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MAY 26

ALL AMENDMENTS

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Basic Concepts

Slabs rates under Default Tax Regime for Individual/ HUF/ AOP/ BOI/ AJP has been revised as under:

SLAB Rates	
If Total Income	Tax Rate
Upto 4,00,000 (Basic Exemption limit)	NIL
Above 4,00,000 but upto 8,00,000	5%
Above 8,00,000 but upto 12,00,000	10%
Above 12,00,000 but upto 16,00,000	15%
Above 16,00,000 but upto 20,00,000	20%
Above 20,00,000 but upto 24,00,000	25%
Above 24,00,000	30%

Accordingly Rebate to Resident Individual u/s 87A under Default tax regime will be:

If total income is upto 12,00,000, Rebate will be: 60,000 or Tax Amount, which is lower

If total income > 12,00,000 and tax on such total income exceeds increase in income in excess of 12,00,000, the rebate shall be calculated as follows:

Step 1: Calculate difference between Total income and 12,00,000

Step 2: Calculate difference between Tax on total income and Tax on 12,00,000

Step 3: If Step2 > Step1, Rebate = Difference between Step 2 and Step 1

Tax rate in case of domestic company is 25% if: Turnover/ gross receipts is upto 400 crores in PY 2023-24. Earlier we use to check Turnover in PY 2022-23



Capital Gains

Definition of Capital Asset has been amended as follows:

1. Property whether or not connected with Business/ Profession
2. Securities held by FII or Investment Fund
3. ULIP to which exemption u/s 10(10D) not apply

Definition of EOF has been amended and accordingly ULIP to exemption u/s 10(10D) does not apply will be treated as unit of Equity oriented fund

"Equity oriented fund" means fund set up under a scheme of a mutual fund or under a scheme of an insurance company comprising unit linked insurance policies to which exemption under clause (10D) of the said section does not apply, -

1. in case where fund invests in units of another fund which is traded on a recognised stock exchange, -
 - minimum 90% of total proceeds of such fund is invested in the units of such other fund; and
 - such other fund also invests a minimum of 90% of its total proceeds in equity shares of domestic companies listed on a recognised stock exchange; and
2. in any other case, minimum of 65% of total proceeds of such fund is invested in equity shares of domestic companies listed on a recognised stock exchange



IFOS

Section 2(22)(e) Deemed Dividend section has been amended so to include that following transaction will also not be treated as deemed dividend:

Any advance or loan between two group entities shall not be treated as deemed dividend, where,—

- a. one of group entity is "Finance company" or "Finance unit"; and
- b. parent entity or principal entity of such group is listed on stock exchange in country or territory outside India other than country as may be specified by Board in this behalf

(Refer Page 48 of my CB for complete extract of this section)

Amendment in Section 56(2)(xiii)

Extract of section 56(2)(xiii) with amendment written in green is discussed below:

<p>In respect of ULIP issued on or after 1.2.2021</p> <p>This provision shall not apply to ULIP issued by IFSC insurance office</p>	<p>Sum received under LIP including bonus is exempt No Exemption: If premium payable for any of the years > 10% or 15% as case may be of "actual capital sum assured".</p> <p>Further No Exemption: If ULIP issued on or after 1.2.2021, and amount of premium payable > Rs.2,50,000 for any of the P.Y.s during the term of such ULIP. Such ULIP would be specified ULIP, which is a capital asset.</p> <p>If more than one ULIP issued on or after 1.2.2021 and aggregate premium > Rs.2,50,000 for any of the P.Y.s during term of any such ULIPs, exemption would be available in respect of any of those ULIPs, at the option of the assessee, whose aggregate premium payable does not exceed Rs.2,50,000 for any of the P.Y.s during their term. All other ULIPs would be specified ULIPs, which are capital assets.</p>
<p>In respect of life insurance policies issued on or after 1.4.2023</p> <p>This provision shall not apply to LIP issued by IFSC insurance office</p>	<p>Sum received under LIP including bonus is exempt No Exemption: If premium payable for any of the years > 10% or 15% as case may be of "actual capital sum assured".</p> <p>Further No Exemption: If amount of premium payable > Rs.5,00,000 for any of the P.Y.s during the term of such policy.</p> <p>If more than one LIP issued on or after 1.4.2023 and aggregate premium > Rs.5,00,000 for any of the P.Y.s during term of any such LIPs, exemption would be available in respect of any of those LIPs, at the option of the assessee, whose aggregate premium payable does not exceed Rs.5,00,000 for any of the P.Y.s during their term.</p>

(Refer Page 51 of my CB for complete extract of this section)



Sett off & Carry forward of Losses

C/f and Set off Of accumulated Business Losses And Unabsorbed Dep In Certain Cases [Sec 72A]

In Case Of Amalgamation: Accumulated loss and unabsorbed depreciation of amalgamating company shall be deemed to be loss or unabsorbed depreciation of amalgamated company for PY in which amalgamation took place (i.e. Fresh Life of 8 years allowed)

As per Amendment:

In case amalgamation is effected on or after 01.04.2025, then successor entity will be eligible to c/f loss of predecessor entity, only for remaining years for which predecessor would have been entitled to carry forward (FRESH LIFE OF 8 YEARS NOT ALLOWED)

Where firm is succeeded by company or sole proprietary concern is succeeded by company then accumulated business loss and unabsorbed dep of firm/proprietary concern, as the case may be, shall be deemed to be loss or dep allowance of successor company for PY in which business re-organization took place (i.e. Fresh Life of 8 years allowed)

Where private co or unlisted co is succeeded by LLP, then successor LLP would be allowed to c/f and set-off business loss and unabsorbed dep of predecessor company (i.e. Fresh Life of 8 years allowed)

As per Amendment for both of above Points:

In case succession or conversion is effected on or after 01.04.2025, then successor entity will be eligible to c/f loss of predecessor entity, only for the remaining years for the which predecessor would have been entitled to carry forward (FRESH LIFE OF 8 YEARS NOT ALLOWED)



Assessment of Various Entities

Amendment in Tonnage Taxation provisions has been added in GREEN Below:

1. Qualifying Company: Indian Company [POEM in India] engaged in business of operating ships **(including inland vessel)** AND owns at least 1 qualifying ship [minimum tonnage of 15 tons]
2. Application required to be made within 3 months of date of incorporation or date on which it becomes a qualifying company. **Application has to be disposed off within 1 month from end of month in which it is received. Applications received on or after 01.04.2025 has to be disposed off within 3 months from end of quarter in which application was received**
3. Once option exercised, will remain in force for 10 years
4. BOA and Audit u/s 44AB mandatory

