
CONTENTS

	PAGE
DIVISION ONE	
Commentary on changes made by Income-tax Act, 2025 <i>vis-a-vis</i> Income-tax Act, 1961	
1	
INTRODUCTION	
◆ Introduction	1.3
2	
DEFINITIONS	
2.1 Overview of differences in the definitions contained in the ITA 1961 <i>vis-à-vis</i> the ITA 2025	1.5
2.2 A co-operative society registered under the Multi-State Co-operative Societies Act, 2002, is included within the definition of a co-operative society [Section 2(32) of the ITA 2025 (corresponding to Section 2(19) of the ITA 1961)]	1.6
2.3 Meaning of Assessment [Section 2(13) of the ITA 2025 (corresponding to Section 2(8) of ITA 1961)]	1.6
2.4 Meaning of 'Assessment Year' omitted [Section 2(9) of the ITA 1961]	1.7
2.5 "Assistant Director" shall also mean 'Deputy Director' [Section 2(15) of the ITA 2025 (corresponding to Section 2(9B) of the ITA 1961)]	1.8
2.6 Books of account to cover records maintained on cloud-based storage [Section 2(19) of the ITA 2025 (corresponding to Section 2(12A) of the ITA 1961)]	1.8
2.7 Definition of 'Charitable Purpose' [Section 2(23) of the ITA 2025 (corresponding to Section 2(15) of the ITA 1961)]	1.9

	PAGE
2.8	Definition of 'Income' to include all import and export incentives [Section 2(49) of the ITA 2025 (corresponding to Section 2(24) of the ITA 1961)] 1.10
2.9	Meaning of 'Previous Year' omitted [Section 2(34) of the ITA 1961] 1.12
2.10	Relative of an individual to cover both Maternal and Paternal Lineal Ascendants [Section 2(94) and Section 92(5) of the ITA 2025 (corresponding to Section 2(41) and Section 56 of the ITA 1961)] 1.12
2.11	A concept of 'Tax Year' is introduced in place of 'Previous Year' and 'Assessment Year' [Section 3 of the ITA 2025 (corresponding to Section 3 of the ITA 1961)] 1.15

3

BASIS OF CHARGE

3.1	Overview of differences in the provisions relating to the basis of charge in the ITA 1961 <i>vis-à-vis</i> the ITA 2025 1.16
3.2	Tax payable on total income shall be paid by TDS, TCS or Advance Tax [Section 4 of the ITA 2025 (corresponding to Section 4 of the ITA 1961)] 1.17
3.3	'Conduct of business of an entity as a whole' v. 'Conduct of business of the company as a whole' [Section 6 of the ITA 2025 (corresponding to Section 6 of the ITA 1961)] 1.17
3.4	Income deemed to accrue or arise in India [Section 9 of the ITA 2025 (corresponding to Section 9 of the ITA 1961)] 1.18
3.5	The cap on the investment by an eligible investment fund has been increased from 20% to 25% [Section 9 and Schedule I of the ITA 2025 (corresponding to Section 9A of the ITA 1961 Act)] 1.22
3.6	The provision giving guidelines issued by the CBDT, the binding impact has been removed [Section 8 of the ITA 2025 (corresponding to Section 9B of the ITA 1961)] 1.22
3.7	A term defined in Central Acts relating to taxes or other central laws can be considered for interpreting the term used in a treaty [Section 159(7) of the ITA 2025 (corresponding to Sections 90 and 90A of the ITA 1961)] 1.23

4

SALARY AND HOUSE PROPERTY

4.1	Overview of differences in the provisions relating to the income taxable under the heads salary and house property in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.27
4.2	Amendment in the provisions relating to income from house property to align with ITA 1961 [Sections 21(5) and 22(2) of the ITA 2025 (corresponding to Sections 23(5) and 24(b) of the ITA 1961)]	1.27
4.3	Structural realignment of exemptions related to salary income into deductions [Section 19 of the ITA 2025 (corresponding to Sections 10 and 16 of the ITA 1961)]	1.29
4.4	Certain payments are excluded from the definition of “profits in lieu of salary” [Section 18(2) of the ITA 2025 (corresponding to Section 17(3)(ii) of the ITA 1961)]	1.33
4.5	Transfer of “any house property” for inadequate consideration v. Transfer of “any property” for inadequate consideration [Section 25(a) of the ITA 2025 (corresponding to Section 27(i) of the ITA 1961)]	1.34

