

SULTAN CHAND & SONS



INCOME TAX

LAW AND PRACTICE

Assessment Year 2023-24

5th
EDITION

Prof. Preeti Rani Mittal
Dr. Anshika Bansal



Income Tax
Law & Practice

Dedicated to our Parents

Late Mr. Ravindra Nath
Mrs. Sneh Lata

Mr. Kuldeep Bansal
Mrs. Rama Bansal

INCOME TAX

LAW AND PRACTICE
(Assessment Year 2023-24)

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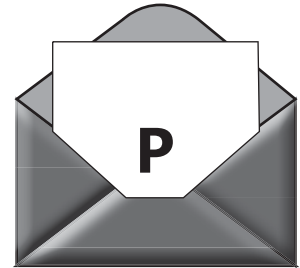
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Preface



PREFACE TO FIFTH EDITION

The Present Publication is the 5th Edition of the book Income Tax Law and Practice & has been amended by the Finance Act 2022 for the assessment year 2023-24 with the following noteworthy features:

Coverage: Coverage of this book includes:

- New syllabus of NEP, 2020
- 22 Chapters
- 372 Illustrations
- 294 Practical Problems
- 99 Tables
- 40 Figures
- 162 Long Answer Questions
- 203 Short Answer Questions
- 259 Application Based MCQs
- Case of Supreme Court and High Court
- E-filing of Return
- Faceless Tax Proceedings
- This book covers the amended, updated & annotated text of the Income-tax Act 1961 & the Finance Act 2022.

Student-Oriented Book: This book has been developed keeping in mind the following factors:

- Interaction of the author/teacher with their students in the classroom
- Simple Language is used throughout the book for easy learning.

Arrangement of Illustrations and Unsolved Practical Questions: Illustrations and Unsolved Practical Questions in each chapter are arranged 'sub-topic' wise by which students can apply what they learn to actual taxation situations.

Annotation: Section-wise detail annotation on changes made by the Finance Act, 2022.

Amendment made by Finance Act 2023: All Amendments are duly incorporated in silent features of the book and are appropriately highlighted.

Comprehensive Table of Contents: The contents of all chapters are clearly presented at the starting of the book.

List of Tables & List of Figures: The list of Tables and List of Figures are printed in starting of the book for better clarity.

Solution of Practical Questions also Available: For Solutions to the unsolved questions of each chapter, students may refer to [Fundamental of Income Problems & Solutions].

Computation of Taxes: The tax of the assessee is calculated on various slabs of income along with new slab rates.

Exordium of Chapter: Each chapter begins with an exordium, which aims to provide students with a preliminary understanding of that chapter.

This book is primarily intended for B.Com., B.Com. (Hons.), BBA, BCA, M.Com, M.B.A., and CA (Intermediate) students. The book has been written to cater to the needs of students appearing in such examinations. We trust the book would meet the requirements of both teachers as well as students.

We express our thanks to our parents, family members, and our loving Dipesh Mittal and Pranika Bansal. In this connection, Mr. Vikas Mittal and Mr. Ayush Bansal have contributed immensely in editing the contents of the Income Tax Law and deserve a special mention.

We acknowledge our deepest indebtedness to Mr. Durga Chaudhary because of the trust he has shown in us and he has always supported us in moving forward.

We offer our gratitude to our publisher **Sultan Chand & Sons** for doing an excellent job in bringing out this edition. We believe that there is always a scope for improvement in the book, suggestions and comments for further improvement of the book are welcome.

Prof. Preeti Rani Mittal
Dr. Anshika Bansal

PREFACE TO FOURTH EDITION

We have great pleasure to presenting the **Fourth Edition** of the book **Income Tax Law and Practice** with the following noteworthy features:

Coverage: This book covers 22 chapters for the students, teachers, assessee and tax practitioners to understand the practicalities and nuances of income tax in an effective, qualitative, and timely manner.

Annotation: Section wise detail annotation on changes made by the Finance Act, 2021.

Amended & Updated: This book is proper amended and updated as per the latest applicable provisions and amendments as per the Finance Act, 2021.

Amendment made by Finance Act, 2022: All Amendments are duly incorporated in silent features of the book and are appropriately highlighted.

