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## Default tax regime u/s 115 BAC of IT ACT 1961

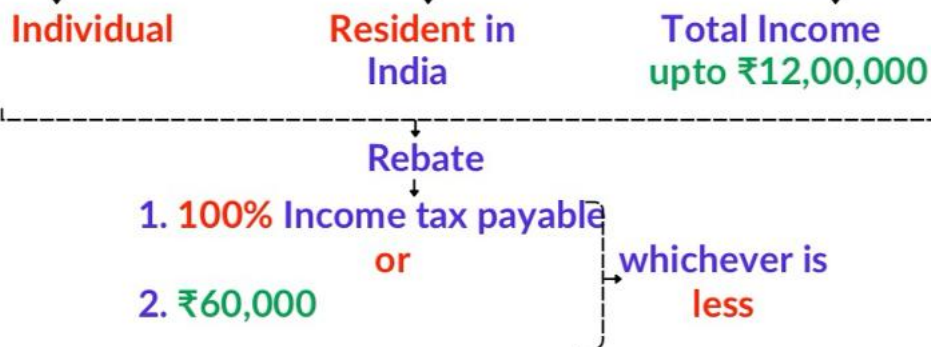
- Other names= Concessional scheme, New regime

Applicability = Individual ,HUF,AOP,BOI,AJP  
(Whether R or NR irrespective of age)

Total Income	Rate
Upto ₹4,00,000	NIL
₹4,00,010 - ₹8,00,000	5%
₹8,00,010 - ₹12,00,000	10%
₹12,00,010 - ₹16,00,000	15%
₹16,00,010 - ₹20,00,000	20%
₹20,00,010 - ₹24,00,000	25%
More Than ₹24,00,000	30%

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## Rebate under 87A



What if total income more than ₹12,00,000?

Step	Process	Amount
Step 1	[A] Total income (-) ₹12,00,000	xxx
Step 2	[B] Compute Tax liability on Total income	xxx
Step 3	[C] If B>A ,rebate = B(-)A	xxx

### Important points

- If Income Increment is More Than Tax Increment, **No rebate allowed.**
- Rebate allowed **before adding 4% H&E cess.**
- No rebate is allowed from Special tax Liabilities (Ex: LTCG 112, 112A, STCG 111A, Lottery Etc.( It Means Rebate Allowed only against the Tax Liability calculated as per Section 115BAC)
- No rebate is allowed **unexplained money.**

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## Special Income tax rate under IT ACT 1961

Applicability: All assessee (Individual, huf, AOP, BOI, AJP, company)

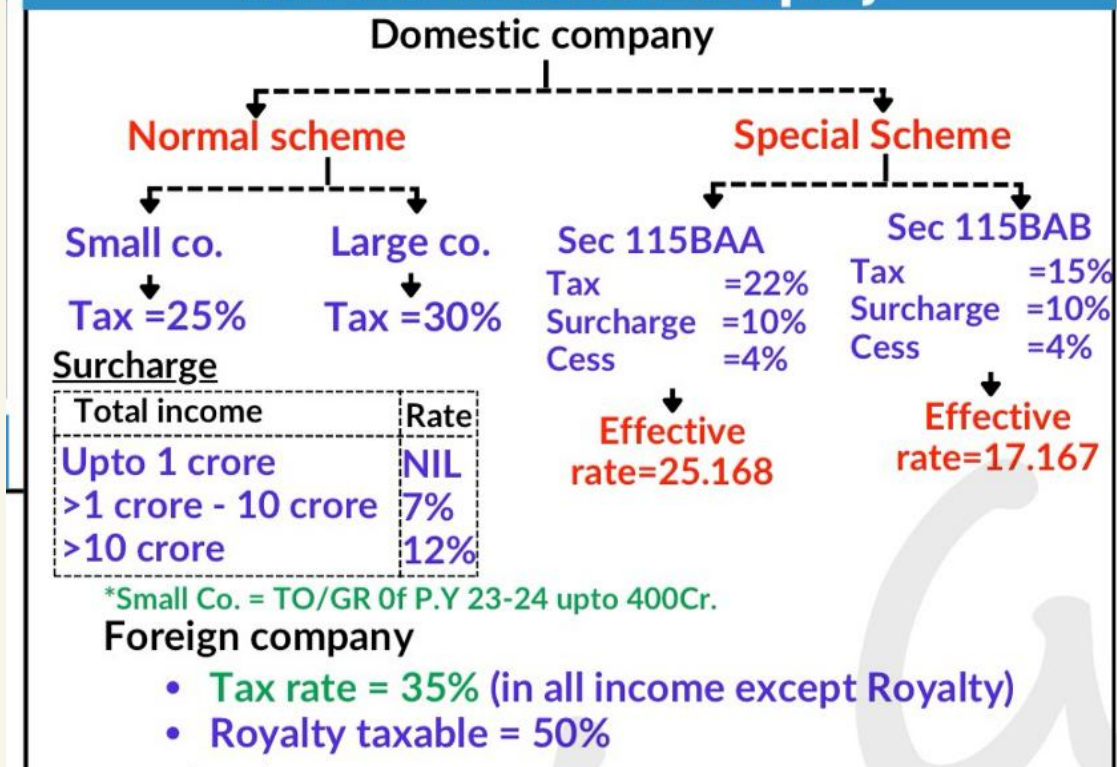
Scheme: - Any scheme (optional or default)