5

BUSINESS INCOME

5.1	Overview of differences in the provisions relating to the Business Income in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.35
5.2	Deduction for contributions to the employees’ welfare fund is allowable if paid by the due date for filing the return of income [Section 29(1)(e) of the ITA 2025 (corresponding to Section 36(1) (va) of the ITA 1961)]	1.37
5.3	Insertion of the definition of “commodity derivative” [Section 66(4) of the ITA 2025 (corresponding to <i>Explanation 2</i> to Section 43(5) (e) of the ITA 1961)]	1.39
5.4	Expansion of the list of minerals eligible for deduction under section 51 [Section 51 and Schedule XII of the ITA 2025 (corresponding to Section 35E and Seventh Schedule of the ITA 1961)]	1.40
5.5	Expenditure disallowed on account of non-deduction or non-deposit of TDS can be claimed by non-life insurance companies when TDS is subsequently paid [Schedule XIV of the ITA 2025 (corresponding to the First Schedule of the ITA 1961)]	1.41

	PAGE
5.6 Changes in the charging provision for the profits and gains from business and profession [Section 26 of the ITA 2025 (corresponding to Section 28 of the ITA 1961)]	1.42
5.7 Changes in the provision for claiming deduction for depreciation [Section 33 of the ITA 2025 (corresponding to Section 32 of the ITA 1961)]	1.46
5.8 Procedural aspects relating to making an application by scientific research institutions shall be prescribed by rules [Section 45 of the ITA 2025 (corresponding to Section 35 of the ITA 1961)]	1.48
5.9 "Payment has actually been made" vs. "Actually paid" [Section 52(7)(a) of the ITA 2025 (corresponding to the <i>Explanation (iii)</i> to Section 35ABB(1) of the ITA 1961)]	1.48
5.10 Provisions for the deduction for employee welfare expenses have been consolidated at one place	1.48
5.11 Proportionate deduction in case of non-exclusive use of assets [Section 28(2) of the ITA 2025 (corresponding to Section 38 of the ITA 1961)]	1.49
5.12 Salary payment outside India or to a non-resident in India [Section 35(c) of the ITA 2025 (corresponding to Section 40(a)(iii) of the ITA 1961)]	1.49
5.13 Use of the term 'Asset' vs. 'Capital asset' while computing "actual cost" in certain cases [Section 43 of the 1961 Act/ Section 39 of the 2025 Act]	1.50
5.14 Deduction for surcharge shall be allowed on an actual payment basis, and no need to furnish the evidence of payment with the return [Section 37 of the ITA 2025 (corresponding to Section 43B of the ITA 1961)]	1.50
5.15 More provisions are added to the list, which shall not apply for the computation of income from the insurance business [Section 55 of the ITA 2025 (corresponding to Section 44 of the ITA 1961)]	1.51
5.16 Maintenance of books of account [Section 62 of the ITA 2025 (corresponding to Section 44AA of the ITA 1961)]	1.51
5.17 Audit of books of account [Section 63 of the ITA 2025 (corresponding to Section 44AB of the ITA 1961)]	1.55
5.18 More provisions are added to the list, which shall not apply to the computation of presumptive income of the business [Section 58 of the ITA 2025 (corresponding to Section 44AD of the ITA 1961)]	1.58

