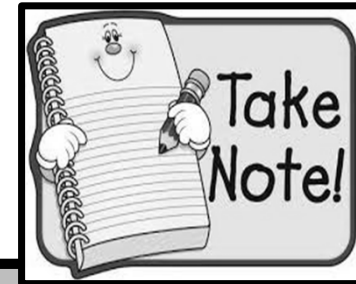




# INCOME TAX PROVISIONS FOR ASSESSMENT YEAR 2025-26, CHANGES IN ITR & INCOME TAX DEMAND MANAGEMENT



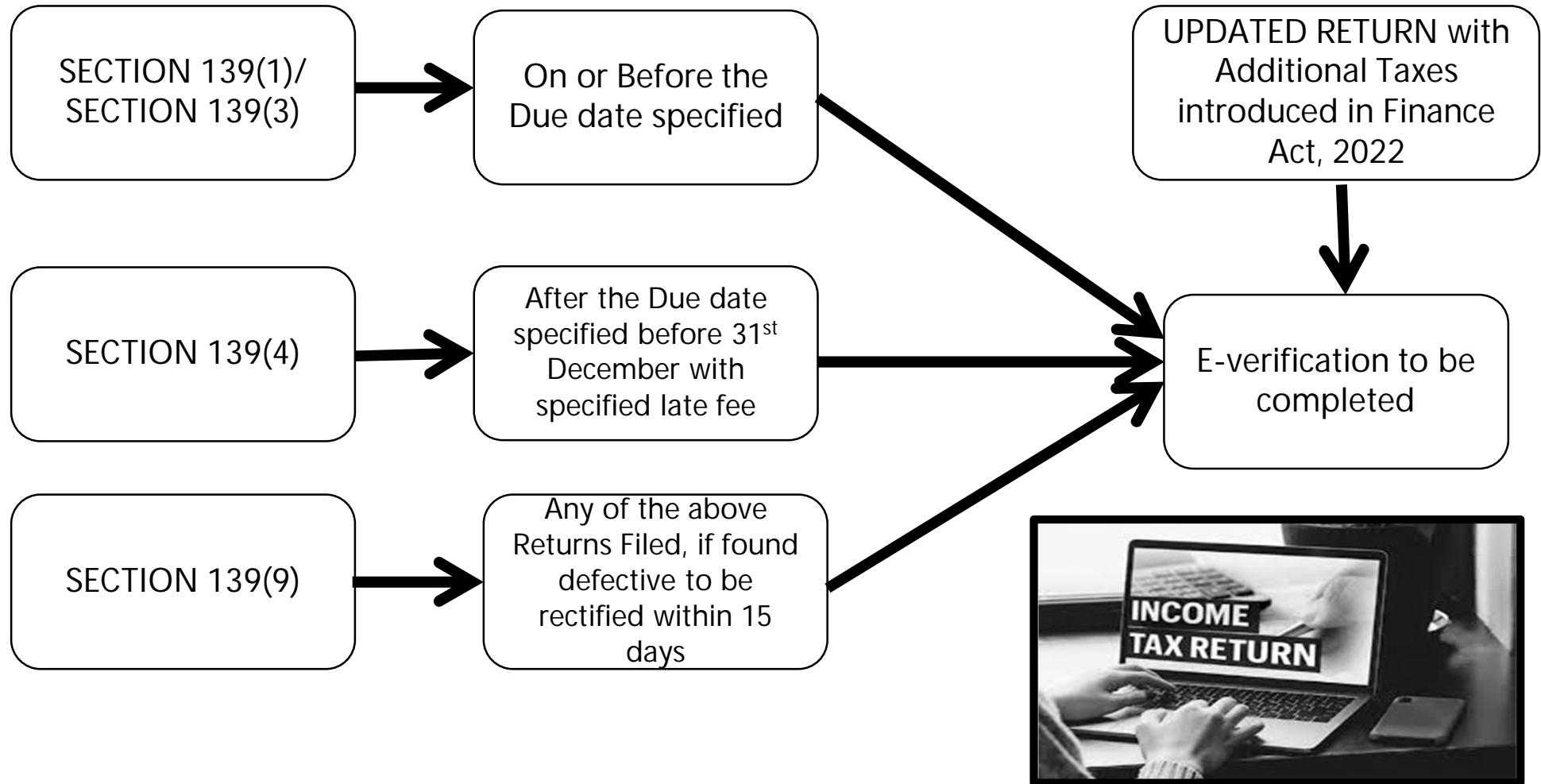
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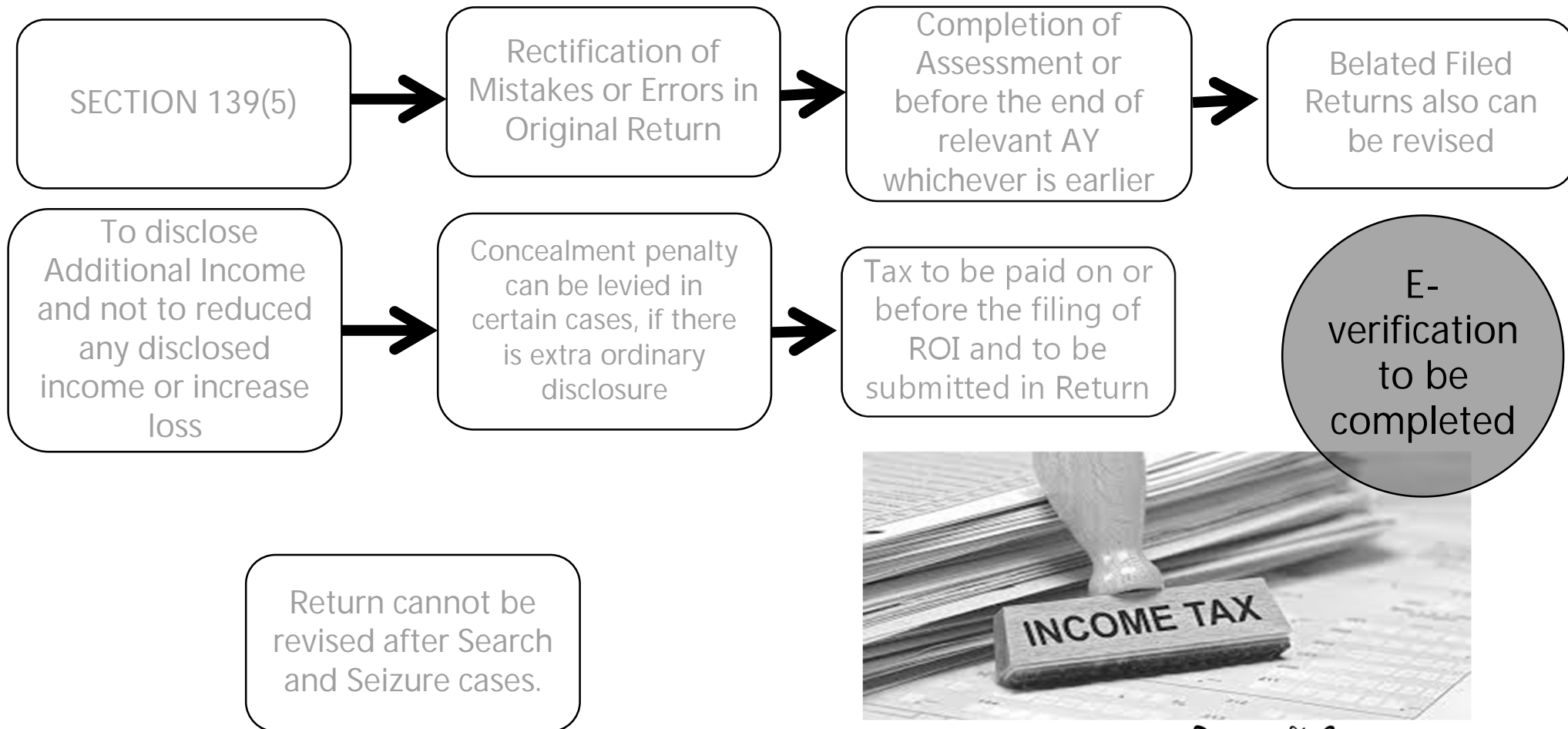
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# Provisions related to Returns of Income