Comprehensive Table of Contents: Content of all chapters are clearly presented in the starting of the book.

Exordium of Chapter: Each chapter begins with an exordium, which aims to provide students with a preliminary understanding of that chapter.

Subject-wise Tabular and Chart Presentation: Subject-wise tabular presentation and chart presentation, so that the topic can be understood by the students in an easier way.

Illustrations and Unsolved Practical Question: This book provides 363 number of solved illustration and 294 number of practical problems by which students can apply what they learn to actual taxation situations.

Solution of Practical Questions also Available: For Solutions to the unsolved questions of each chapter, students may refer to [Fundamental of Income Problems & Solutions].

Computation of Taxes: Tax of assessee is calculated on various slabs of income along with new slab rates.

Easy to Understand Language: Simple Language is used throughout the book for easy learning.

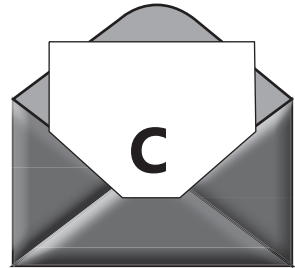
This book is primarily intended for B.Com., B.Com. (Hons.), BBA, BCA, M.Com., M.B.A. and CA (Intermediate) students. The book has been written to cater the needs of students appearing in such examination. We trust the book would meet the requirements of both teachers as well as students.

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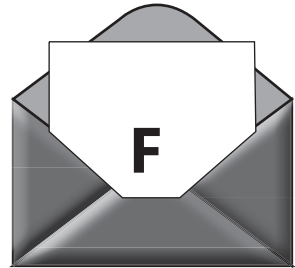
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Salient Features of Finance Act, 2023



RATES OF INCOME TAX FOR THE ASSESSMENT YEAR 2024-25

New Tax Regime

The New Tax Regime Under Section 115BAC is the default tax regime for the taxpayers for the Assessment year 2024-25. The following amendments related to tax rates have been introduced in Budget 2023 for New Tax Regime:

- (a) Change in tax slab of 'New Tax Regime'
- (b) Increase in the rebate limit to Rs.7 lakh in the 'New Tax Regime'
- (c) Extend the benefit of the standard deduction to the 'New Tax Regime'
- (d) Reduce the Highest surcharge rate from 37% to 25% in the 'New Tax Regime'
- (e) Making 'New Tax Regime' as default tax regime option
- (f) Extending the applicability of the 'New Tax Regime' to an Association of Persons (other than a co-operative society), or Body of Individuals, whether incorporated or not, or an Artificial Juridical Person
- (g) Lower tax rate of 15% for new Co-operatives that commence manufacturing activities till 31.3.2024 Index.

For Individual or H.U.F. or AOP or BOI, whether Incorporated or not, or an Artificial Juridical Person: For every individual or H.U.F. or Association of Persons (other than a co-operative society), or Body of Individuals, whether incorporated or not, or an Artificial Juridical Person exercising the option u/s 115BAC for opting for concessional tax rates (subject to conditions provided therein) –

<i>Income</i>	<i>Tax Rate</i>
Up to ₹ 3,00,000	Nil
From ₹ 3,00,001 to ₹ 6,00,000	5 per cent
From ₹ 6,00,001 to ₹ 9,00,000	10 per cent
From ₹ 9,00,001 to ₹ 12,00,000	15 per cent
From ₹ 12,00,001 to ₹ 15,00,000	20 per cent
Above ₹ 15,00,000	30 per cent

Old Tax Regime

For the Assessment Year 2024-25, the taxpayer has to exercise the option under Section 115BAC(6) to avail of the benefit of the old tax regime. The normal tax rates applicable to a resident individual will depend on the age of the individual. However, in the case of a non-resident individual, the tax rates will be the same irrespective of his age.