Sec	Income	before 23/7/24	on or after 23/7/24
112	Long term capital gain(LTCG)	20%	12.5%
112A	Long term capital gain(LTCG)	10%	12.5% in excess of 1,25,000
111A	Short term capital gain(STCG)	15%	20%
115BB	Wining from lottery, horse race, puzzle, card games etc.	30%	30%
115BBJ	Net wining from online games	30%	30%
115BBE	Unexplained money, investment	60%	60%
115BBG	Carbon credit income	10%	10%

- LTCG 112A :- Taxable in excess of 1,25,000.  
**Aggregate limit** for whole year.
- Deduction u/s VI-A **not allowed** to above special income

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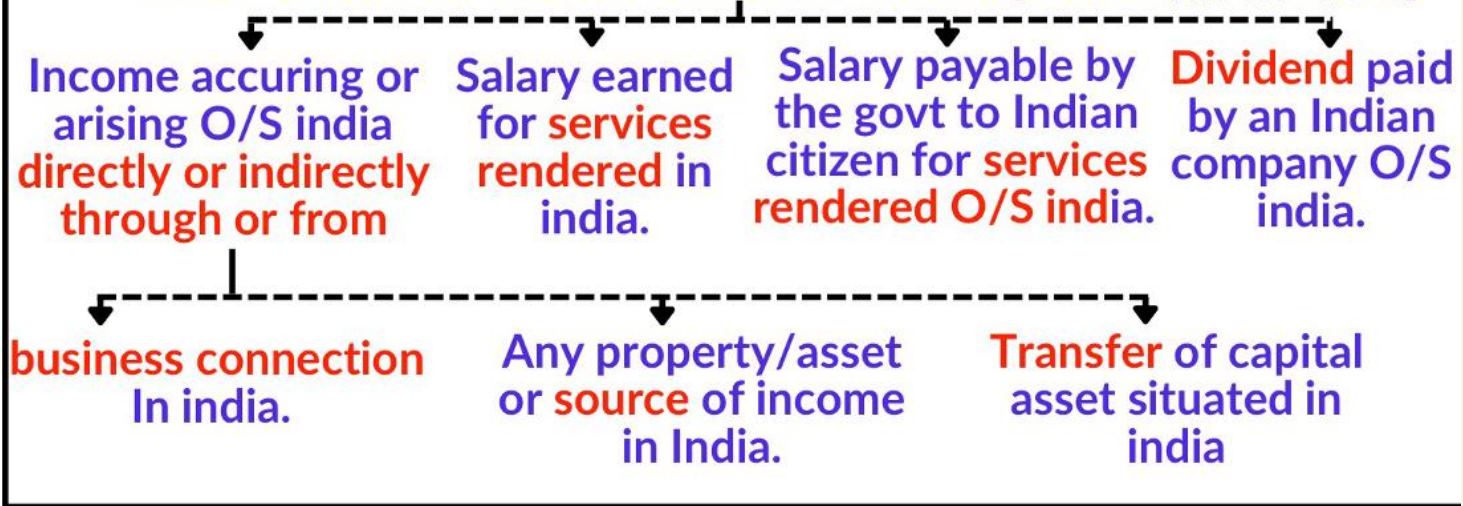
## Tax rates in case of Company



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# Income deemed to be accure or arise in India [Sec -9]

Income deemed to accure or arise in India [clause (i),(ii),(iii),(iv)]



“Purchase of goods in India exclusively for export by a non-resident shall not constitute Significant Economic Presence, even if payment thresholds or volume are high.”