Provided that company shall not be regarded as operator of ship [or inland vessel] which has been chartered out by it on bareboat charter-cum-demise terms or on bareboat charter terms for period exceeding 3 years



Income Tax Authorities

Amendment in section 132

Power of Search and Seizure [Section 132]

Seized books or documents cannot be kept by tax officer for more than 1 month after end of quarter in which assessment, reassessment, or recomputation is completed, unless officer records written reasons and gets approval from senior income tax authority

Earlier the time limit to return seized Books or documents was 30 days from date of assessment (Refer Page 77 of my CB for complete extract of this section)

Amendment in Section 271AAB

Penal provisions on undisclosed income found during of search [Section 271AAB]

This section will not apply in case of search initiated on or after 01.09.2024



Assessment Procedures and Appeals & Revisions

Amendment in section 139(8A) has been written in green Below

Updated Return of Income [Section 139(8A)]

Person may furnish UR for PY at any time **within 48 months from end of RAY** irrespective of whether or not he has furnished return u/s 139(1)/ 139(4)/ 139(5) for that AY

Note: If loss or unabsorbed depreciation c/f or tax credit c/f is to be reduced for any subsequent PY as a result of furnishing of updated return of income for a PY, an updated return is required to be furnished for each such subsequent PY.

Updated Return cannot be furnished in following cases, If Updated Return:

1. is return of loss.
2. results in decreasing tax liability, or refund or increase in refund
3. Where search has been initiated, requisition has been made or survey is conducted other than TDS/ TCS, no UR for that AY and for any preceding AY
4. In case of any other person Search, requisition, survey have been conducted but money, bullion etc and BOA belongs to such person, no Updated Return for that AY and for any preceding AY
5. is already furnished for relevant A.Y.
6. Any proceeding is pending or has been completed for relevant A.Y.
7. Where AO has information in respect of such person under Smugglers Act, Benami Property Act, Money Laundering Act, Black Money Act, Section 90/90A of Income Tax Act and same has been communicated to him prior to filing of updated return.
8. If any prosecution proceedings been initiated for relevant AY in respect of a person prior to date of furnishing of return under this sub-section.
9. **No updated return shall be furnished by any person where any notice to show-cause u/s 148A has been issued in his case after 36 months from end of relevant AY. However, where an order is passed u/s 148A determining that it is not a fit case to issue notice u/s 148, updated return may be filed upto 48 months from the end of the relevant assessment year.**

Additional Tax on Updated Return

Time of furnishing updated return	Additional Income-tax Payable
If return is furnished after expiry of time u/s 139(4) or 139(5) of AY and before completion of period of 12 months from end of RAY	25% of aggregate of tax and interest payable
If such return is furnished after expiry of 12 months from end of RAY but before completion of period of 24 months from end of RAY	50% of aggregate of tax and interest payable
If such return is furnished after expiry of 24 months from end of RAY but before completion of period of 36 months from end of RAY	60% of aggregate of tax and interest payable
If such return is furnished after expiry of 36 months from end of RAY but before completion of period of 48 months from end of RAY	70% of aggregate of tax and interest payable

Amendment in Block Assessment section has been written in GREEN below

Block Assessment in Search and Requisition taking place on or after 01-09-2024

Finance Act 2024 introduced new block assessment scheme in search and requisition taking place on or after 01-09-2024, and total income of block period shall be assessed jointly.

Block period

- Where search takes place on or after 01-09-2024, total income of block period shall be assessed.
- Block period will consist of 6 PY preceding PY in which search took place. Thus, if search is conducted on 15-10-2024, block period will consist of PY 2023-24, 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19.
- Block period will also include period starting from 1 April of PY in which search was initiated and ending on date of execution of last of authorisations for search.
- If any assessment or reassessment or **recomputation** is pending during block period, it shall abate and be considered for assessment during block period. If block assessment is annulled in appeal, abated assessment/ recomputation shall be revived.
- If reference to TPO has been made or order has been passed by TPO during course of any assessment proceedings, it shall abate w.e.f from date of initiation of search or requisition
- Block period for "other person" shall be same as that for "person searched".

Total income

- Total income (other than undisclosed income discovered in search) of PY in which search took place shall be assessed independently in accordance with normal provisions of the Act.
- "Undisclosed income" includes any money, bullion, jewellery, or expense or income based on any entry in BOA which have not been disclosed for income tax purpose. Covers incorrect expense claims, exemptions, deductions, or allowances for block period.

VDA included in this definition w.e.f 01-02-2025

- ~~• Income included in block period will be aggregate of returned income, assessed income, declared income, income determined for current year and undisclosed income determined by AO.~~
- ~~• Assessed losses/brought forward losses of PY comprising in block period shall be ignored. They may be considered in regular assessments subsequent to block assessments.~~
- ~~• Total income for block period shall be reduced by returned income, assessed income, and income determined for current year, and remaining income shall be charged to tax at 60%.~~

Filing of return

- AO may issue notice to file return within 60 days declaring therein total income, including undisclosed income for block period.
- Return filed above shall be considered as return filed u/s 139, and proceedings for assessment shall be initiated u/s 143(2). Return filed beyond time allowed in notice not be treated as return filed u/s 139. Right to file revised return is not available for above return

Assessment

- Block assessment shall be done by AO not below rank of Deputy/Assistant C/D with prior approval of Additional/ Joint C/D
- Once proceedings are initiated in this chapter, no proceedings under Section 148 shall be initiated.
- Assessment of block period shall be carried out in accordance with provisions of Act as applicable to block period, i.e. sections 142, 143(2), 143(3), 144, 145, 145A and 145B.
- Section 143(1) shall not apply to the assessment under this Chapter.
- Procedure provided u/s 144C (DRP) shall not be applicable for proceedings under this Chapter.
- Assessment for block period shall be completed within 12 months from end of **quarter** in which last of warrant of authorisation for search or requisition was executed.
- Assessment of other person shall be completed within 12 months from end of **quarter** in which notice is issued to file ROI for block period

In both above cases, where reference is made to TPO, above time limits will be extended by 12 months

Note: In computing period of limitation, following Period shall be excluded: (SAME AS PAGE 93)
After exclusion, if period of limitation expires before end of month, extend such period to end of month

Where assessment under this chapter is **required to be made** and subsequent search or requisition is made, such pending assessment will be completed first and thereafter subsequent assessment shall be made. Provided that where remaining period for completing subsequent assessment is less than 3 months, such period shall be extended to 3 months from end of month in which earlier assessment was completed