Resident Individuals below the Age of 60 Years: For an individual, other than those mentioned below –

<i>Income</i>	<i>Tax Rate</i>
Up to ₹ 2,50,000	Nil
₹ 2,50,001 to ₹ 5,00,000	5%
₹ 5,00,001 to ₹ 10,00,000	20%
Above ₹ 10,00,000	30%

For Resident Senior Citizen: For an individual resident senior citizen, who is 60 years or more at any time during the previous year but less than 80 years on the last day of the previous year-

<i>Income</i>	<i>Tax Rate</i>
Up to ₹ 3,00,000	Nil
₹ 3,00,001 to ₹ 5,00,000	5%
₹ 5,00,001 to ₹ 10,00,000	20%
Above ₹ 10,00,000	30%

For Resident Super Senior Citizen: For an individual resident super senior citizen, who is 80 years or more at any time during the previous year-

<i>Income</i>	<i>Tax Rate</i>
Up to ₹ 5,00,000	Nil
₹ 5,00,001 to ₹ 10,00,000	20%
Above ₹ 10,00,000	30%

For H.U.F., AOP, BOI, Artificial Judicial Person: For Hindu Undivided Family (“H.U.F”), an association of persons or body of individuals, whether incorporated or not, or artificial juridical person referred to in Section 2(31)(vii) of the Act-

<i>Income</i>	<i>Tax Rate</i>
Up to ₹ 2,50,000	Nil
₹ 2,50,001 to ₹ 5,00,000	5%
₹ 5,00,001 to ₹ 10,00,000	20%
Above ₹ 10,00,000	30%

TAX BENEFITS TO AGNIVEERS

- Receipts from the ‘Agniveer Corpus Fund’ by a person enrolled under the ‘Agnipath Scheme 2022’ shall be exempt from tax under Section 10(12C).
- A new deduction under Section 80CCH is introduced, which provides for deductions to Individuals enrolled in Agnipath Scheme on or after 1st November, 2022. The deduction shall

be equal to the amount of contributions made to the Agniveer Corpus Fund. This deduction is available in old as well as new tax regimes.

- The Central Government's contribution to the Agniveer Corpus Fund account of an individual enrolled in the Agnipath Scheme shall be considered as salary in accordance with the provisions of Section 17. A corresponding deduction shall be allowed under Section 80CCH for the same.

INCOME FROM SALARIES

- Central Govt. will prescribe a uniform method for the valuation of perquisites arising from rent-free or concessional accommodation provided by an employer to an employee.
- As per clause (2) of section 17 of the Act, "perquisite" inter alia includes the value of rent-free accommodation or the value of any concession in the matters of rent provided to employees by the employer. The employer may be either a Central/State Government or other than that, with different methodologies of valuation of perquisites for the two categories of employers.
- In order to rationalize this provision by prescribing a uniform methodology in the Rules for computing the value of perquisite and to clearly classify the two categories of perquisites with respect to accommodation provided by the employers, now amendment has been made under sub-clauses (i) and (ii) of clause (2) of Section 17 of the Act.
- Further, amendment has been made in Explanation 1 to sub-clause (ii) of clause (2) of Section 17 of the Act so as to provide that accommodation shall be deemed to have been provided at a concessional rate if the value of the accommodation computed in the prescribed manner exceeds the rent recoverable from, or payable by, the assessee.

DEDUCTIONS AND EXEMPTIONS

- The Jawaharlal Nehru Memorial Fund, Indira Gandhi Memorial Trust, and Rajiv Gandhi Foundations have been excluded from the list of eligible funds for deductions under Section 80G.
- Receipts arising from life insurance policies issued on or after April 1st, 2023 shall be considered as income from other sources if the premium paid exceeds ₹ 5,00,000 in a given year. The exemption for receipts in the event of the insured person's death shall remain unchanged.
- To avail a deduction under Section 10AA, the assessee must submit a return of income on or before the due date specified under Section 139(1).
- Deduction under Section 10AA shall only be allowed if the proceeds from the sale of goods or provision of services are received within 6 months from the end of the previous year or within such further period as the competent authority may allow in this behalf.
- Income distributed from offshore derivative instruments (ODI) entered into with an offshore banking unit of an IFSC shall be exempt from tax under Section 10(4E).
- The exemption under Section 10(22B) for news agencies is proposed to be withdrawn.
- Tax exemption under Section 10(46A) is proposed to be extended to 'Non-corporate entities (Such as bodies, authorities, boards, trusts, or commissions), established by a Central or State Act for the purpose of providing housing, planning urban development, and regulating activities for the benefit of the public.