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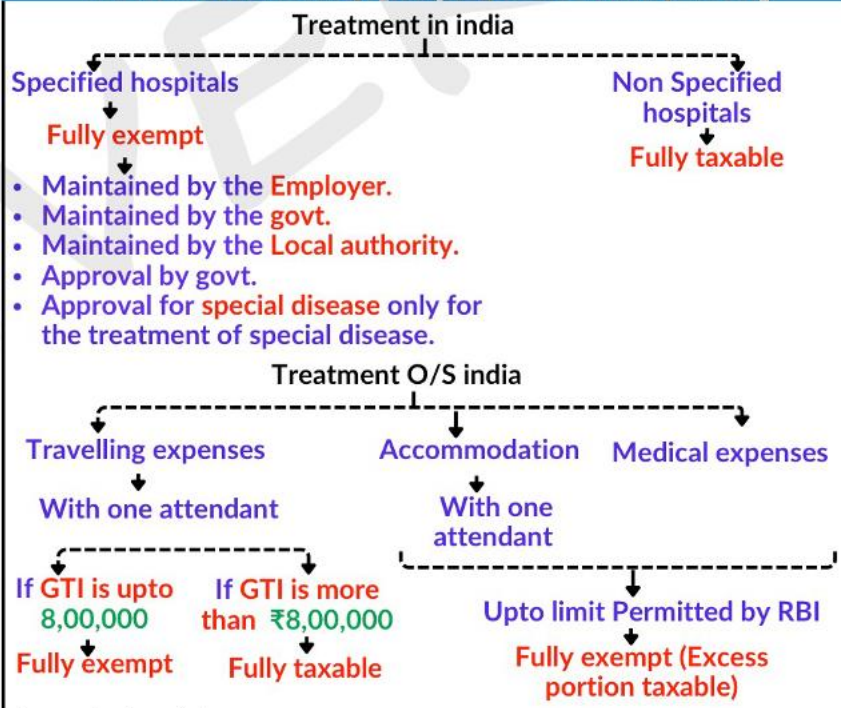
Any monetary obligation of the employee which is discharged by the employer is perquisite in the hands of all employees as per section 17(2)(iv). However, sometimes instead of discharging employees' obligation, employer provides perquisites in the form of facility to the employee. Such perquisites are taxable in the hands of *\*specified employees only*.

Fully exempt Upto exempt

- \*Meaning of Specified Employee:**
- Director of Company
  - An Employee who has Substantial interest in the Company
  - Employee having cash salary More than 4,00,000

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## 14. Medical facility [Employee or family both]



### Important points

- Family means spouse ,children whether dependent or not and parents, brother,sister only when dependent.
- Medical insurance premium paid by Employer are fully exempt



## CHAPTER 1

## INCOME TAX (BASIC CONCEPTS)

## Question 1

Compute the tax liability of Mr VG as **Per Default Tax Regime** in the following cases for Assessment Year 2026-27.

- (i) Mr X has total income of ₹ 7,00,000
- (ii) Mr X has total income of ₹ 10,00,000
- (iii) Mr X has total income of ₹ 12,00,000

## Question 2

Mr VG has income as given below:

Particulars	Amount (₹)
Income under the head Salary	2,50,000
Income under the head House Property	4,50,000
Income under the head Business/Profession	5,49,681

Deductions allowed u/s 80C to 80U are ₹ 1,15,000. Compute the income tax liability if Mr VG Opted Out Default Tax Regime for AY 2026-27

## Question 3

Compute tax liability in the following cases for Assessment Year 2026-27:

- (i) Mr VG (resident) has total income of ₹ 20,00,000
- (ii) Mr VG (non-resident) has total income of ₹ 20,00,000
- (iii) Mr VG (resident), aged 60 years has total income of ₹ 20,00,000
- (iv) Mr VG (non-resident), aged 60 years has total income of ₹ 20,00,000
- (v) Mr VG (resident), aged 80 years has total income of ₹ 20,00,000
- (vi) Mr VG (non-resident), aged 80 years has total income of ₹ 20,00,000

## Question 4 (Surcharge)

Compute tax liability in the following cases for Assessment Year 2026-27.

- (i) Mrs VG (resident) has total income of ₹ 50,50,000
- (ii) Mrs VG (resident) has total income of ₹ 51,00,000
- (iii) Mrs VG (resident) has total income of ₹ 51,50,000

(iv) Mrs VG (resident), aged 60 years has total income of ₹ 51,80,000

(v) Mrs VG (resident), aged 80 years has total income of ₹ 52,50,000

(vi) Mrs VG (resident) has total income of ₹ 1,01,00,000

(vii) Mrs VG (resident) has total income of ₹ 1,02,00,000

(viii) Mrs VG (resident) has total income of ₹ 1,03,00,000

#### Question 5 (Surcharge)

Compute the tax liability of Mr Yog Raj as Per Default Tax, aged 60 years, for AY 2026-27 from the following details:

Particulars	Amount (₹)
Income from salaries	25,28,000
Profits and gains from business/profession	73,00,000
Income from other sources (Interest on bank FD)	3,82,000
Deductions u/s 80C-80U	1,30,000

#### Question 6

Compute the tax liability of Mr VG having total income of ₹ 4,49,000.

