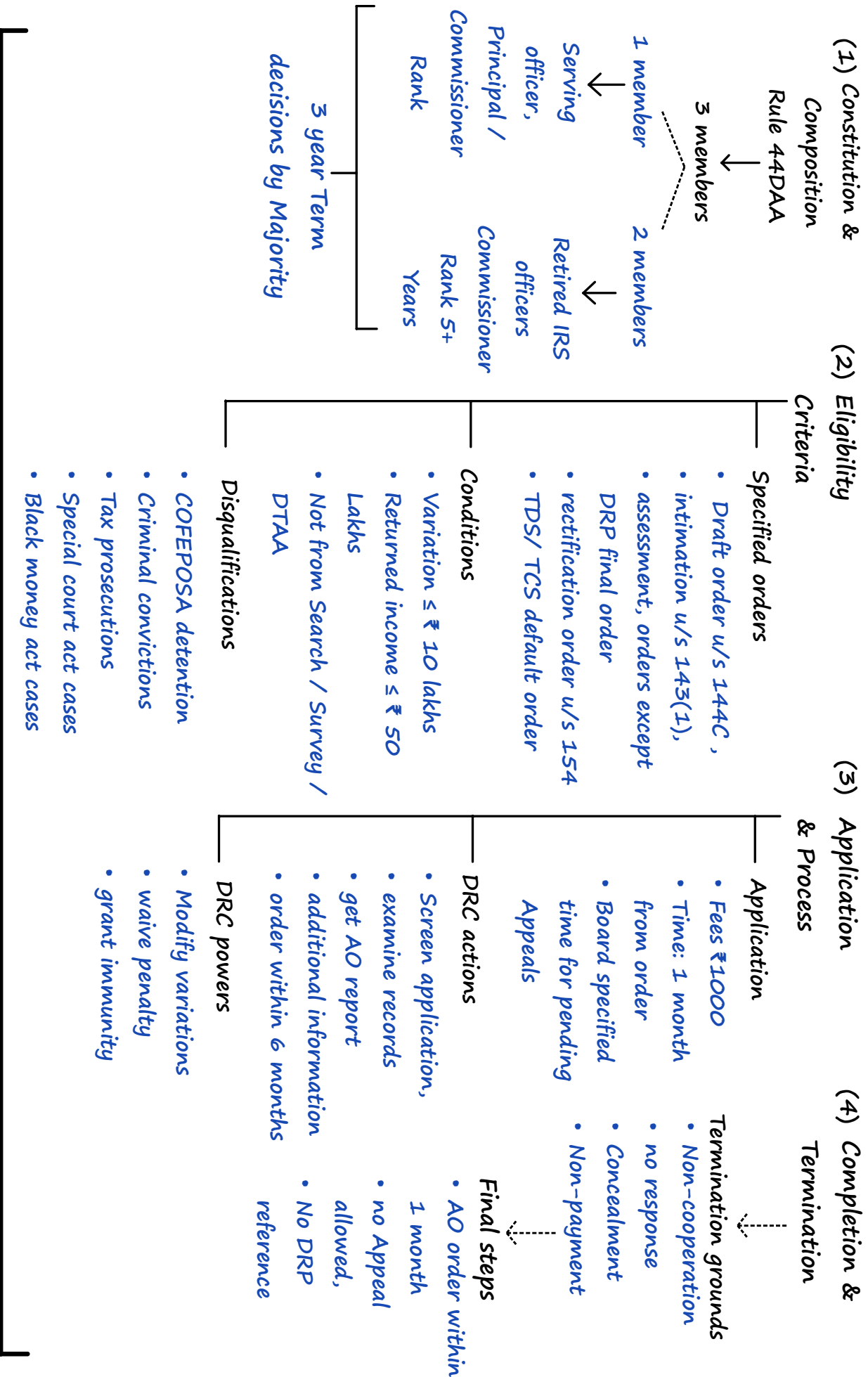
Penalty imposition procedure



DISPUTE RESOLUTION COMMITTEE

Dispute Resolution Committee - Section 245MA

Start of Process



End of Process

(1) Rebate u/s 87A

Regime	Net Total Income Not exceeding	Rebate shall be lower of
Optional	Rs. 5,00,000	Rs. 12,500 or Tax
Default Tax	Rs. 7,00,000	Rs. 25,000 or Tax

(2) Mode of payment shall be through ECS, UPI/NEFT/RTGS/Debit or Credit Card or A/c Payee Cheque to a person in a day Where
 Payment > Rs. 10,000 In case of Transporter > Rs. 35,000 in a day
 In case of payment of retirement benefits to Employees/ Family upto Rs. 50,000

(3) Expense allowed in PY on accrual basis and later paid in cash/crossed/ is disallowed Where
 Expenditure > Rs. 10,000 in a day