Interest and Penalty

- No interest u/s 234A, 234B or 234C or penalty u/s 270A shall be levied or imposed upon assessee in respect of undisclosed income assessed or reassessed for block period.
- If no return is filed in response to a notice or is filed beyond time allowed, interest shall be levied at 1.5% of tax on undisclosed income for every month or part of the month
FROM: Day following expiry of time allowed in notice to file ROI for block period
TO: Date of completion of assessment
- AO or CIT(A) may levy a penalty equal to 50% of tax levied on undisclosed income.
- Provided that no order imposing above penalty or 271AAD or 271D or 271DA or 271E shall be made for block period in respect of a person if—
 - i. such person has furnished ROI for block period
 - ii. tax payable of such ROI has been paid or, if assets seized consist of money, assessee offers money so seized to be adjusted against tax payable;
 - iii. evidence of tax paid is furnished along with return; and
 - iv. appeal is not filed against assessment of that part of income which is shown in return:
- No exception from penalty where undisclosed income determined by AO > Income as per return filed by assessee. Penalty in such case will be levied on such excess amount

No order imposing a penalty shall be made,—

- a. unless assessee has been given OOBH
- b. by Deputy/ Assistant C/D, where penalty > 2 lakh except with approval of Additional/ Joint C/D
- c. in case where assessment is subject-matter of appeal to CIT (Appeals)/ ITAT, after expiry of FY in which penalty proceedings are completed, or 6 months from end of FY in which order of CIT(A)/ ITAT, whichever period expires later
- d. in case where assessment is subject-matter of revision u/s 263, after expiry of 6 months from end of FY in which such order of revision is passed;
- e. in any case other than clause (c) and (d), after expiry of FY in which proceedings are completed, or 6 months from end of FY in which notice for imposition of penalty is issued, whichever is later

In computing above period of limitation, following period shall be excluded:

- Time taken in giving opportunity to assessee to be reheard under proviso to section 129 or
- **Period commencing on date on which stay on assessment proceeding was granted by an order or injunction of any court and ending on date on which certified copy of order vacating stay was received by jurisdictional Principal Commissioner or Commissioner**

Where after exclusion, period available is less than 60 days, time shall be extended to 60 days
Also, if period of limitation expires before end of month, extend such period to end of month

Computation of Total undisclosed Income of block period.

Total undisclosed income for block period will be taxed at flat rate of 60%. Additionally, tax shall be increased by a surcharge, if any, levied by any Central Act. (Presently no surcharge specified)

Particulars of Undisclosed income	
Undisclosed income declared in return furnished under this block assessment (A)	xx
Undisclosed income determined by the Assessing Officer (B)	xx
Total undisclosed income of block period (A+B)	xx

Following income shall not be included in total undisclosed income of block period, namely:—

- a. total income determined u/s 143(1) or assessed u/s 143, 144, 147 or assessed earlier under previous block assessment, prior to date of initiation of search or date of requisition, in respect of any of previous year comprising block period;
- b. total income declared in ROI filed u/s 139 or ROI filed in response to notice u/s 142(1), prior to date of initiation of search/ requisition, in respect of any of PY year comprising block period, and such income is not assessed yet
- c. Total income referred to 115A(5) or section 115G or 194P(1)

Section 115A(5): Applies to non-residents earning specific types of income (e.g., dividends, interest, royalties, fees for technical services).

- If tax is deducted at source as required under 115A, and:
- The non-resident is not otherwise required to file a return under Section 139,

Then such income is deemed to have been disclosed. So, this income is not included in undisclosed income, provided conditions under 115A(5) are met.

Section 115G: Applies to Non-Resident Indians (NRIs) who earn income under Chapter XII-A (special provisions for NRIs). If the NRI has only investment income or long-term capital gains covered under this chapter, and:

- Due taxes are fully deducted at source,
- Then the NRI is not required to file a return under Section 139.

Hence, such income is not to be considered undisclosed, as per the law.

Note: 115A and 115G are covered in NR Taxation chapter

Section 194P(1): Applies to specified senior citizens (age 75+) with only pension and interest income. If certain conditions are met, and tax is deducted by the bank, They are not required to file ITR. So, such income too is considered disclosed and excluded from block undisclosed income. (This section is covered in TDS chapter)

d. Income computed by assessee:

- a. Income already calculated by assessee for a financial year that has ended, and due date to file return for that year has not yet passed before search began, And income is properly recorded in books or documents that were maintained in usual course of business before search
- b. Income calculated by assessee for period: starting from April 1 of FY in which search happens and ending on day before search starts, And that income is properly recorded in books/documents that were maintained regularly and updated before search began

c. Income calculated by assessee for period starting from date search begins, and Ending on date on which last search authorization is executed, And this income is properly recorded in books or documents that were maintained in regular course of business, and these entries were made on or before the date last authorization was executed

For point a, b and c: Where Assessing Officer is of opinion that any part of income as computed by assessee under this clause is undisclosed, he may recompute such income

Undisclosed income falling within block period, shall be computed in accordance with provisions of this Act, on basis of evidence found as result of search or survey or requisition of BOA or other documents and any other material or information as are either available with AO or come to his notice during course of proceedings under this Chapter.

If any income is related to International Transaction or Specified Domestic Transaction and that income comes to light during search, or is found in regular books or documents (maintained up to date of last search authorization), and income is from period starting April 1 of year in which last search authorization is executed and ending on same date (i.e., the date of last authorization), Then that income will NOT be treated as undisclosed income of block period. Instead, it will be assessed separately under normal provisions of ITA (not block assessment).

For the purposes of determination of undisclosed income,

- a. For Firms: While computing undisclosed income of partnership firm, income for each year in block period should be calculated before deducting: Salary, Interest, Commission, Bonus, or any other payment to non working partners
- b. Sections 68 to 69C: They will apply to block assessments just like they apply in regular cases. But, term "financial year" in these sections will mean relevant previous year in the block period.
- c. Transfer Pricing Rules (Section 92CA): Transfer pricing provisions (for international/specified domestic transactions) will also apply. But term "previous year" will mean relevant year in block period only, Excluding following period (i.e., the April 1 to date of last authorization period for transfer pricing – which is assessed separately).

When assessing undisclosed income under block assessment (after search), following rule applies:

No Set-Off Allowed: Losses from earlier years (before block period) (like business loss, capital loss), and Unabsorbed depreciation under Section 32(2) Cannot be set off against undisclosed income found in the block assessment.

But They Can Be Carried Forward: These losses and depreciation can still be carried forward to be used: In year after block period ends, and For remaining period allowed under Income Tax Act, As per the normal rules of the Act.