	PAGE
5.19 More provisions are added to the list, which shall not apply to the computation of presumptive income of the specified professions [Section 58 of the ITA 2025 (corresponding to Section 44ADA of the ITA 1961)]	1.58
5.20 Changes in the presumptive tax scheme for business of plying, hiring and leasing of goods carriage [Section 58 of the ITA 2025 (corresponding to Section 44AE of the ITA 1961)]	1.59
5.21 More provisions are added to the list, which shall not apply to the computation of presumptive income of the shipping business [Section 61 of the ITA 2025 (corresponding to Section 44B of the ITA 1961)]	1.60
5.22 Changes in the presumptive tax scheme for exploration business [Section 61 of the ITA 2025 (corresponding to Section 44BB of the ITA 1961)]	1.60
5.23 More provisions are added to the list, which shall not apply to the computation of presumptive income of the airline business [Section 61 of the ITA 2025 (corresponding to Section 44BBA of the ITA 1961)]	1.61
5.24 Changes in the presumptive tax scheme for civil construction business [Section 61 of the ITA 2025 (corresponding to Section 44BBB of the ITA 1961)]	1.62
5.25 More provisions are excluded that shall not apply to the computation of presumptive income of the cruise shipping business [Section 61 of the ITA 2025 (corresponding to Section 44BBC of the ITA 1961)]	1.63
5.26 Changes in the presumptive tax scheme for the business of providing services or technology for setting up electronics manufacturing facilities in India [Section 61 of the ITA 2025 (corresponding to Section 44BBD of the ITA 1961)]	1.63
5.27 More provisions are added to the list, which shall not apply in respect of the deduction for head office expenditure in case of non-residents [Section 60 of the ITA 2025 (corresponding to Section 44C of the ITA 1961)]	1.64

6

CAPITAL GAINS

6.1 Overview of differences in the provisions relating to the Capital Gains in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.66
--	------

	PAGE	
6.2	Buyback of shares will be taxable as capital gains [Section 69 of ITA 2025 (corresponding to Section 46A of ITA 1961)]	1.66
6.3	Consequential amendment is made to provisions of deemed dividend to omit the taxability of buyback of shares from the provision [Section 2(40) of ITA 2025 (corresponding to Section 2(22) of ITA 1961)]	1.83
6.4	Consequential amendment is made to section 7 to omit the reference to sub-clause (f) of section 2(40) [Section 7 of ITA 2025 (corresponding to Section 8 of ITA 1961)]	1.83
6.5	Exemption for Sovereign Gold Bond to be allowed only to original holders if held till maturity [Section 70 of the ITA 2025 (corresponding to Section 47 of the ITA 1961)]	1.84
6.6	The drafting error in the charging provision for capital gains is corrected by including a reference to provisions providing exemption [Section 67(1) of the ITA 2025 (corresponding to Section 45(1) of the ITA 1961)]	1.86

7

OTHER SOURCES

7.1	Overview of differences in the provisions relating to the Other Sources in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.88
7.2	No deemed dividend on loans and advances between group entities [Section 2(40) of ITA 2025 (corresponding to Section 2(22) of ITA 1961)]	1.88
7.3	No deduction of expenses to be allowed from the dividend income and income from units of mutual funds [Section 93 of ITA 2025 (corresponding to Section 57 of ITA 1961)]	1.89
7.4	Deduction to be allowed for land revenue, local rates, or municipal taxes from other source income [Section 93(1)(c) of the ITA 2025 (corresponding to Section 57(ii) of the ITA 1961)]	1.91
7.5	Deductions for employee welfare expenses to be allowed on timely payment while computing income from other sources [Section 94(2) of the ITA 2025 (corresponding to Section 58(1A) & (2) of the ITA 1961)]	1.92