# Provisions related to Returns of Income



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# Provisions related to Updated Return

SECTION 139(8A)

Effective from 1st April, 2022

Can be filed up to 4 years from the end of relevant AY

Option of Updated Return only once for one AY

To report Additional Income and not to reduce any disclosed income or increase loss

As per amended provisions

Tax to be paid on or before the filing of ROI and to be submitted in Return



Return cannot be filed in Search and Seizure cases.

E-verification to be completed

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# Amendment by Finance Bill, 2025

## SECTION 139(8A): UPDATED TAX RETURN (ITR-U)

Amendment Effective from 01.04.2025 (*retrospectively*)

Existing Provision	
ITR-U filed within	Additional Tax
<b>12 months</b> from the end of relevant AY	<b>25%</b> of additional tax (tax + interest)
<b>24 months</b> from the end of relevant AY	<b>50%</b> of additional tax (tax + interest)

Amended Provision (Extension of Time Limit)	
ITR-U filed within	Additional Tax
<b>12 months</b> from the end of relevant AY	<b>25%</b> of additional tax (tax + interest)
<b>24 months</b> from the end of relevant AY	<b>50%</b> of additional tax (tax + interest)
<b>36 months</b> from the end of the relevant AY	<b>60%</b> of additional tax (tax + interest)
<b>48 months</b> from the end of the relevant AY	<b>70%</b> of additional tax (tax + interest)



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# INCOME TAX SLABS U/S 115BAC (NEW TAX REGIME)

## Amendment Effective from 01.04.2025

Existing

Income Tax Slab	Income Tax Rate
Up to ₹3,00,000	Nil
₹3,00,001 - ₹6,00,000	5% above ₹3,00,000
₹6,00,001 - ₹9,00,000	₹15,000/- + 10% above ₹6,00,000
₹9,00,001 - ₹12,00,000	₹45,000/- + 15% above ₹9,00,000
₹12,00,001 - ₹15,00,000	₹90,000/- + 20% above ₹12,00,000
Above ₹15,00,000/-	₹1,50,000/- + 30% above ₹15,00,000