Amendment in section 153

Under section 153 where time limits for completion of assessment is discussed following wordings has been changed: Refer Page 94 of my CB for complete extract of section

New wordings: Period commencing on date on which stay on assessment proceeding was granted by an order or injunction of any court and ending on date on which certified copy of order vacating stay was received by jurisdictional Principal Commissioner or Commissioner

Old wordings: Period during which assessment proceedings is stayed by order of any court

Amendment in section 263 has been written in GREEN Below

Revision of Orders Prejudicial to the Interest of Revenue [Section 263]

If PCC/CC/PC/C considers that any order passed by AO or TPO, is erroneous & is prejudicial to interests of Revenue, he may, after giving assessee OOBH and after making an enquiry, pass an order, including an order for enhancing, modifying or cancelling assessment and directing fresh assessment

Order passed by AO or TPO as case may be, shall be deemed to be erroneous in so far as it is prejudicial to interests of the Revenue, if

- Order is passed without making inquiries or verification which should have been made;
 - Order is passed allowing any relief without inquiring into the claim;
 - Order has not been made in accordance with any order issued by CBDT
 - Order has not been passed in accordance with any decision which is prejudicial to assessee, rendered by jurisdictional HC or SC in case of assessee or any other person
-
- Doctrine of Partial Merger: Where order of AO/ TPO had been subject-matter of any appeal, 263 shall apply only to such matters which have not been decided in such appeal. Therefore, matters already decided in appeal cannot be revised u/s 263
 - Commissioner may review all records available at time of examination for section 263
 - **Time limit for revision order:** 2 years from end of FY in which order was passed
 - In computing 2 years, time taken in giving opportunity to assessee to be reheard u/s 129 and any **period commencing on date on which stay on any proceeding under this section was granted by an order or injunction of any court and ending on date on which certified copy of order vacating stay was received by jurisdictional PC/C shall be excluded**
 - Time limit of 2 years does not apply in case where effect has to be given to a finding or direction contained in order of ITAT, HC, SC

Amendment in section 264 has been written in GREEN Below

Revision of Other Orders [Section 264]: PCC/CC/PC/C may on own motion or on application by Assessee revise AO order which is prejudicial to interest of assessee.

1. Time limit for passing revision order

- Suo Moto: within 1 year from date of passing of AO order
- Application by assessee: within 1 year from end of F.Y. in which application was made by assessee

2. Assessee shall make an application within 1 year from communication of AO order with 500 fees (Even after time period allowed if sufficient cause)

3. Revision u/s 264 not permissible:

- If time limit for filing appeal to JCIT(A)/ CIT(A) has not expired or assessee has not waived his right of appeal
- Order is subject matter of appeal before JCIT(A)/ CIT(A)

4. Options available to assessee:

- Either prefer an appeal to JCIT(A)/CIT(A) or
- Apply to Commissioner for revision u/s 264 [Both options not available]

5. In computing the time limit of 1 year, time taken in giving opportunity to assessee to be reheard u/s 129 and any period commencing on date on which stay on any proceeding under this section was granted by an order or injunction of any court and ending on date on which certified copy of order vacating stay was received by jurisdictional PC/C shall be excluded



Miscellaneous Provisions

Amendment in Section 269SS, 269ST, 269SU, 269T

W.e.f 01.04.2025, Penalty under above 4 sections shall be imposed by AO instead of JC

Earlier, penalty under above sections was levied by JC only

New section 285BAA has been added in Income Tax Act as follows:

Section 285BAA: Reporting obligations on specified entities dealing in crypto-assets.

- 1. It mandates such reporting entities to furnish prescribed transaction details of crypto-assets to income-tax authorities in a specified format and timeline.**
- 2. If the statement is found defective, ITA shall intimate it to entity and the entity must rectify it within 30 days from date of intimation, failing which it will be treated as furnishing inaccurate information.**
- 3. If no statement is filed, the tax authority can issue a notice requiring submission. Any inaccuracy later discovered must be reported and corrected within 10 days.**

Central Govt will specify by rules nature of information to be maintained, reporting format, and due diligence requirements for identifying crypto-asset users



Penalties and Prosecution

Finance Act, 25 has Revised Time limits for imposition of Penalty which are as follows:

No penalty order can be passed after 6 months from end of quarter in which any of following happens:

Assessment Completed (No Appeal Filed):

6 month clock starts from end of quarter in which those proceedings are completed.

Revision Order Passed (u/s 263 or 264):

6-month clock starts from the end of the quarter in which the revision order is passed.

CIT(A) passed order (No Appeal to ITAT):

6-month clock starts from end of quarter in which Commissioner receives appellate order.

ITAT passed order:

6-month clock starts from end of quarter in which ITAT order is received by Commissioner

Other Cases:

6-month clock starts the end of quarter in which notice for penalty is issued.

Note: In computing period of limitation for purposes of this section, following period shall be excluded:—

(a) time taken in giving opportunity to assessee to be reheard under proviso to 129

(b) period commencing on date on which stay on proceeding for levy of penalty was granted by order or injunction of any court and ending on date on which certified copy of order vacating stay was received by PC/C

Amendment in section 276B/ BB is written in green below:

<p>276B/ 276BB</p>	<p>TDS/ TCS deducted/ collected but not paid to CG</p> <p>Note: No prosecution if TDS/TCS amount is upto 25 lakhs and delay in deposit is less than 60 days. In case of habitual defaulters, prosecution may be initiated with previous approval of two CCIT/DGIT even though amount is upto 25 lakhs.</p> <p>276B/ 276BB shall not apply if payment of TDS/TCS is made upto date of filing of TDS/TCS statements</p>	<p>3 months to 7 years (+) fine</p>
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Amendment in section 270AA is written in green below:

Immunity from imposition of penalty & prosecution u/s 270A, 276C, 276CC (Section 270AA)

Assessee has to make application within 1 month from end of month in which order received and:

- Pay tax & interest payable as per order of assessment
- Does not prefer appeal against such assessment order
- **AO has to pass order within 3 month from end of month in which application is received accepting or rejecting it.**
- Now assessee cannot file appeal is his application is accepted
- No immunity for mis reporting of income

Earlier AO has to pass the order within 1 month from end of month in which application is received



Business Trust

There has been an amendment in the taxability of LTCG u/s 112A of Business trust. Earlier LTCG u/s 112A was taxable at MMR in hands of Business Trust which has now been amended, and hence now LTCG u/s 112A of Business Trust shall be taxable at rates mentioned below in green