DEEMED GIFT

- Gifts given by a person to his relatives are exempted and gifts received by an individual from friends and other persons are exempted if it exceeds ₹ 50,000 in a Financial Year.

- Now if Non-resident Received a gift exceeding ₹ 50,000 received without consideration by a person resident in India is deemed to be income accruing or arising in India.

INCOME FROM BUSINESS OR PROFESSION

- Under Section 43B, deductions for sums payable to Micro, Small, and Medium Enterprises (MSMEs) shall be allowed on a payment basis.
- According to Finance Bill 2023, for sugar co-operatives societies, for years prior to Assessment Year, 2016-17, if any deduction claimed for expenditure made on the purchase of sugar has been disallowed, an application may be made to the Assessing Officer, who shall recompute the income of the relevant previous year after allowing such deduction up to the price fixed or approved by the Government for such previous year.
- Non-Banking Financial Companies (NBFCs) shall be notified for the purposes of Sections 43B and 43D.
- According to Finance Bill 2023, it has been clarified that the benefit could also be in cash for taxability under Section 28 of the Act and for tax deduction at source under Section 194R of the Act.
- According to Finance Bill 2023, Restrictions have been given for the set off of losses and unabsorbed depreciation by the assesseees who opt for presumptive tax schemes under Sections 44BB and 44BB.
- The threshold limits for presumptive taxation schemes under Section 44AD and Section 44ADA have been increased to ₹ 3 crore and ₹ 75 lakh respectively, provided at least 95% of receipts and payments are made through non-cash methods.
- The consequential amendments have been made under section 44AB to remove the tax audit requirement for persons opting for such presumptive schemes.
- Now amendment in Section 35D has been done to remove the condition of activity in connection with these expenses to be carried out by a concern approved by the Board. Instead, the assessee shall be required to furnish a statement containing the particulars of this expenditure within the prescribed period to the prescribed income-tax authority in the prescribed form and manner.
- The consequential amendments have been made under section 44AB to remove the tax audit requirement for persons opting for such presumptive schemes.

CAPITAL GAINS

- The transformation of physical gold into Electronic Gold Receipts and vice versa by a Vault Manager registered with the Securities and Exchange Board of India (SEBI) shall not be considered as a transfer for purposes of capital gains taxation.
- The cost of any intangible assets and rights shall be considered nil for which no consideration has been paid for the acquisition.
- The gains derived from the transfer, redemption, or maturity of Market Linked Debentures shall be taxed at the applicable rate as short-term capital gains under Section 50AA.
- An individual or H.U.F can claim a maximum exemption of ₹ 10 crore under Sections 54 and Sections 54F.
- No tax shall be imposed on the transfer of capital assets in connection with the relocation of an offshore fund to an International Financial Services Centre (IFSC). The deadline for this relocation has been extended to 31-03-2025.

- To align the provisions of the Joint Development Agreement with the TDS provisions under Section 194-IC, the amendment in Section 45 is done to provide that the full value of consideration shall be taken as the stamp duty value of the property received as increased by any consideration received in cash or by a cheque or draft or by any other mode.

CHARITABLE & RELIGIOUS TRUSTS

- The utilization of corpus, loans, or borrowings by a charitable or religious trust prior to 01-04-2021 will not be considered an application for charitable or religious purposes if the amount is subsequently deposited back into the corpus or the loan is repaid.
- The repayment of a loan or investment into the corpus will only be considered an application for charitable or religious purposes if it occurs within 5 years of the initial utilization.
- The donations made by one trust or institution to another trust or institution shall be deemed to be an application of up to 85% of the donated amount.
- Trusts and institutions that have initiated their activities must apply directly for regular registration, rather than provisional registration.
- The submission of an application for registration containing false, inaccurate, or incomplete information is considered a designated violation and may result in the revocation of the registration of trusts or institutions by the Principal Commissioner of Income Tax/Commissioner of Income Tax.
- The provisions for tax on accreted income as specified in Section 115TD have been extended to trusts or institutions, if they fail to apply for re-registration.
- In order to claim the accumulation of income, trusts or institutions must file Form 9A and Form 10 at least two months prior to the deadline for filing the return of income.
- Time provided for furnishing a return of income for claiming exemption by trusts or institutions under Section 10(23C) or Section 11 or Section 12 shall not include the time provided for furnishing an updated return. In other words, the exemption shall be allowed if the return of income is furnished within the time allowed under Section 139(1) or Section 139(4) and not Section 139(8A).
- The second, third, and fourth proviso to Section 12A(2) allows trusts and institutions to claim an exemption under Sections 11 and 12 for the previous year in which application for registration is made even though registration is granted in the subsequent year. However, under the new registration rules proposed by the Finance Bill 2023, provisional registration must be applied before the commencement of the activities. So, these rollback provisions are removed.