Amended

Income Tax Slab	Income Tax Rate
Up to ₹3,00,000	Nil
₹3,00,001 - ₹7,00,000	5% above ₹3,00,000
₹7,00,001 - ₹10,00,000	₹20,000/- + 10% above ₹7,00,000
₹10,00,001 - ₹12,00,000	₹50,000/- + 15% above ₹10,00,000
₹12,00,001 - ₹15,00,000	₹80,000/- + 20% above ₹12,00,000
Above ₹15,00,000/-	₹1,40,000/- + 30% above ₹15,00,000

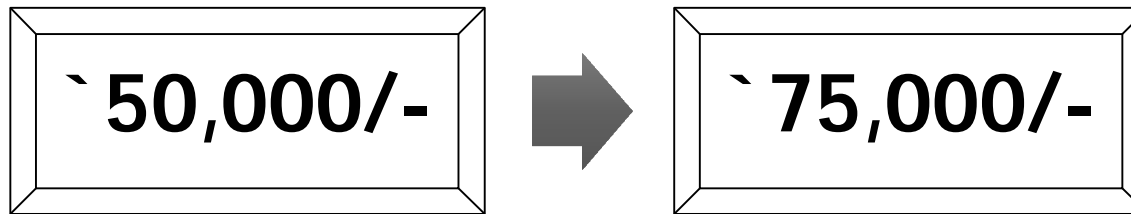
Maximum surcharge rate capped @ 25% in case of new tax regime

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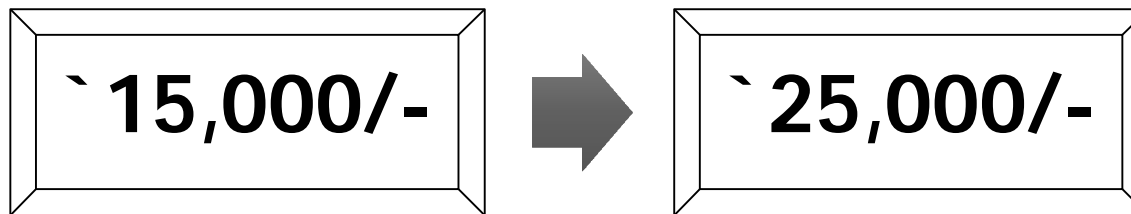
# Amendments Effective from 01.04.2025

(Under New Tax Regime u/s 115BAC)

SECTION 16(ia): STANDARD DEDUCTION ON SALARY



PROVISO TO SECTION 57(ia): FAMILY PENSION DEDUCTION



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# SECTION 28: PROFITS AND GAINS OF BUSINESS OR PROFESSION (PGBP)

## Amendments Effective from 01.04.2025

### Explanation 3 inserted

PGBP shall **exclude** any income from letting out of a **residential house** or part of the house by the owner

To be charged to tax under Income from House Property only even if the property is held as " stock-in-trade or letting is in the nature of business"

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SECTION 37(1): EXPLANATION 3  
AMENDED VIDE FINANCE NO. 2 ACT, 2024  
**Amendments Effective from 01.04.2025**

**CBDT Notification no. 38/2025 dated 23.4.2025**

Expenditure incurred to settle proceedings initiated in relation to contravention or defaults under the following laws **shall not** be deemed to have been incurred for the purpose of business or profession

- (i) the Securities and Exchange Board of India Act, 1992 (15 of 1992)
- (ii) the Securities Contracts (Regulation) Act, 1956 [42 of 1956]
- (iii) the Depositories Act, 1996 [22 of 1996]
- (iv) the Competition Act, 2002 [12 of 2003].

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# SECTION 40(b) - CHANGES IN ALLOWABLE REMUNERATION TO PARTNERS (APPLICABLE FROM FY 2024-25, AY 2025-26)

Prior to FY 2024-25		From FY 2024-25 & onwards	
On first ₹ 3,00,000 of Book Profit or in case of Loss	₹ 1,50,000/- or 90% of the Book Profit, whichever is higher	On first ₹ 6,00,000 of Book Profits or in case of Loss	₹ 3,00,000/- or 90% of the Book Profit, whichever is higher
On the balance BP	60% of the BP	On the balance BP	60% of the BP

**Amendment to Partnership deed required accordingly to authorize above changes to remuneration**



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# SECTION 45: CAPITAL GAINS

## TAX RATES ON CAPITAL GAINS (w.e.f. 23.07.2024)

### STCG u/s 111A

Existing – 15%

Revised – **20%**

### LTCG u/s 112A (STT Paid Transactions)

Existing – 10%

Revised – **12.5%\***

### Unlisted Sec. of closely held companies for NR u/s 112

Existing – 10%

Revised – **12.5%**

### All other LTCG u/s 112

Existing – 20%

Revised – **12.5%\***

**\*Indexation benefit withdrawn for transfers on or after 23.07.2024**

**For Properties acquired before 23.07.2024**

LTCG Tax will be lower of 12.5% without Indexation or 20% with Indexation, whichever is beneficial  
[Proviso to Section 112(1)(a)]

Only for land or building or both, for Individual or HUF, resident in India

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## SECTION 45: CAPITAL GAINS