Any Other Income of Business Trust

Business Trust = Taxable as follows:

- LTCG u/s 112A = 10% (12.5% in case transfer took place on or after 23.07.24)
- LTCG u/s 112 = 20% (12.5% in case transfer took place on or after 23.07.24)
- STCG u/s 111A = 15% (20% in case transfer took place on or after 23.07.24)
- All Other Income = MMR

Unit holder:

- Exempt u/s 10(23FD)



Securitization Trust

Income	In the hands of Securitization Trust	In the hands of Investor
Income of Securitization Trust	Exempt	Taxable Securitization Trust is required to deduct TDS u/s 194LBC <ul style="list-style-type: none"> • Resident = 10% • NR/FC = Rates in Force

Earlier in case of resident unit holder, TDS rate used to be 25% in case unit holder was Resident Individual/HUF and in case of resident unit holder other than Ind/ HUF TDS rate was 30%, but after amendment TDS rate has been reduced to 10% in case of all resident unitholders



Trust Taxation

Amendment in section 80CCD has been added in GREEN below

Section 80CCD: Contribution to Pension Scheme of CG/ NPS/ Atal Pension Yojna

- Eligible Assessee: Individual

Amount of Deduction

(i) Section 80CCD(1) [Tier 1]:

- Salaried Employee = Lower of: (Employee Contribution OR 10% of Salary)
- Other Individuals = Lower of: (Assessee Contribution OR 20% of GTI)

(ii) Section 80CCD(1B):

- Balance contribution u/s 80CCD(1) can be claimed u/s 80CCD(1B) upto = 50,000
- **Provided further that deduction under (1B) shall also be allowed, where any payment or deposit is made to NPS of minor child by parent or guardian of such minor, subject to condition that aggregate amount of deduction under (1B) shall not exceed Rs 50,000**

(iii) Section 80CCD(2): Employer contribution for benefit of employee

- Employer contribution is first taxable under head salary in hands of employee, then he gets deduction u/s 80CCD(2), which is Lower of:
(Employer Contribution OR 10% of Salary [14% if Govt. Employee])
- 80CCD(2) is allowed in 115BAC also and deduction is Lower of:
(Employer Contribution OR 14% of Salary)

Note: For section 80CCD(1) and (2), salary includes dearness allowance, if the terms of employment so provide, but excludes all other allowances and perquisites.

Amount standing to credit of assessee in pension account and accretions to such account, shall be taxed as income in year in which such amounts are received by assessee or his nominee on -

- a) closure of the account or
- b) his opting out of the said scheme or
- c) receipt of pension from annuity plan purchased or taken on such closure or opting out.

However, amount received by nominee on death of assessee under circumstances referred to in (a) and (b) above, shall not be deemed to be income of nominee.

Provided further that amount received by person, being parent/ guardian/ nominee of minor, on account of closure of pension scheme due to death of minor, shall not be deemed to be income of such person.

Further, assessee shall be deemed not to have received any amount in previous year if such amount is used for purchasing an annuity plan in the same previous year.

Section 10(12A) provides that any payment from NPS Trust to an assessee on account of closure or his opting out of the pension scheme u/s 80CCD, is exempt upto 60% of total amount payable to him at time of closure or his opting out of scheme

Section 10(12B) provides that any payment from NPS Trust to an employee under pension scheme u/s 80CCD, on partial withdrawn made out of his account shall be exempt from tax upto 25% of amount of contributions made by him.

Section 10(12BA) provides that any payment from NPS Trust to assessee, being parent or guardian of a minor, under pension scheme referred to in 80CCD, on partial withdrawal made out of account of minor, shall be exempt from tax upto 25% of amount of contributions made by him;

Earlier sunset date in 80IAC was 31.03.2025 which has now been extended to 31.03.2030

Section 80IAC: Deduction for Eligible Startup

- Startup who is entitled to deduction:
 - Company or LLP engaged in business which involves innovation or development of new products, processes or services driven by technology or intellectual property or scalable business model with high potential of employment generation or wealth creation
 - **Incorporated on or after 1.4.2016 upto 31.03.2030**
 - Total Turnover is upto 100 crores in P.Y. in which deduction is to be claimed

Earlier sunset date in 80LA was 31.03.2025 which has now been extended to 31.03.2030

80LA Ded of certain income of Offshore Banking Units and International Financial Services Centre

This section is applicable to the following assessee's -

- a) Scheduled bank having an Offshore Banking Unit in a SEZ; or
- b) Any bank, incorporated outside India, and having an Offshore Banking Unit in a SEZ; or
- c) Unit of an IFSC

Deduction to a and b above= 100% income for 10 consecutive AY from initial AY

Deduction to c above= 100% Income for any 10 consecutive AYs at option of assessee, out of 15 years

Deduction will be allowed on account of following income included in GTI of such assessee's:

- Income from an Offshore Banking Unit in a SEZ; or
- Income from business with -
 - Undertaking located in a SEZ or
 - Any other undertaking which develops, develops and operates or develops, operates and maintains a SEZ; or
- Income from any Unit of IFSC
- Income arising from transfer of an asset, being an aircraft or a ship or a helicopter or an engine of an aircraft or a helicopter, or any part thereof, which was leased by a unit of an IFSC referred to in clause (c) to a person, subject to the condition that the unit has commenced operation on or before the **31.03.2030**



Trust Taxation

Amendment in section 12AB has been added in GREEN below

Procedure & Timelines for availing exemption under section 12AB

1. **Re- registration of institutions or funds which were already registered on 01.04.2021**
 - Application **within 3 months from 01.04.2021**
 - Order to be passed **within 3 months from end of month** when application received
 - Validity period= **5 Years**
 - Registration granted is applicable from PY from which registration earlier was granted
2. **Renewal of registration for trust/ institution already registered u/s 12AB and whose period of 5 years is due to expire**
 - Application **within 6 months** prior to expiry of 5 years
 - Registration granted is applicable from PY immediately foll. PY in which app made
3. **Final registration where a trust/ institution is provisionally registered**
 - Application has to be made **At least six months prior** to expiry of provisional registration OR within 6 months of commencement of activities, **WHICHEVER IS EARLIER**
 - Registration granted is applicable from First of PY in which provisionally registered
4. **To revive inoperative registration of trust/ institution on account of grant of approval u/s 10(23C)**
 - Application has to be made **Atleast 6 months prior to commencement of PY** from which registration is sought
 - Registration granted is applicable from PY immediately foll. PY in which app made
5. **Trust or institution has adopted or undertaken modifications of objects which do not conform to conditions of registration**
 - Application **within 30 days from date of modification**
 - Registration granted is applicable from PY immediately foll. PY in which app made

For above 2 to 5 Cases: Order to be passed **within 6 months from end** of month* in which application was received after satisfying himself about genuineness of activities and compliance of other laws, as are material for purpose of achieving its objects.