(4) Maintaining Books of Accounts

Particulars	Limit
Profession	
• Notified	GR > Rs. 1,50,000 all 3 PFYs OR likely to exceed in CY
• Other	As would enable to Compute total Income
Business	In any 1 of 4 Preceding PYs
Ind / HUF	T/O > Rs. 25 Lakhs OR PGBP Income > Rs. 2.5 Lakhs
Others	T/O > Rs. 10 Lakhs OR PGBP Income > Rs. 1.2 Lakhs

(5) Section 112A Tax Rates applicable on sum exceeding
 Upto 22/07/2024 - Rs. 1,25,000
 From 23/07/2024 - Rs. 1,25,000

(6) Taxability of Insurance Policies

ULIP - Premium Exceeds Rs. 2,50,000 on or after 01/02/21

↓ +2 ↓ +2

LIP - Premium Exceeds Rs. 5,00,000 on or after 01/04/23

Sec 80C LIP Deduction upto Rs. 1,50,000 (if optional regime opted)

(7) Taxability of Gift

Particulars	Condition	Limit	Taxable Amt
Money	W/o Consideration	> Rs. 50K	Whole
Property			
Movable	W/o Consideration	FMV > Rs. 50K	Whole
	Inadequate Considn	Diff > RS. 50K	Diff = FMV - Considn
Immovable	W/o Consideration	SDV > Rs. 50K	Whole
	Inadequate Considn	Diff > Rs. 50K	Diff is Taxable
	check per property	& SDV > 110% of Consideration	

(8) Taxation of Firm / LLP

Book Profits	Quantum of Deduction
On the first Rs. 6,00,000 of Book Profits or in case of loss	Rs. 3,00,000 or 90% of Book Profit whichever is higher
On the Balance of Book Profits	60% of Book Profit

(9) Rule 12AB: Following Persons shall also be required to file their ROI u/s 139(1)

CASE	Prescribed Transactions	Prescribed Monetary Limit
A person carrying on <ul style="list-style-type: none"> • Business • Profession 	His Total Sales, T/o, G/R, as the case, may be in business	> ₹60 lakhs during the relevant PY
	His total G/R in profession	> ₹10 lakhs during the relevant PY
Resident Indv aged ≥ 60 years at any time during the relevant PY	The aggregate of TDS and TCS in his case	≥ ₹50,000 during the relevant PY
Any other person	The aggregate of TDS and TCS in his case	≥ ₹25,000 during the relevant PY
A person having Savings Bank Account	The deposit in one or more savings bank accounts of the person, in aggregate	≥ ₹50 Lakhs during the relevant PY

(10) Quoting of PAN is mandatory for transactions prescribed under Rule 114B:

As per section 139(5) quoting of PAN is mandatory in the following documents/prescribed transactions:

- (a) in all returns to, or correspondence with, any income-tax authority;
- (b) in all challans for the payment of any sum due under the Act;
- (c) in all documents relating to transactions entered into by him, as may be prescribed by the CBDT.

In this connection, CBDT has prescribed the following transactions vide Rule 114B:

Nature of transaction	Value of transaction
1) Sale or purchase of a motor vehicle (Other than 2 Wheeler)	All Such Transactions
2) Opening an Account [other than a time- deposit and a Basic Savings Bank A/c] with a banking company or a co-operative bank	All Such Transactions
3) Making an application to any banking company or a co-operative bank, any other company or institution, for issue of a credit or debit card .	All Such Transactions
4) Opening of a demat account	All Such Transactions
5) Payment to a hotel or restaurant against a bill or bills at any one time.	Payment in cash > ₹ 50,000
6) Payment in connection with travel to any foreign country or payment for purchase of any foreign currency at any one time.	Payment in cash > ₹ 50,000
7) Payment to a Mutual Fund for purchase of its units	Amount > ₹ 50,000
8) Payment to a Co. or an inst. for acquiring debentures or bonds issued by it.	Amount > ₹ 50,000
9) Payment to the RBI for acquiring bonds issued by it.	Amount > ₹ 50,000
10) Deposit with <ul style="list-style-type: none"> • a banking company or a co- operative bank; or • post office 	Cash deposits > ₹ 50,000 during any one day