Option to pay tax @10% under Proviso to Section 112 has been withdrawn  
Was Applicable to listed securities (other than units) or zero coupon bond

### Effective Rates of Taxes

<b>Date of Transfer of Capital Asset</b>	<b>Tax Rates Applicable</b>
Up to 22.07.2024	Old Rates
From 23.07.2024	New Rates

Amount of Non-Taxable LTCG benefit increased from ` 1 Lakh to ` **1.25 Lakhs**

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# CAPITAL GAINS

## Amendment Effective from 23.07.2024

### Existing

Applicable Period	Assets covered
12 months	Listed Securities u/s 112A, units of equity oriented fund and bonds
24 months	Unlisted shares of a company and immovable property
36 months	All other assets

### Amended

Applicable Period	Assets covered
12 months	Listed Securities u/s 112A, units of equity oriented fund and bonds
24 months	All other assets, Unlisted shares of a company and immovable property

Section 47(iii) amended to add “ **any transfer of a capital asset by an Individual or HUF**” under a gift or will or an irrevocable Trust.

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# Amendments Effective from 23.07.2024

## SECTION 50AA AMENDED

To include Unlisted Bonds & Debentures

Deemed STCG, if transferred/ redeemed/  
matured **on or after 23.07.2024**

## SECTION 55: COST OF ACQUISITION

For Transfer of Unlisted  
Equity Shares under OFS  
in an IPO

Cost of Acquisition (COA)  
= Indexed Cost of  
Acquisition

Considering *CII of FY*  
*2017-18*

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# SECTION 44BBC: PRESUMPTIVE TAXATION FOR OPERATION OF CRUISE SHIPS BY NON-RESIDENTS

## New Section Effective from 01.04.2025

### Eligibility

- NR engaged in business of operation of Cruise Ships

### Calculation of Profits and Gains

- **20%** of the aggregate amount
- Received/ deemed to be received by, and paid/payable to the NR assessee or any person on his behalf
- On account of the carriage of passengers

### Exemption u/s 10(15B)

- **Income from lease rentals** of cruise ships, in the hands of a foreign co.;
- Received from a specified co. opting for tax u/s 44BBC;
- If both the foreign co. & the NR cruise ship operating co. are the subsidiaries of the same holding co.
- Available **until AY 2030-31**

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# SECTION 80-IAC: TAX EXEMPTION FOR START-UPS

## Amendment Effective from 01.04.2025

100% deduction of profits & gains  
For 3 consecutive years out of 10 years from Year of Incorporation

Tax Benefit extended for another period of 5 years

Existing

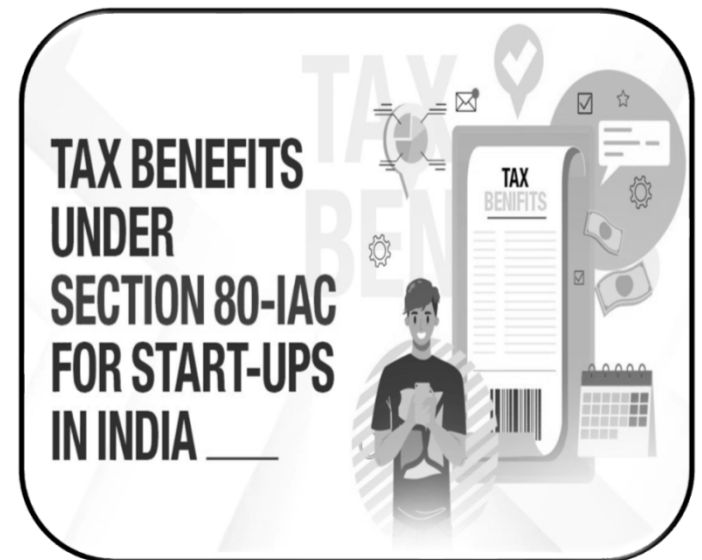


Start-ups incorporated  
before **01.04.2025**

Extended



Start-ups incorporated  
before **01.04.2030**



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# SECTION 80CCA(2): EXEMPTION TO WITHDRAWALS FROM NSS BY INDIVIDUALS

Proviso inserted  
(retrospectively  
w.e.f.  
29.08.2024)

Amount  
withdrawn on or  
after 29.08.2024

**Exempt** from Tax

For **Individual**  
assessee only

# SECTION 80CCD(2): DEDUCTION ON EMPLOYER'S CONTRIBUTION TO PENSION SCHEME

**Amendment Effective from 01.04.2025**

(Under New Tax Regime u/s 115BAC)

**10%**



**14%**

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# SUNSET DATES FOR VARIOUS TAX CONCESSIONS TO IFSC

## Amendment Effective from 01.04.2025

Extension of dates for commencement of operations of IFSC Units/  
relocation of funds

For S. 80LA(2)(d), S. 10(4F), S. 10(4H) & S. 47(viiad)

From earlier 31.03.2025 to **Now 31.03.2030**

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# CHARITABLE TRUSTS

## Amendments Effective from 01.04.2025

### New proviso to S. 12AB(1) (Amendment by Finance Bill, 2025)

Validity period of registration extended-  
Small Charitable Trust Category

From 5 years to **10 years**

For application made under sub-clause (i)  
to (v) of the clause (ac) of S. 12A(1); and