Validity period= 5 Years

*Order to be passed within 6 months from end of quarter w.e.f 01.10.2024

Important Note:

If trust/ institution applies for registration under point 1 to 5 above and its total income (before claiming exemption under Sections 11 and 12) is upto ₹5 crores in each of 2 years before year in which application is made, Then: registration granted will be valid for 10 years instead of 5 years.

Amendment has been written in GREEN Below

Registration can be cancelled by Commissioner after giving OOBH to trust if trust committed following specified violations:

- Income has been applied for private religious purposes.
- Trust has business income which is not incidental to attainment of main objective of Trust or it has not maintained separate BOA for Business income
- Income has been applied for benefit of any particular religious caste/ community
- Income has been applied for purposes other than for objects of trust.
- Activities of trust are not genuine or trust has not complied with requirements of other laws.
- Application for registration is **incomplete** or it has false information. **(Words incomplete has been omitted by FA 2025)**

Amendment in section 13(3) has been added in green below

Related Persons Section 13(3)

a. Author/Founder of trust/ institution. Where author/ founder is HUF, any member of HUF

b. Trustee/Manager of trust/ Institution [Not Employees]

Relative of a and b above (56(2)(x))

Any concern in which person referred to in a and b has substantial interest

c. any person whose total contribution to trust or institution, during relevant PY exceeds Rs 100,000, or, in aggregate up to end of relevant PY exceeds Rs 10,00,000 as case may be

Under old provision: any person whose aggregate contribution in a PY > 50,000 used to be treated as related person



TDS, TCS and Advance Tax

Section 193: Interest on Securities

Deductor	Deductee	Rate	No TDS
Any Person	Any Resident Person	10%	Interest is upto Rs. 10,000

Additional Points

No tax deduction is to be made from any interest payable:

- on National defense Bonds/ Loans, National Development Bonds, 7-year NSC
- 54EC capital gains bonds of IRFCL and PFCL
- on Gold Bonds where value of bonds does not exceed 10,000 at any time during period to which interest relates
- on any security of CG or SG
Exception: 8% Savings (Taxable) Bonds, 2003, or 7.75% Savings (Taxable) Bonds, 2018, or Floating rate savings bond, 2020 only if such interest payable > 10,000 during FY
- on any debentures issued by company in which public are substantially interested to resident Ind. or HUF (Paid by A/c Payee cheque + **Interest upto Rs. 10,000**)
- on securities to LIC, GIC, subsidiaries of GIC or any other insurer
- to BT by SPV

Section 194: Dividend including deemed dividend u/s 2(22)(a-f) (2(22)(f) from 01.10.2024)

Deductor	Deductee	Rate	No TDS
Domestic Company	Resident Person	10%	-

Additional Points: If Dividend is paid to following persons then no TDS:

- Insurance Company
- Individual where amount of dividend paid is **upto 10,000** and is not paid in cash
- Business trust by SPV

Section 194A: Interest [other than Interest on Securities]

Deductor	Deductee	Rate	No TDS
Any Person [other than Individual/ HUF whose turnover/gross receipts in business/profession upto ₹1 cr./50 Lacs in PFY]	Any Resident Person	10%	Interest is upto Rs. 10,000 If Interest paid by Bank/Co-operative Bank/Post Office: Rs 50,000 for year Rs 100,000 (if senior citizen)

Additional Points

- If Bank following CBS software, then limit will be on per bank basis and not on branch basis
- **No TDS in following cases:**
 - Interest on Income Tax.
 - Mahila Samman Savings Certificate, 2023
 - Interest paid to any Bank, cooperative bank, LIC, UTI or Insurance Company.
 - Interest on savings bank A/c, ZCB
 - Interest paid by firm to partners [Resident].
 - Int. credited on compensation amount awarded by motor accidents claim tribunal.
 - Int. paid on comp. amt. awarded by motor accidents claim tribunal upto Rs 50,000
 - Interest on FD made in name of registrar general of court
 - Interest is credited by bank to provisioning A/c on daily/monthly basis for macro monitoring only by use of CBS software.
 - Interest paid by SPV to BT
 - Income paid or credited by a co-operative society (other than a co-operative bank) to a member or Income credited or paid by a co-operative society to any other co-operative society;
- **Interest income credited or paid in respect of**
 - deposits with primary agricultural credit society or a primary credit society or a co-operative land mortgage bank or a co-operative land development bank;
 - deposits with a co-operative society other than a co-operative society or bank, engaged in carrying on the business of banking

However, cooperative society referred to in above 2 main points is liable to deduct tax if

- Total sales, gross receipts or turnover of co-operative society exceeds 50 crore during FY, IPFY in which interest is credited or paid; and
- **Interest is more than Rs. 50,000 (100,000 in case of being a senior citizen)**
- Payment made to a member of Schedule Tribe referred u/s 10(26) by a Scheduled Bank and amount is upto 20 Lakhs

Section 194B: Casual Income [other than Online Games]

Deductor	Deductee	Rate	When TDS to be deducted?
Any Person	Any Person	30%	Amount exceeds ₹10,000 in single transaction

Section 194D: Insurance Commission

Deductor	Deductee	Rate	No TDS
Insurance Co.	Resident Agent	Domestic co.= 10% Other = 2%	Aggregate ₹20,000 for year

Section 194G: Commission on Sale of Lottery Tickets

Deductor	Deductee	Rate	No TDS
Any Person	Any Person	2%	Aggregate ₹20,000 for year

Section 194H: Commission or Brokerage

Deductor	Deductee	Rate	No TDS
Any Person [other than individual/HUF whose turnover/gross receipt in business/ profession upto ₹1crore/ 50 lakhs in preceding F.Y.]	Any Resident Person	2%	Aggregate ₹20,000 for year

Section 194I: Rent

Deductor	Deductee	Rate	No TDS
Any Person [other than Individual/HUF whose turnover/gross receipts in business/ profession upto 1cr./50 lacs in preceding F.Y.]	Any Resident Person	P&M, Equipment: 2% Land & Building, Furniture: 10%	Aggregate of all the assets taken on rent is ₹50,000 per month or part of month

Section 194J: Professional Fees, Technical Fees, Royalty, Non-Compete Fees, Director Remuneration