11) Purchase of bank drafts or pay orders or banker's cheques from a banking company or a co-operative bank	Payment in cash > ₹ 50,000
12) A time deposit with, - (i) a banking company or a co-operative bank (ii) a Post Office; (iii) a Nidhi Co.; or (iv) a NBFC	Amount > ₹ 50,000 or aggregating to > ₹ 5 lakh during a F.Y..
13) Payment for one or more pre-paid payment instruments, to a banking company or a co-operative bank or to any other Co. or Inst.	Payment in cash or by bank draft or pay order/banker's cheque aggregating to > ₹ 50,000 in a F.Y.
14) Payment as life insurance premium to an insurer	Amount aggregating to more than ₹ 50,000 in a F.Y.
15) A contract for sale or purchase of securities	Amount > ₹ 1 lakh per transaction
16) Sale or purchase, by any person, of shares of a Unlisted company	Amount > ₹ 1 lakh per transaction
17) Sale or purchase of any immovable property.	Considn or SDV > ₹ 10 lakhs
18) Sale or purchase, by any person, of goods or services of any nature other than those specified at Sl. No. 1 to 17 of this Table, if any.	Amount > ₹ 2 lakh per transaction

Quoting of PAN/ Aadhaar is mandatory when Cash Deposits / Withdrawals

- Rs. 20 Lakhs or more in a FY

(11) Fees for application to the BAR

Particulars	Limit	Fees
PSU	Any Transaction	Rs. 10,000
Other Assessee		
• Transaction Value	Upto Rs. 100 Cr	Rs. 2,00,000
	> Rs. 100 Cr up to Rs. 300 Cr	Rs. 5,00,000
	> Rs. 300 Cr	Rs. 10,00,000

(12) Powers of acceptance/rejection of applications/claims for Exemption/ refund or relief **after the time limit for filing ROI** shall be based on following Limits

Quantum of claim for 1 A.Y.	Income-tax authority with whom powers of acceptance/rejection is vested
Claim is upto 1 Cr	Principal CIT or CIT
Claim > ₹ 1 Cr upto ₹ 3 cr	CCIT
Claim > ₹ 3 cr	Principal CCIT

(13) ROI is mandatorily required in certain cases, the cases with specific monetary conditions to be remembered are mentioned below:

Conditions	Monetary Limit
• Deposited in one or more Current A/c(s) maintained with a Banking Co/ Co-op Bank	> 1 Cr
• Expense for himself / other person for travel to a foreign Country	> 2 Lakh
• Incurred expense towards electricity bill	> 1 Lakh

(14) MSME definition

Particulars	Investment in Pl&M or Equipment	Turnover
(1) Micro Enterprises	1 Cr	5 Cr
	↓ (x10)	↓ (x10)
(2) Small Enterprises	10 Cr	50 Cr

(15) Tax Audit limit

Business - T/O > Rs. 1 Cr in PY

Profession - Gross Receipts > Rs. 50 Lakhs in PY

(16) Family pension - LOWER OF 1/3rd of such income or

Default Regime - 25,000

Optional Regime - 15,000

(17) Conditions for exemption of political parties

- Maintain Record of Name & Address of Donor - Donation > 20,000
- Donation in A/c Payee Cheque, DD, any mode of ECS - Donation > 2,000

(18) For Managing its Affairs, an Electoral Trust can spend upto 5% of its Total Contribution. However,

Aggregate Limit for Yr 1 - 5 Lakh

Subsequent Yrs - 3 Lakh

(19) Limits in Deductions under Chapter VI-A

Section	Amount
80C	1,50,000
80CCC	1,50,000
80CCE [Limit for 80C + 80CCC+ 80CCD(1)]	1,50,000
80CCD(1B)	50,000
80QQB & 80RRB	Royalty / 3,00,000 [L]
80TTA	Interest/ 10,000 [L]
80TTB (SENIOR CITIZEN)	Interest/ 50,000 [L]
80D	
• Normal Case	Total Payment / 25,000 [L]
• Senior Citizen	Total Payment / 50,000 [L]
• Medical Expense if No Insurance	50,000
• Preventive check up	5,000 (any mode)
80EEA & 80EEB	1,50,000
80JJAA (Employees Pay shall be upto)	25,000
80DD & 80U	
• Normal Limit.	75,000
• Severe Disability ($\geq 80\%$).	1,25,000
80DDB	
• Resident Senior Citizen	1,00,000
• Others	40,000

(20) CBDT has fixed a monetary limit → For Appeal by Department.

→ Dept can only file appeal if Tax Effect is more than:

For Appeal to:

ITAT > 50 lakh

HC > 1 Crore

SC > 2 Crore

→ w.e.f 17.09.2024 these limits have been revised

ITAT > 60 lakh

HC > 2 Crore

SC > 5 Crore

(21) Not Liable to pay Interest u/s 234B and 234C - Advance Tax upto Rs. 10,000

(22) Not liable to maintain TP Records and Documents - Transactions upto Rs. 1 Cr

(23) Excess Interest u/s 94B shall apply where Interest is more than Rs. 1 Cr

(24) CbC Group Reporting if total group revenue for last A/c Yr \geq 6,400 Cr

(25) Equalisation Levy u/s 165 Not Applicable when aggregate value recd by NR is upto Rs. 1,00,000