Total Income  $\leq$  ` 5 Cr for preceding PY of  
application

### Amendment to S. 12AB(4) (Amendment by Finance Bill, 2025)

If registration  
application  
' is not  
complete'

Shall not be  
treated as  
Specified  
Violation  
under  
clause(g)

### New Section 12AC

**Merger of charitable trusts/  
institutions**

Having similar objects

Registered u/s 12AA/ 12AB or  
approved under sub-clauses (iv)  
to (via) of S. 10(23C)

Chapter XII-EB **shall not apply**

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# ITR Forms for AY 2025-26

Schedule 115TD		Accreted income under section 115TD			
1	Aggregate Fair Market Value (FMV) of total assets of specified person	1			
2	Less: Total liability of specified person	2			
3	Net value of assets (1 – 2)	3			
4	(i) FMV of assets directly acquired out of income referred to in section 10(1)	4i			
	(ii) FMV of assets acquired during the period from the date of creation or establishment to the effective date of registration/provisional registration u/s 12AB, if benefit u/s 11 and 12 not claimed during the said	4ii			
	(iii) FMV of assets transferred in accordance with third proviso to section 115TD(2)	4iii			
	(iv) Total (4i + 4ii + 4iii)	4iv			
5	Liability in respect of assets at 4 above	5			
6	Accreted income as per section 115TD [3 – (4iv – 5)]	6			
7	Additional income-tax payable u/s 115TD at maximum marginal rate	7			
8	Interest payable u/s 115TE	8			
9	Specified date u/s 115TD	9			
10	Additional income-tax and interest payable	10			
11	Tax and interest paid	11			
12	Net payable (10 - 11) (Enter 0 if negative)	12			
13	Date(s) of deposit of tax on accreted income	Date 1	Date 2	Date 3	
		<i>DD/MM/YYYY</i>	<i>DD/MM/YYYY</i>	<i>DD/MM/YYYY</i>	
14	Name of Bank and Branch				
15	BSR Code				

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## Changes in ITR filings for AY 2025-26

Due to increased exemption limit under Section 112A of the Income-tax Act from Rs. 1,00,000 to Rs. 1,25,000, this ITR-1 & ITR-4 can now be used.

CBDT notifies ITR-Form 3 for AY 2025-26 vide Notification No. 41/2025 dated 30.04.2025.

Key updates:

- ✍ Schedule-Capital Gain split for gains before/ after 23.07.2024 (post changes in Finance Act, 2024)
- ✍ Capital loss on share buyback allowed if corresponding dividend income is shown as income from other sources (post 01.10.2024)
- ✍ Asset & liability reporting limit raised to ₹1 crore of total income
- ✍ Reference of sec 44BBC (cruise biz) added
- ✍ Enhanced reporting for deductions [80C, 10(13A)] etc.
- ✍ TDS section code to be reported in Schedule-TDS

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## ITR Forms for AY 2025-26

Category	AY 2024-25	AY 2025-26 (New Changes)
Capital Gains Reporting	Single Schedule for all gains	Reporting Split into before and after July 23, 2024
Capital Loss on Share Buyback	Not allowed	Allowed only if corresponding dividend income is reported. Line item under " Income from OS"
Asset & Liability Reporting (ITR-3)	Required if total income exceeds ₹50 lakh	Threshold increased to ₹1 crore
Presumptive Taxation (Section 44BBC)	Not applicable	Introduced for cruise business operators
TDS Reporting	General reporting of deductions	Mandatory reporting of TDS section codes
Long-Term Capital Gains (LTCG) in ITR-1	Not allowed	Allowed up to ₹1.25 lakh under Section 112A
Bank Account Disclosure	All accounts except dormant	One active account must be selected for refunds
Opting Out of New Tax Regime	No explicit declaration required	Form 10-IEA details must be furnished
ITR-5 Form Entity Identification Details	Basic Details Required	Expanded details including LLP Identification Number, PAN, and updated business commencement date
Filing Status Selection	No Drop Down for Deadlines	Drop Down Feature for to Select Due dates (July 31, October 31 or Nov 30)

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## ITR Forms for AY 2025-26

### - Legal Entity Identifier (LEI) Requirement

- Companies seeking a refund of ₹50 crores or more must furnish their LEI number.

### - New Schedule 115TD for Accreted Income

- Institutions registered under Section 10(23C) or 12AB must report tax payable on accreted income.

### - Capital Gains Accounts Scheme (CGAS) Disclosure

- Companies must provide detailed information on sums deposited in CGAS.

### - Business Profits (Schedule BP)

- Profits on Sale of Raw Diamonds must be 4% or more of the Gross receipts, as per Rule 10TIA

### - Political Donations (Section 80GGC) Reporting

- Companies must disclose transaction details, including amount, transaction number, and IFSC code.

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## ITR Forms for AY 2025-26

### - Eligible Startups (Section 80-IAC) Disclosure

- Companies must provide details like \*\*date of incorporation, nature of business, certification number, and deduction amount.