ASSESSMENT & APPEALS

- Assessee can file an appeal against the penalty orders imposed by the Commissioner (Appeals) under Sections 271AAB, 271AAC, and 271AAD and revision orders passed by the Principal Chief Commissioner or Chief Commissioner under Section 263. The amendment also allows for the filing of a memorandum of cross-objections in all cases that are appealable to the Appellate Tribunal.
- A new appellate authority, the Joint Commissioner (Appeal), has been introduced for specific categories of taxpayers, such as individuals and HUFs, to speed up the resolution process in appeal proceedings.
- Where any direction has been issued to give the effect to faceless schemes and e-proceedings before the expiry of the limitation period, the relevant provisions are proposed to be amended

to empower Central Government to make amendments in such directions at any time by notification in the Official Gazette.

- Time limit for disposing of pending rectification applications by the “Interim Board for the settlement” has been extended. If the time limit for amending an order by it or for making an application to it expires on or after 01.02.2021 but before 01.02.2022, the such time limit shall stand extended to 30.09.2023.
- The deadline for completing the scrutiny and best judgment assessment has been extended from 9 months to 12 months, starting from Assessment Year 2022-23.
- A provision has been made to empower the Assessing Officer to require a cost audit for inventory valuation before assessment.
- Return in response to a notice under Section 148 shall be furnished within 3 months from the end of the month in which such notice is issued or within such further time as may be allowed by the Assessing Officer on a request made on this behalf by the assessee.
- Specified authority for granting approval for issuance of notice under Section 148 and Section 148A shall be Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General, where more than three years have elapsed from the end of the relevant assessment year.
- Where search-related information is available after 15th March of any financial year, an additional period of fifteen days shall be allowed for the issuance of the notice, for assessment/ reassessments, etc., under Section 148 of the Act.

SET OFF AND CARRY FORWARD OF LOSSES

- The definition of ‘strategic disinvestment’ in Section 72A has been modified to include the sale of shares by the Central or State Governments, or by a public sector company in another public sector company resulting in a reduction of its shareholding below 51% and transfer of control to the buyer.
- Section 72AA has been amended to allow the carry forward of accumulated losses and unabsorbed depreciation in the case of the amalgamation of a banking company with another banking company within five years of the strategic disinvestment.
- Eligible startups will be able to set off and carry forward losses incurred during their first ten years of incorporation, even if there has been a change in shareholding, as long as all shareholders continue during the relevant period. The previous time limit of seven years has been proposed to be increased to ten years.