Deductor	Deductee	Rate	No TDS
Any Person [other than Individual/HUF whose turnover/gross receipts in business/profession upto ₹ 1cr. / 50 lakhs in preceding F.Y.]	Any Resident Person	FTS, Royalty for Cinematographic Films, Payment to Deductee engaged only in business of operation Call Centers: 2% Others: 10%	Professional Fees: 50,000 for year Technical Fees: 50,000 for year Royalty: 50,000 for year Non-Compete Fees: 50,000 for year Director Remuneration: No limit

Section 194K: Income from UTI/Mutual Fund Units

Deductor	Deductee	Rate	No TDS
Any Person	Any Resident Person	10%	₹10,000 for year

Section 194LA: Compensation on Compulsory Acquisition of Immovable Property other than agriculture Land

Deductor	Deductee	Rate	No TDS
Any Person	Any Resident Person	10%	₹5,00,000 for year

Section 194Q: Purchase of Goods

Deductor	Deductee	Rate	NO TDS
Buyer [If turnover from business exceeds 10 crores in PFY]	Resident Seller	0.1% of Consideration If no PAN: 5%	50,00,000 for year

Additional Points

- TDS is to be deducted on amount in excess of 50,00,000
- In case of purchase returns, TDS will be after adjusting purchase returns
- **Tax is not required to be deducted under 194Q in respect of a transaction on which**
 - Tax is deductible under any of provisions of this Act or
 - Tax is collectible under section 206C, ~~other than section 206C(1H)~~

~~If both 206C(1H) and 194Q applies, tax is required to be deducted u/s 194Q.~~

Note: 206C(1H) has been omitted by Finance Act, 2025

Section 194T: Payment of salary, bonus, commission or Interest to Partner (including capital account of Partner)

Deductor	Deductee	Rate	No TDS
Firm	Partner	10%	Aggregate payment is upto 20,000

Section 206AB has been omitted by Finance Act, 2025

~~Higher Rate of TDS for non filing of Income Tax Return [Section 206AB]~~

- ~~→ If Deductee has not filed his ROI for preceding P.Y. [for which ROI filing time limit expires] and aggregate of TDS & TCS of such Deductee is 50,000 or more in such preceding P.Y., then TDS rate shall be Twice of rate given in respective section or 5% [whichever is higher].~~
- ~~→ If both section 206AA and 206AB is applicable: TDS rate will be higher of both.~~

~~Not apply to NR having no PE in India~~

Sale of certain goods [Section 206C(1)]

Nature of Goods	Percentage
Tendu leaves	5%
Timber or any other forest produce	2%
Scrap	1%
Minerals, being coal or lignite or iron ore	1%
Alcoholic liquor for human consumption	1%

Overseas remittance or an overseas tour package [Section 206C(1G)]

Particulars	Rate of TCS
Remittances for the purpose of education [other than (ii) below] or medical treatment;	No TCS upto 10 lakhs 5% of the amt or agg. of amts in excess of 10 lakh
Remittances out of loan obtained from any financial institution as referred under section 80E, for the purpose of pursuing any education	No TCS is to be collected
Remittances for purposes other than mentioned in (i) to (ii)	No TCS upto 10 lakhs, 20% on amount or Agg. of amounts in excess of 10 lakhs
Overseas Tour Program Package	5% upto 10 lakhs, 20% on amount or Agg. of amounts in excess of 10 lakhs

206C(1H) has been omitted by Finance Act, 2025

<p>Sale of goods of value exceeding 50 lakh [Section 206C(1H)]</p> <ul style="list-style-type: none"> • TCS @ 0.1% of sale consideration in excess of 50 Lakhs • If buyer has not furnished his PAN, TCS rate will be 1% instead of 0.1% • This section applies only if seller has turnover > 10 crores in PFY • If TDS is deducted u/s 194Q, no TCS will be collected u/s 206C(1H)] • No TCS here in case TCS collected u/s (1)/(1F)/(1G). • In case of export of goods: no TCS to be collected • 206C(1H) shall not apply on the sale consideration received for fuel supplied to non-resident airlines at airports in India 	<ul style="list-style-type: none"> • Buyer does not include <ul style="list-style-type: none"> * CG/SG, embassy, high commission, legation, commission, consulate and the trade representation of a foreign State and a club * Local authority * Importer • 206C(1H) shall not be applicable in relation to <ul style="list-style-type: none"> * transactions in securities and commodities which are traded through recognized stock exchanges * transactions in electricity, renewable energy certificates and energy saving certificates traded through power exchanges
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Section 206CCA has been omitted by Finance Act, 2025

~~Higher rate of TCS for non filers of income tax return [Section 206CCA]~~

- ~~If case of specified person TCS will be collected at twice the rate specified or 5%, whichever is higher [However the rate cannot exceed 20%]~~
 - ~~Meaning of specified person – Person who has not furnished~~
 - * ~~ROI for PY immediately preceding FY in which tax is required to be collected, for which time limit for furnishing ROI u/s 139(1) has expired and~~
 - * ~~Agg of TDS and TCS in his case is 50,000 or more in said previous year~~
 - ~~If both 206CC and 206CCA applies: TCS rate will be higher of both.~~
- ~~Specified person does not include NR who does not have PE in India~~



NR Taxation

New section 44BBC and 44BBD has been introduced as discussed below:

Section 44BBC (Cruise shipping business of Non resident)

Presumptive Income: 20% of Amount charged for carriage of passengers

Section 28 to 43A shall not apply

Section 10(15B) Further, lease rentals paid by company opting for 44BBC, shall be exempt in hands of recipient company, if such company is foreign company and such recipient company and first company are subsidiaries of same holding company and such income is received or accrues or arises in India (Exemption available upto 31.03.2030)

Section 44BBD: Special provision for computing profits and gains of NR engaged in business of providing services/ technology to resident company in India, for setting up electronics manufacturing facility or in connection with manufacturing of electronic goods, or thing in India. Notwithstanding anything to contrary contained in sections 28 to 43A, 25% of total payments received or receivable (for such services or technology) will be treated as taxable business income in India.

What is included in the total payments?

- Amounts paid or payable to NR or to any person on his behalf for providing services or technology
- Amounts received or deemed to be received by NR or on behalf of NR for such services or technology.

Restrictions on deductions:

If the non-resident opts for this special scheme in any year: Unabsorbed depreciation and Brought forward losses Cannot be set off against income for that year.