Schedule 80IAC		Deduction in respect of eligible start-up [to be filled only if answer to A19(q) is 'Yes']			
Sl. No.	Date of incorporation of Startup	Nature of business	Certificate number as obtained from Inter Ministerial Board of Certification	First AY in which deduction was claimed	Amount of deduction claimed for current AY
(1)	(2)	(3)	(4)	(5)	(6)

### - Micro, Small & Medium Enterprises (MSME) Disallowance

- Companies must disclose sums payable to MSMEs beyond the prescribed time limit.

### - Online Gaming Winnings (Section 115BBJ) Reporting

- Companies must report income from online gaming winnings separately.

### - Audit Report & UDIN Requirement

- Companies must furnish the acknowledgment number of the Tax Audit report and Tax Audit UDIN.

(8)	Acknowledgement Number of the Audit Report
(9)	UDIN

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# ITR Forms for AY 2025-26

Schedule FSI				Details of Income from outside India and tax relief (available only in case of resident) ←							
INCOME FROM OUTSIDE INDIA AND TAX RELIEF	Sl.	Country Code (dropdown to be provided in the e-filing utility)	Taxpayer Identification Number	Sl.	Head of income	Income from outside India (included in PART B-TI)	Tax paid outside India	Tax payable on such income under normal provisions in India	Tax relief available in India (e)= (c) or (d) whichever is lower	Relevant article of DTAA if relief claimed u/s 90 or 90A	
						(a)	(b)	(c)	(d)	(e)	(f)
	1				i	House Property					
				ii	Business or Profession						
				iii	Capital Gains						
				iv	Other sources						
					<b>Total</b>						
2				i	House Property						
				ii	Business or Profession						
				iii	Capital Gains						
				iv	Other sources						
					<b>Total</b>						