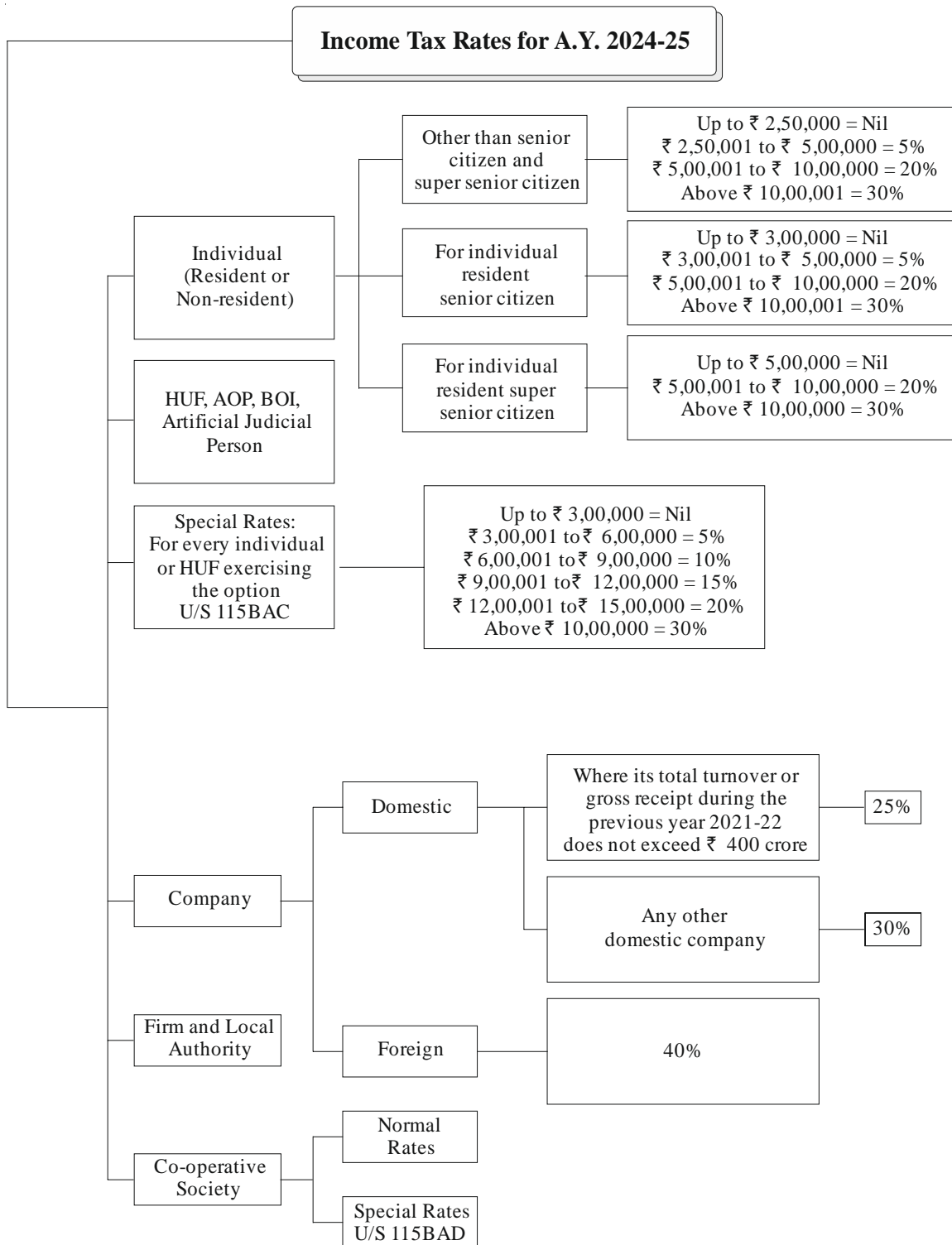
TDS & TCS

- The threshold limit for TDS under Section 194N has been raised from ₹ 1 crore to ₹ 3 crore for recipients who are cooperative societies.
- The rate of TCS for foreign remittances, for other purposes under LRS, and purchase of overseas tour programs, has been increased from 5% to 20%.
- TDS will be deducted without any threshold benefit on winning from online gaming. The tax will be deducted either upon withdrawal or at the end of the financial year.
- The exemption from TDS available on interest payments on listed debentures shall be removed.
- If the recipient of EPF withdrawal does not provide his PAN, TDS on the withdrawal will be 20%, instead of the maximum marginal rate.

- Section 197 has been amended to include Section 194LBA in its scope. Thus, unit holders receiving income from business trusts can obtain lower or nil deduction certificates.
- Sections 206AB and 206CCA have been amended to exclude certain persons from the scope who are not required to file a return of income and are notified by the government.
- For certain income paid to non-residents or foreign companies, TDS will be deducted at a rate of 20% or the rate specified in a tax treaty, whichever is lower. This relief will be available if the payee provides a tax residency certificate.
- Section 155 is amended to solve a TDS mismatch problem. When a taxpayer reports income using the accrual method, it may be taxed before the TDS is deducted. It causes a TDS mismatch and prevents the taxpayer from claiming TDS credit. The amendment in section 155 allows taxpayers to apply to the assessing Officer within two years of the financial year in which the tax was withheld. The Assessing Officer will then amend the assessment to allow the taxpayer to claim TDS credit. Section 244A is also amended to provide that the interest on refund arising out of the above rectification shall be for the period from the date of the application to the date on which the refund is granted.