#### Question 7

Compute the tax liability as per Default Tax Regime of Mr VG for Assessment Year 2026-27.

- Gross total income ₹5,62,000
- Deductions allowed u/s 80C are ₹ 1,30,000

#### Question 8

Compute the tax liability of Mrs VG, aged 64 years for PY 2025-26 (AY 2026-27):

"Gross total income ₹ 4,44,000; Deductions allowed u/s 80C to 80U are ₹ 98,000 "

Case 1: Mrs VG is a resident

Case 2: Mrs VG is a non-resident

#### Question 9

Compute tax liability of Mr VG for AY 2026-27 from the following information:

Particulars	Amount (₹)
Income under the head Salary	48,000
Income under the head House Property	32,000
Income under the head business/Profession	28,000
Long Term Capital Gains {Taxable u/s 112}	1,90,000
Short Term Capital Gains	42,000
Short Term Capital Gains u/s 111A	5,00,000
Lottery Income	2,00,000
Other Income	11,000
Deductions allowed u/s 80C	1,50,000
Deduction allowed u/s 80CCD(2)	20,000

- Case 1: Mr B is resident (Opted Default Scheme)
- Case 2: Mr B is resident and aged about 68 years. (Opted Default Scheme)
- Case 3: Mr B is resident and aged about 81 years. (Opted Normal Tax Regime)
- Case 4: Mr B is non-resident. (Opted Normal Tax Regime)

## Additional Questions

①  $PGBP = 2,00,000$

$IFHP = 1,00,000$

$STCG 111A = 50,000$

$LTCG 112A = 1,50,000$

$LTCG 112 = 1,00,000$

②  $PGBP = 3,00,000$

$STCG = 3,00,000$

$LTCG 112 = 1,00,000$

$LTCG 112A = 1,50,000$

③  $LTCG 112 = 2,00,000$

$STCG 111A = 1,00,000$

$LTCG 112A = 2,00,000$

Dividend =  $1,50,000$

Lottery =  $2,00,000$

$$\textcircled{4} \quad \text{Total Income} = 12,10,000$$

$$\textcircled{5} \quad \text{Total Income} = 12,75,000$$

$$\textcircled{6} \quad \text{PUBP} = 8,10,000$$

$$\text{LTCY II} = 4,00,000$$

**Question:**

ABC Inc., a company incorporated in USA, purchases goods from India worth ₹5 crore during the previous year. The goods are exclusively exported outside India without any domestic sale.

Further, ABC Inc. does not have any office, agent or business connection in India.

Determine whether ABC Inc. will have Significant Economic Presence (SEP) in India.

**Answer:**

As per Explanation 2A to section 9(1)(i), SEP includes:

- Transaction in goods/services exceeding ₹2 crore
- OR interaction with users exceeding prescribed limit

**However, exception provided:**

✓ Purchase of goods in India exclusively for export

➡ will NOT constitute SEP

**Analysis:**

- ABC Inc. purchased goods = ₹5 crore (threshold crossed ✓)
- But goods are exclusively exported ✓

**Conclusion:**

👉 Despite exceeding ₹2 crore,  
ABC Inc. will NOT have SEP in India  
because it falls under export purchase exception

## QUESTION 2

**Question:**

XYZ Ltd., a non-resident company, enters into the following transactions in India during the previous year:

1. Purchases goods worth ₹3 crore exclusively for export
2. Sells digital services in India worth ₹1.5 crore
3. Has interaction with 3.5 lakh users in India

Determine whether XYZ Ltd. has Significant Economic Presence in India.

## Answer:

As per Explanation 2A to section 9(1)(i):

SEP arises if:

- Transactions exceed ₹2 crore OR
- Users exceed prescribed limit (3 lakh)

## Analysis:

1 Purchase of goods for export (₹3 crore)

👉 Covered under exception

❌ Not considered for SEP

2 Digital services (₹1.5 crore)

👉 Below ₹2 crore

❌ No SEP on this basis

3 User interaction = 3.5 lakh

👉 Exceeds threshold (3 lakh) ✓

➡ Due to user interaction exceeding threshold

👉 Export purchase is ignored due to exception