**NOTE** ▶ Please refer to the instructions for filling out this schedule. ←

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# ITR Forms for AY 2025-26

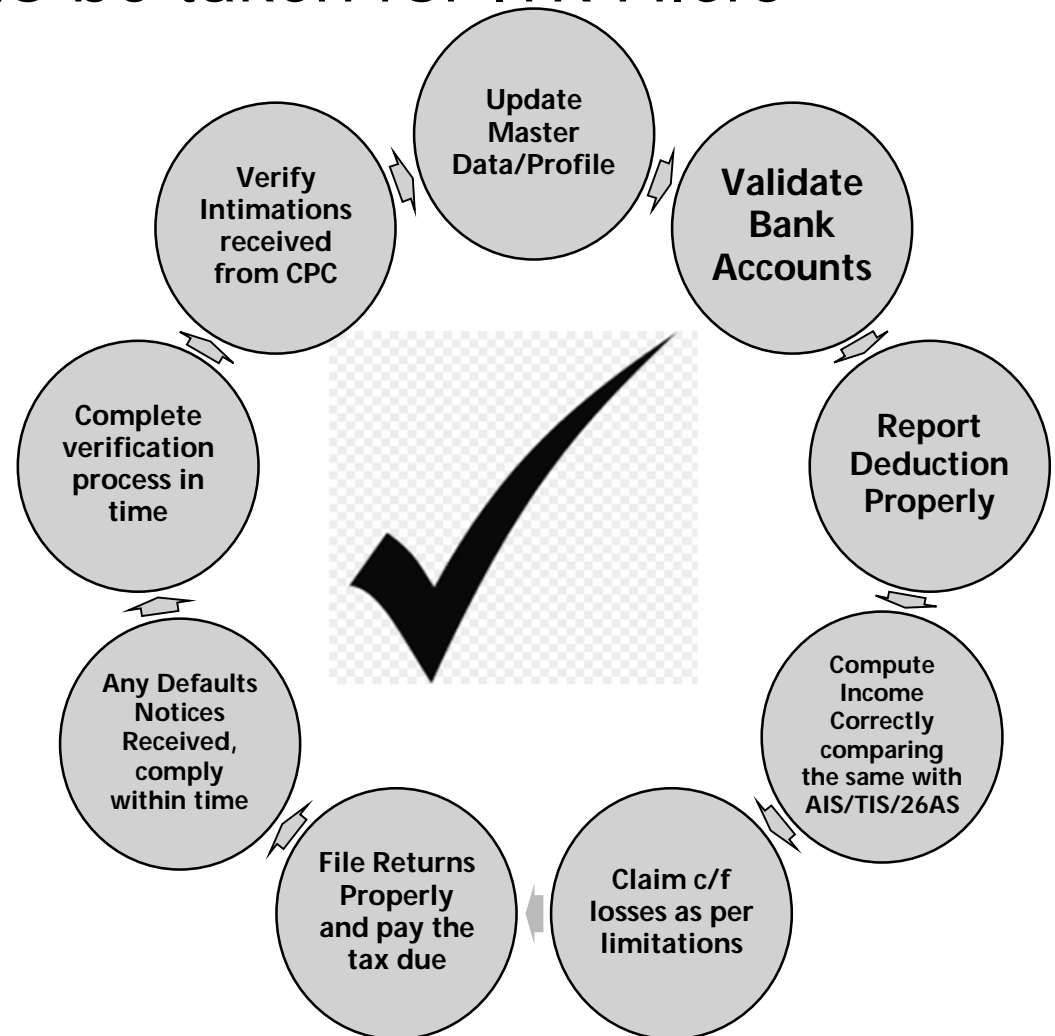
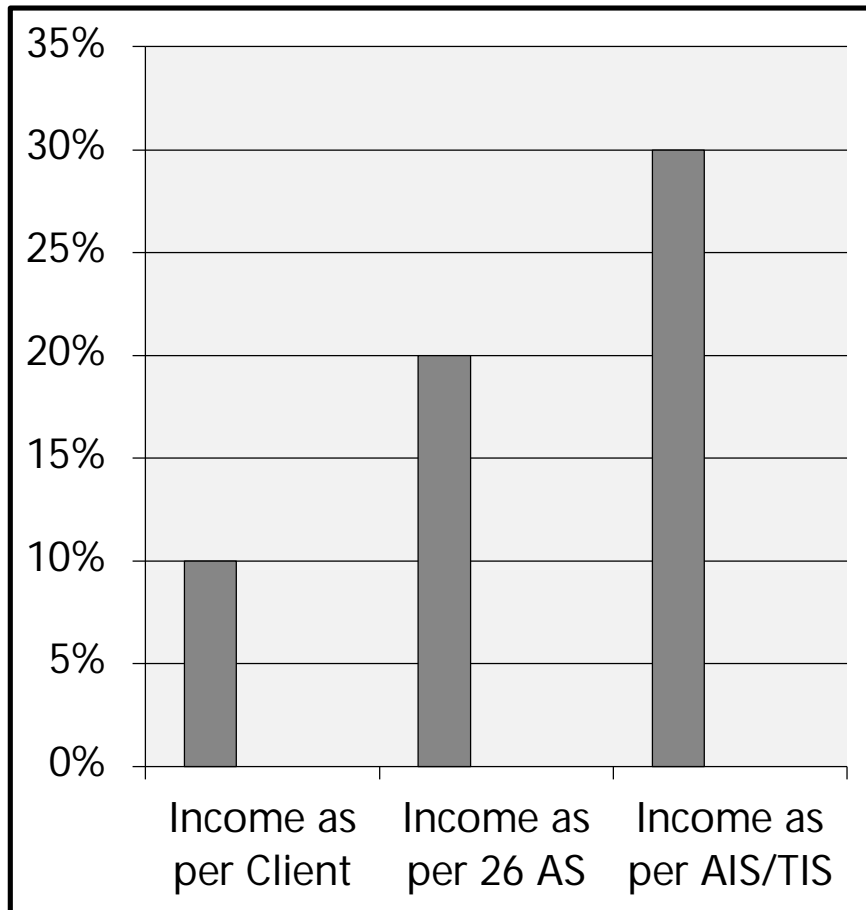
<b>SCHEDULE SH-2 SHAREHOLDING OF START-UPS</b>											
←											
<b>If you are a start-up which has filed declaration in Form-2 under para 5 of DPIIT notification dated 19.02.2019, please furnish the following details of shareholding:-</b>											
<b>Details of shareholding as at the end of the previous year</b>											
Name of the shareholder	Category of shareholder <i>(drop down to be provided- non-resident/ venture capital company/ venture capital fund/ specified company/ any other person)</i>	Type of share	PAN/Aadhaar No.	Date of allotment	Number of shares held	Face value per share	Issue Price per share	Paid up value per share	Share premium		
<b>Details of share application money pending allotment as at the end of the previous year</b>											
Name of the applicant	Category of applicant <i>(drop down to be provided- non-resident/ venture capital company/ venture capital fund/ specified company/ any other person)</i>	Type of share	PAN/Aadhaar No.	Date of application	Number of shares applied for	Face value per share	Proposed issue price per share	Share application money	Share application premium		
<b>Details of shareholder who is not a shareholder at the end of the previous year but was a shareholder at any time during the previous year</b>											
Name of the shareholder	Category of shareholder <i>(drop down to be provided- non-resident/ venture capital company/ venture capital fund/ specified company/ any other person)</i>	Type of share	PAN/Aadhaar no.	Date of allotment	Number of shares held	Face value per share	Issue Price per share	Paid up value per share	Date on which ceased to be shareholder	Mode of cessation	In case of transfer, PAN of the new shareholder

**NOTE** For definition of expressions— “venture capital company”, “venture capital fund” and “specified company”, please refer DPIIT notification dated 19.02.2019.

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# Some Checklist Precautions to be taken for ITR Filers



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## Changes in ITR filings for AY 2025-26



Aadhar Enrolment Id Not Accepted in Filing Return. Taxpayers are now required to provide their Aadhaar number in the Return as per provisions of Section 139AA



**FORM  
10-IEA**

ITR-4 disclosure on opting out of the new tax regime of Section 115BAC, requires the date and acknowledgment number of Form 10-IEA if applicable



Schedule TDS requires disclosure of TDS section in ITR-1 & ITR-4 in Schedule TDS-2, specific section under which TDS has been deducted



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# AI in Income Tax Returns



Can take help of AI to develop tools which can take over routine task.

Can become one helpful employee, if employed properly

Can be a problem, if tool does is not programmed properly.

Department has already started using it. Challenges are part of profession. New Returns will be AI generated.