PENALTIES AND PROSECUTIONS

- A penalty of ₹ 5,000 will be imposed on financial establishments for submitting inaccurate SFTs as a result of incorrect information provided by account holders. The financial institution has the right to recover the fine from the account holder.
- Section 271C and Section 276B have been amended to provide for penalty and prosecution where deductor fails to ensure that tax has been paid under Section 194R, Section 194S and Section 194BA.



Income Tax for Non-Resident: Taxable Income & Deduction



The Indian Income Tax Act of 1961 also applies to anyone generating income outside their own country besides residents. The income tax regulations and benefits available to them differ significantly from those available to resident Indians.

WHO IS A NON-RESIDENT?

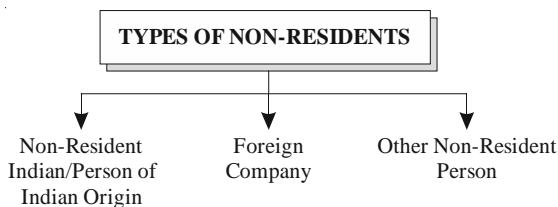
“Non-Resident” is a person who has not been residing in India for a specified period of time. The Residential Status of an individual in a given year determines whether the individual is Resident or Non-Resident for the year.

HOW TO DETERMINE RESIDENTIAL STATUS OF NON-RESIDENT?

Residential status of an individual is determined on the basis of the number of days an individual has physically stayed in India. Residential status has nothing to do with the nationality or domicile of an individual. It may also happen that an Indian, who is citizen of India, may be a non-resident for Income Tax purposes in a particular year and an American citizen may be resident in India for Income Tax purposes in a particular year.

TYPES OF NON-RESIDENTS

Under Income Tax Act 1961, non-resident is broadly classified under the following three heads:



DO NON-RESIDENT HAVE TO PAY TAXES IN INDIA FOR INCOME EARNED ABROAD?

The answer is YES. After determination of residential status, the next step is to identify income taxable in India as per person residential status.

For Resident Individuals: All income is taxable in India i.e. income earned whether in India or outside India is taxable in India.

For Non-Resident Indians: Only income earned or accrued in India or deemed to be so is taxable in India. Therefore, income from any country besides India is not taxable in India.

WHAT IS INCOME EARNED OR ACCRUED IN INDIA?

India follows “source rule” basis of taxation, *i.e.*, all the income which accrue or arises from or through a source in India is taxable in India. Therefore, identifying the source of Income is of utmost importance. If it is established that the income has its source in India, whether direct or indirect, such income would become taxable in India. List of such incomes are:

- Any salary received in India
- Any salary received for services rendered in India
- Rental income (if any) received from a property situated in India
- Capital gain (if any) arising on account of transfer of property or asset in India
- Any income from deposits in India such as interest on fixed deposits
- Any interest received on savings bank account, etc

SPECIFIC PROVISIONS RELATED TO INVESTMENT INCOME OF NON-RESIDENT

As a Non-resident person can avail of a special provision related to investment income. A Non-resident is taxed at 20% when he invests in certain assets in India. All the more, he/she is not required to file an income tax return if his/her income comprises only special investment income and TDS on the same has been deducted.

WHAT ARE THE INVESTMENTS THAT QUALIFY FOR SPECIAL TREATMENT?

The income derived from the following assets in India acquired in foreign currency shall qualify for special treatment:

- Shares in Indian Companies (Public or Private company)
- Debentures, only issued by a publicly-listed Indian company (not private)
- Deposits with banks and public companies
- Any security of the Central Government
- No deduction under Section 80 will be allowed while calculating investment income.

DEDUCTIONS AVAILABLE TO NON-RESIDENT

Of the total deductions available to a resident individual, few are not available to non-resident individuals. A brief list of deductions available or not to Non-Residents is shown below:

<i>Section</i>	<i>Deductions Allowed</i>	<i>Deductions Not Allowed</i>
80C	<ul style="list-style-type: none"> • LIC premium • Tuition Fees • Principal repayment of home loans • Unit Linked Insurance Plan (ULIP) • Equity Linked Tax Saving Scheme (ELSS) 	<ul style="list-style-type: none"> • Investment in Public Provident Fund (PPF) (Not allowed opening a new PPF account. However, PPF account opened while you are a resident is allowed to be maintained.)

