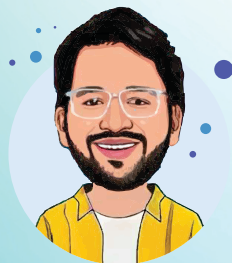


# CA Final **DIRECT TAX**

## **AMENDMENTS**

**Relevant for  
May 26 | Sept 26 | Jan 27**



**YOUR CA BUDDY**  
CA SHUBHAM SINGHAL

Section	Amendment Summary
2(14)	Securities held by FII or <b>specified investment funds</b> are capital assets.
23(2)	SOP house will have <b>NIL annual value</b> even if owner cannot occupy it for any reason.
10(10D)	Maturity proceeds of life insurance issued by <b>IFSC insurance office</b> are fully exempt, premium limits don't apply.
2(47A)	Definition of virtual digital asset now includes all <b>crypto-assets based on DLT</b>
285BAA	Mandatory <b>reporting</b> of crypto-asset transactions by prescribed reporting entities
80CCD(1B)	Parent/guardian can claim <b>₹50,000 deduction</b> for contribution to <b>minor's NPS account</b> .
80CCD(3)/(4)	Withdrawal / closure of minor's NPS clarified - not taxable in hands of parent/guardian.
10(12BA)	Partial withdrawal from <b>minor's NPS account</b> (up to <b>25%</b> ) is exempt.
80IAC	Eligible start-ups incorporated upto 31-03- <b>2030</b> can claim 100% profit deduction.
87A	Under new tax regime, rebate increased to <b>₹60,000</b> for income up to <b>₹12 lakh</b> . No rebate on special rate income (111A, 112, 112A)
132	Retention of books - <del>30 days</del> <b>1m from EOQ</b> in which asst. order is made
139(8A)	<ul style="list-style-type: none"> <li>Time-limit for updated return extended from 24 months to <b>48 months</b>.</li> <li>Updated return barred if <b>148A</b> notice issued after <b>36 months</b>, unless proceedings dropped u/s 148A(d).</li> </ul>
140B	Additional tax increased to <b>60%</b> (24-36m) and <b>70%</b> (36-48m) for updated returns.
143(1)	Summary assessment will also check for any <b>inconsistency in the return</b> w.r.t. info. in returns of any preceding PYs.
12AB	Trusts ( total income <= <b>5 crores in last 2 PYs</b> ), registration validity of <b>10 years</b> (not 5y).
13(3)	<b>Specified person</b> threshold raised to contribution > ₹1 lakh in PY or <b>₹10 lakh cumulatively</b> .
72A/72AA	Loss carry forward capped at <b>8 AYs from original predecessor</b> entity (not fresh 8 years)
132, 153, 153B, 263, 264 etc.	Court <b>stay period</b> excluded till <b>certified copy</b> of vacation order is received by PC/C.
Block Assessment	<ul style="list-style-type: none"> <li><b>VDA</b> now included in undisclosed income</li> <li>Tax is calculated on undisclosed income (earlier - total income less disclosed income)</li> </ul>
Tax Slab	115BAC
Companies	Domestic co. turnover in PY <b>23-24</b> <= 400 crores - Tax rate shall be 25%
54EC Bonds	HUDCO w.e.f. 01.04.2025 and Indian Renewable Energy Development Agency (IREDA) w.e.f. 09.07.2025.
Definition	<ul style="list-style-type: none"> <li>Micro - Investment upto 2.5 cr and turnover upto 10 cr</li> <li>Small - Investment upto 25 cr and turnover upto 100 cr</li> </ul>



## TDS/TCS

Section	Before amendment	After amendment
193	Nil threshold	₹10,000 threshold introduced
194	₹5,000	₹10,000
194A(3)	₹40,000 (general), ₹5,000 (other), ₹50,000 (senior citizen)	₹50,000 (general), ₹10,000 (other), ₹1,00,000 (senior citizen)
194B	Aggregate > ₹10,000 in FY	Per transaction > ₹10,000
194BB	Aggregate > ₹10,000 in FY	Per transaction > ₹10,000
194D	₹15,000	₹20,000
194G	₹15,000	₹20,000
194H	₹15,000	₹20,000
194-I	₹2,40,000 (annual)	₹50,000 per month/part-month
194J	₹30,000	₹50,000
194K	₹5,000	₹10,000
194LA	₹2,50,000	₹5,00,000
194LBC	25% (Ind/HUF), 30% (others)	10% (flat)
206C(1)(iii)	2.5% on timber under forest lease	2% on timber/forest produce (not tendu) under forest lease
206C(1)(iv)	2.5% on timber (other modes)	2%
206AB	Higher TDS for non-filers existed	Omitted
206C(1G)	₹7,00,000	₹10,00,000
206C(1F)	Notified goods: wrist watch, sunglasses, handbag, purse, shoes, art piece, Yacht, rowing boat, canoe, helicopter, collectibles (coin, stamp), sportswear or equipment - golf kit, ski-wear	
206C(1H)	TCS on sale of goods > ₹50 lakh existed	Not applicable from 01.04.2025
206CCA	Higher TCS for non-filers existed	Omitted



## International Taxation

9(1)(i)	Purchase of goods in India solely for <b>export</b> will <b>NOT</b> create significant economic presence.
9A	<ul style="list-style-type: none"> <li>Word "indirectly" omitted</li> <li>Conditions for eligible investment fund rationalised: participation of Indian residents to be tested on <b>1st April</b> and <b>1st October</b>, with <b>4-month cure</b> period if breached;</li> </ul>
44BBD	Non-residents providing services/technology for electronics manufacturing in India can declare <b>25% deemed profit</b> .
115V to 115VZ	<ul style="list-style-type: none"> <li>Tonnage tax regime extended to <b>inland vessels</b>.</li> <li>JC to pass order within <b>3m from EOQ</b> in which application (to opt for tonnage tax) is received.</li> </ul>
92CA(3B)	ALP once determined may apply for <b>2 consecutive years</b> , if assessee <b>opts</b> for the same.





## Penalty

Section	Amendment Summary
271C	Penalty for failure to deduct/pay TDS now levied by <b>AO</b> instead of JCIT.
271CA	Penalty for failure to collect TCS now levied by <b>AO</b> instead of JCIT.
271D	Penalty for violation of section 269SS now levied by <b>AO</b> .
271DA	Penalty for cash receipt violations now levied by <b>AO</b> .
271DB	Penalty relating to reportable accounts now levied by <b>AO</b> .
271E	Penalty for violation of section 269T now levied by <b>AO</b> .
271BB	Penalty section <b>omitted</b> as parent section 88A no longer exists.
275	Uniform time limit of <b>6 months from end of relevant quarter</b> introduced for passing penalty orders under Chapter XXI.



## IFSC Specific Amendments

Section	Amendment Summary
2(22)(e)	Loans/advances between group entities not deemed dividend where one entity is IFSC Finance Co./Unit and parent is listed abroad.
10(4D)	<b>Tax exemption for specified IFSC funds extended up to 2030.</b>
10(4E)	IFSC exemption widened to include <b>OTC derivatives &amp; certain FPIs</b> .
10(4F)	IFSC exemption sunset date <b>extended to 2030</b> .
10(4H)	<b>Aircraft and ship leasing income in IFSC exempt</b> , scope widened and date extended to 2030.
47(viiad)	Definition of " <b>resultant fund</b> " widened to include <b>IFSC AIFs / ETFs / retail schemes</b> (valid up to 2030).
80LA	Sunset date for IFSC deductions extended to <b>31-03-2030</b> for eligible IFSC units.