# Amendment by Finance Bill, 2025

## SECTION 132(8): RETENTION OF SEIZED BOOKS OF ACCOUNTS OR OTHER DOCUMENTS

Amendment Effective from **01.04.2025** (*retrospectively*)

Time limit for taking approval for retention

Existing

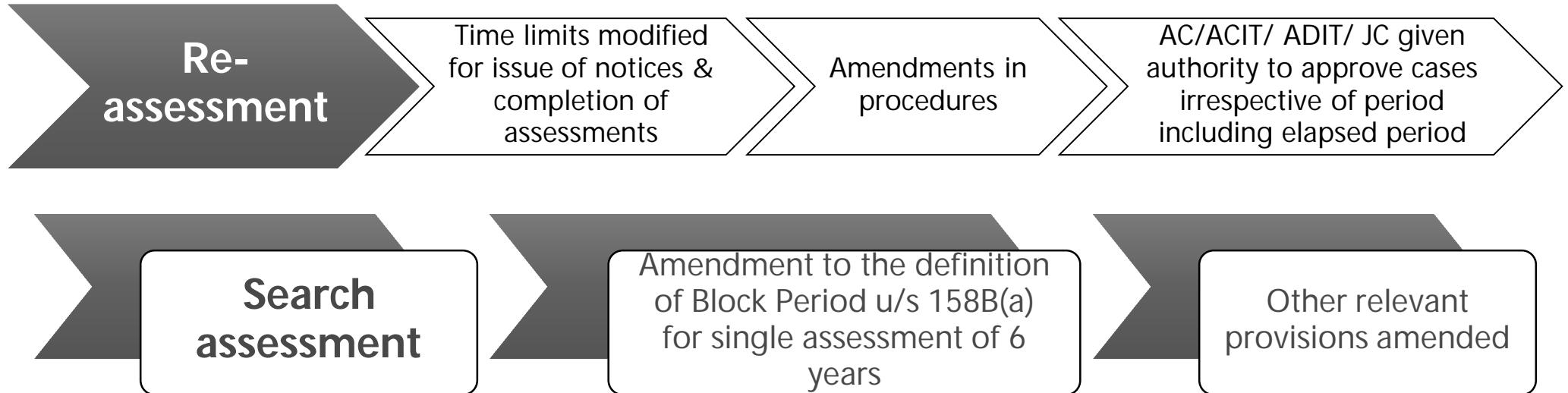
30 days from the date of assessment / reassessment / re-computation order

Amended

**1 month from the end of the quarter** of assessment / reassessment / re-computation order

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# Amendments Effective from 01.09.2024



## VIVAD SE VISHWAS (DTVSV) SCHEME, 2024

**Deadline to file declaration under DTVSV Scheme 2024 is *April 30, 2025* vide CBDT Notification no. 32/2025 dated 08.04.2025**

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## Amendments to Form 3CD (Notification No. 23/2025 dated 28<sup>th</sup> March, 2025)

Clause No.	Nature of Change	Reporting Requirements
12	Modification	Compliance with Presumptive Taxation u/s 44BBC, to report income computed under Section 44BBC, if any in Profit & Loss Account.
19	Modification	in clause (19), the rows labelled as " 32AC" , " 32AD" , " 35AC" and " 35CCB" shall be omitted; since they are not applicable from the current Assessment Year.
21	Modification in sub-clause (a)	Insertion of a row for " Expenditure incurred to settle proceedings initiated in relation to contravention under such law as notified by the Central Government in the Official Gazette in this behalf. This expenses allowable when actually paid.

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**Amendments to Form 3CD**  
**(Notification No. 23/2025 dated 28<sup>th</sup> March, 2025)**  
**Reporting for MSME modified**

Clause No.	Nature of Change	Reporting Requirements
22	Revision	<p>(i) Amount of interest inadmissible under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act); or</p> <p>(ii) Total amount required to be paid to to a micro or small enterprise, as referred to in section 15 of the MSMED Act, during the previous year;</p> <p>(iii) Of amount referred to in (ii) above, amount –</p> <p>(a) paid up to time given under section 15 of the MSMED Act;</p> <p>(b) not paid up to time given under section 15 of the MSMED Act and inadmissible for the previous year."</p>

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## Amendments to Form 3CD (Notification No. 23/2025 dated 28<sup>th</sup> March, 2025)

Clause No.	Nature of Change	Reporting Requirements
23	New	Buy-back of Shares under Section 115QA. Reporting requirement introduced for buy-back of shares, covering amount received and cost of acquisition. Targets compliance with taxability of income arising from buy-backs by companies.
26	Expansion	Disallowance under Section 40(a), reporting now required to include specific details of payments made to non-residents without TDS
28 & 29	Deleted	Reporting under Section 56(2)(vii-a) & 56(2)(vii-b) omitted. Since these provisions are no longer applicable.
31	Modification	Loans / Deposits Reporting Now requires a 12-category coding classification for acceptance or repayment of loans or deposits.
36B	New	Buy-back of Shares Newly inserted clause to report buy-back transactions under Section 115QA.

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Compiled by  
Darshna Thakar & CA Avinash Rawani  
801, Flyedge, At the Junction of Kora Kendra Flyover  
& S V Road, Borivali West,  
Mumbai 400092  
E-mail: [avinash@carawani.com](mailto:avinash@carawani.com)

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