<i>Section</i>	<i>Deductions Allowed</i>	<i>Deductions Not Allowed</i>
	<ul style="list-style-type: none"> Investment in National Saving Certificate (NSC) 	<ul style="list-style-type: none"> Post Office 5year Deposit scheme Senior citizen savings scheme etc.
80D	<ul style="list-style-type: none"> Medical Insurance 	NA
80E	<ul style="list-style-type: none"> Interest paid on Education loan 	NA
80DD	<ul style="list-style-type: none"> Deduction for maintenance including medical treatment of dependent handi-capped as defined under section 	NA
80G	<ul style="list-style-type: none"> Payments made in the form of eligible Donations 	NA
80DDB	<ul style="list-style-type: none"> Deduction for medical treatment of dependent handicapped (as certified by a prescribed specialist) 	NA
80TTA/ 80TTB	<ul style="list-style-type: none"> Interest on Savings Bank Account 	NA
80U	<ul style="list-style-type: none"> Deduction allowed to a tax payer who himself suffers from disability 	NA

NON-RESIDENT IS TAXED AT WHICH INCOME TAX SLAB RATE

Tax Slabs of Non-resident for Assessment Year 2024-25

Unlike residents for who tax rates are classified on the basis of age, no such classification is available for Non-Residents. Hence, for Non-Residents whether aged

- Below 60 Years
- Above 60-80 Years, and
- Above 80 Years
- All are taxed uniformly

The tax slab rates for Non-resident Individuals are:

<i>Income</i>	<i>Tax Rate</i>
Up to ₹ 2,50,000	Nil
₹ 2,50,000 to ₹ 5,00,000	5%
₹ 5,00,000 to ₹ 10,00,000	20%
Above ₹ 10,00,000	30%

Benefits of Basic Exemption Limit

- As a Non-resident, you still get the benefit of the basic exemption limit of ₹ 2,50,000 from your total income. However, if total income of Non-resident in India consists of only short-term

capital gains or long-term capital gains, then the benefit of the basic exemption limit is not available in respect of such gains.

When is a Non-Residents required to File his Income Tax Return?

Non-Residents are required to file a return of income if they have taxable income in India.

In the following situations an NRI is required to file Income Tax Return in India:

- If Non-Residents Gross Total Income before allowing any deductions under section 80 is more than ₹ 2,50,000.
- If Non-Residents are seeking a refund from the department.
- If Non-Residents want to have the benefit of carrying forward of losses.

About the Book

- Clear Chapter outlines, illustrations, questions, and extensive referring enable readers to access their learning.
- Offers readers comprehensive coverage of various sections of income tax law and practices in a simple and easiest way.
- This revision presents new examples and pedagogical features adding more value and depth to the text's effective, consistent framework.
- The entire text and numerical of the book have been revised by updating the sections and rules laid down in the Income Tax Act.
- This book is meant for B.Com., BBA, and B.Com., (Hons.) students as well as to serve as an Intermediate-level course for students preparing for chartered, cost, and management accountancy, certified and company secretary examinations, and other degree and diploma courses.
- This book has been written with the two goals of educating students about the nuances of Income Tax Law so that they can compute income from various heads as well as making students aware of the compliance required for the smooth functioning of the Income Tax Scheme.

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- Auditing and Corporate Governance
- Fundamentals of Income Tax: Problems and Solutions

Prof. Mittal, was awarded 'Tejaswini Women of India National Award for Best Teaching'. She was conferred 'Saraswati Bai Dadasahab Phalke' Iconic International Women Award for her contribution to Education in March 2021. She has also been a co-guide for Ph.D. students. She is associated with the Institute of Chartered Accountants of India (ICAI), C.C.S. University, S.D.S. University, H.G.U. and H.N.B. Garhwal University, etc. Her areas of interest include Taxation, Human Resource Management, Accounting, Corporate Governance, etc. Apart from being a passionate reader and writer, she is also an acclaimed speaker.

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