Clarification u/s 115A

<p>Interest received by FII or QFI on:</p> <ul style="list-style-type: none"> • Rupee Denominated Bonds • Government Securities • Municipal Debt Securities <p>[Investment made in above assets by FII/QFI on or before 30.6.23]</p> <p>Note: This particular Provision has been deleted by ICAI, accordingly Interest received by FII or QFI will now be taxable @20% u/s 115AD</p>	<p>5%</p>	<p>TDS u/s 194LD</p>
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Amendment in section 115AD has been written in green below:

Section 115AD Tax Rate on Income of FII/ Specified Fund:

Income	Tax Rate
Interest on Securities [other than 115A] Dividend	20% (10% in case of specified fund without surcharge and HEC)
STCG u/s 111A	15% (20% w.e.f 23.07.2024)
STCG on other Securities	30%
LTCG u/s 112A	w.e.f 23.07.2024 12.5% in excess of Rs 1,25,000 Before 23.07.2024 Rate used to be 10%
LTCG on other Securities	12.5%
Other Income	Normal Provision



Transfer Pricing

New Provision has been inserted from 01.04.2025 as discussed below

ALP determined by TPO in relation to IT or SDT for any PY shall apply to similar IT or SDT for 2 consecutive PY immediately following such PY, on fulfilment of following conditions:—

- a. Assessee exercises option to above effect for 2 consecutive PY
- b. such option is exercised in such form, manner and within such period as prescribed and
- c. TPO shall, within 1 month from end of month in which such option is exercised, by an order in writing, declare that such option as valid

Provided that above provisions shall not apply to any proceedings under Chapter XIV-B.

Note: if TPO has declared above option as valid for any PY (say 2025-26), then AO shall not make any reference to TPO for computation of ALP in relation to this PY (say 2025-26)

Provided further that if any reference for IT/ SDT, in respect of PY (say 2025-26), for which option is declared valid is made before or after such declaration by TPO, then it will be deemed as if no reference is made for such transaction

Where the assessment of these 2 consecutive PY is already made by the AO, then AO shall recompute the income of these 2 years as per the order of TPO within 3 months from end of the month in which assessment is completed. In case assessment is not yet complete, then 3 months counted from end of month in which assessment is completed



GAAR

While calculating time limit for assessment under GAAR following amendment has to be kept in mind as written in green below:

Explanation

Following period has to be excluded in computing said period:

(i)	Period commencing from date on which first direction is issued by AP to PC/C for getting inquiries conducted through authority competent under agreement referred to in 90 or 90A and ending date on which information so requested is last received by AP or one year, whichever is less.
(ii)	the period commencing on the date on which stay on the proceeding of the Approving Panel was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the Approving Panel

Note - If, after exclusion of aforesaid time or period, period available to Approving Panel for issue of directions is less than 60 days, such remaining period shall be extended to 60 days. Consequently, aforesaid period of six months shall be deemed to have been extended accordingly.

Before amendment the wording of point ii was as follows: Period during which proceeding of AP is stayed by order or injunction of court

(Refer Page 211 of my CB for complete extract of this section)



Equalization Levy

Provisions of Equalization levy has been deleted w.e.f 01.04.2025



Tax Audit

Amendment in clause 22 has been written in green below

22	<ol style="list-style-type: none">1. Amount of interest inadmissible u/s 23 of Micro, Small and Medium Enterprises Act2. Total amount required to be paid during the PY to micro or small enterprise3. Of amount referred above, state amount paid and state amount not paid within the given time limit as per MSMED Act
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Category C Topics

Amendment in Section 10(23FE) has been written in green below:

Certain incomes of wholly owned subsidiary of Abu Dhabi Investment Authority, Sovereign Wealth Fund and specified pension fund [Section 10(23FE)]: EXEMPT

Any income of a specified person in the nature of

- dividend, interest or
- Sum referred to in section 56(2)(xii) i.e. any specified sum received by a unit holder from BT during PY, with respect to unit held by him at any time during PY or
- **LTCG whether or not such capital gains are deemed as short-term capital gains u/s 50AA,** arising from an investment made by it in India, whether in the form of debt or share capital or unit would be exempt, if such investment -
 - is made on or after 01.04.2020 but on or before **31.03.2030** and
 - is held for atleast 3 years

(Refer Page 242 of my CB for complete extract of this section)

Amendment in Some Other Income of NR which is exempt:

Income of non-resident by transfer of NDF contracts or offshore derivative instruments or OTC derivatives, or distribution of income on offshore derivative instruments, entered into with an offshore banking unit of an IFSC referred to in section 80LA(1A) **or FPI being a unit of IFSC**

Income of NR by way of royalty or interest, on account of lease of an aircraft or a ship in PY, paid by a unit of an IFSC referred to in section 80LA(1A), if the unit has commenced its operation on or before **31.3.2030.**

Income of NR from portfolio of securities or financial products or funds, managed by any portfolio manager on behalf of such NR, or in an account maintained with an Offshore Banking Unit in any IFSC, as referred to in section 80LA(1A), to the extent such income accrues or arises outside India and is not deemed to accrue or arise in India.

Capital gains on transfer of equity shares of domestic company, being a Unit of an IFSC, as referred to in section 80LA(1A), engaged primarily in the business of lease of an aircraft which has commenced operations on or before **31.3.2030.**

Exemption from CG on is available for a period of ten assessment years -

- (i) from P.Y. in which domestic company has commenced its operations or
- (ii) from A.Y. 2024-25, where the period of 10 A.Ys. under (i) above ends before 1.4.2034.

Exemption is available to NR or Unit of IFSC referred above

(Refer Page 442 of my CB for complete extract of section 9A)

Amendment in one of the conditions to be fulfilled by an Eligible Investment Fund [Section 9A(3)]:

Earlier Condition: Aggregate Resident's participation is upto 5% of the corpus of the fund

Amended Condition: Aggregate participation by person resident in India should not exceed 5% of corpus of fund as on these 2 specific dates: 1st April and 1st October of PY. But where aggregate participation exceeds 5% on 1st April and 1st October of PY, condition mentioned in this clause shall be deemed to be satisfied, if this excess is rectified within 4 months 1st April and 1st October of PY

Extract from Section 9A:

If an eligible investment fund and its eligible fund manager is located in an IFSC as defined in section 80LA and has commenced its operation on or before 31.3.2030:

- Conditions d,e,f shall not apply
- Condition j above would apply after foll modification: "the fund shall not carry on, or participate in, the day to day operations of any person in India and for this purpose the monitoring mechanism to protect the investment in such person including the right to appoint directors or executive director shall not be considered as participation in day to day operations of such person in India"

Earlier the date use to be on or before 31.3.2025