8

DEDUCTIONS AND EXEMPTIONS

8.1	Overview of differences in the provisions relating to the deductions and exemptions in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.94
8.2	Disability pension of armed forces will be exempt from tax [Schedule III: Table, Sl. No. 38A]	1.95
8.3	Interest on compensation awarded by the Motor Accident Claims Tribunal will be exempt from tax [Schedule III: Table, Sl. No. 38B]	1.100
8.4	Income arising from compulsory acquisition of land under the RFCTLARR Act will be exempt from tax [Schedule III: Table, Sl. No. 38C (corresponding to Section 10(37) of ITA 1961)]	1.103
8.4A	Exemption for capital gain arising on the transfer of specified capital asset under the Andhra Pradesh Capital City Land Pooling Scheme [Schedule III: Table, Sl. No. 38D of the ITA 2025 (corresponding to Section 10(37A) of ITA 1961)]	1.107
8.5	Income arising to a foreign company on account of providing capital goods, equipment or tooling to a contract manufacturer in India will be exempt from tax [Schedule IV: Table, Sl. No. 13A]	1.108
8.6	Income arising to an individual after becoming a resident of India will be exempt from tax for 5 years [Schedule IV: Table, Sl. No. 13B]	1.127
8.7	Income arising to a foreign company from procuring data centre services will be exempt from tax till tax year 2046-47 [Schedule IV: Table, Sl. No. 13C]	1.133
8.8	Deduction allowed to federal co-operative in respect of dividend income from companies [Sections 149(2)(d) and 150 of the ITA 2025 (corresponding to Section 80P(2)(d) of the ITA 1961)]	1.146
8.9	Deduction to be allowed to a primary co-operative society from the income from the supply of cattle feed and cotton seed [Section 149(2)(b) of the ITA 2025 (corresponding to Section 80P(2)(b) of the ITA 1961)]	1.147
8.10	Certain deductions will be allowed to the co-operative society under the new tax regimes [Sections 203 and 204 of the ITA 2025 (corresponding to Sections 115BAD and 115BAE of the ITA 1961)]	1.148
8.11	Curative amendments have been made to various provisions to omit the reference to section 144 to remove redundancy	1.148
8.12	Deduction to IFSC or Offshore Banking Units [Section 147 of the ITA 2025 (corresponding to Section 80LA of ITA 1961)]	1.149

	PAGE
8.13 The condition to constitute a specified fund is rationalised [Note 1(g) of Schedule VI (corresponding to <i>Explanation (C)</i> to Section 10(4D) of ITA 1961)]	1.157
8.14 ‘New Development Bank’ will be exempt from tax [Schedule VII: Table Sl. No. 49 of the ITA, 2025]	1.160
8.15 The turnover limit to qualify as an eligible start-up has been increased [Section 140 of the ITA 2025 (corresponding to section 80-IAC of the ITA 1961)]	1.161
8.16 No double deduction should be allowed for housing projects to AOP/BOI and its members [Section 122 read with Section 142 of the ITA 2025 (corresponding to Section 80A read with Section 80-IBA of the ITA 1961)]	1.161

9

TAXATION FRAMEWORK FOR REGISTERED NPOs

9.1 Overview of the provisions in the Income-tax Act, 2025 relating to registered non-profit organisations and key differences <i>vis-à-vis</i> the Income-tax Act, 1961	1.163
9.2 Introduction	1.165
9.3 Definition of “Charitable Purpose” [Section 2(23) of the ITA 2025]	1.174
9.4 Application for Registration [Section 332 of the ITA 2025]	1.179
9.5 Switching over of regimes [Section 333 of the ITA 2025]	1.190
9.6 Tax on income of registered NPO [Section 334 of the ITA 2025]	1.192
9.7 Regular Income [Section 335 of the ITA 2025]	1.196
9.8 Specified Income [Section 337 of the ITA 2025]	1.200
9.9 Residual Income [Section 355(j) of the ITA 2025]	1.206
9.10 Corpus Donation [Section 339 of the ITA 2025]	1.207
9.11 Application of Income [Section 341 of the ITA 2025]	1.208
9.12 Accumulated Income [Sections 342 & 343 of the ITA 2025]	1.212
9.13 Commercial activities by registered NPOs [Sections 344, 345 and 346 of the ITA 2025]	1.214
9.14 Compliances to be done by registered NPOs [Sections 347, 348, 349 and 350 of the ITA 2025]	1.216
9.15 Specified Violations [Section 351 of the ITA 2025]	1.219
9.16 Tax on Accreted Income [Section 352 of the ITA 2025]	1.223
9.17 Merger of Registered NPOs will not trigger the accreted tax	1.226

	PAGE
9.18 Other violations [Section 353 of the ITA 2025]	1.229
9.19 Approval for donations [Section 354 of the ITA 2025]	1.230
9.20 Exemption for Educational and Medical Institutions	1.233

10

SPECIAL TAX RATE

10.1 Overview of differences in the provisions relating to the Special Tax Rates in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.237
10.2 The tax rate on unexplained income is reduced from 60% to 30% [Section 195 of ITA 2025 (corresponding to Section 115BBE of ITA 1961)]	1.238
10.3 Consolidation of provisions governing the optional tax regime for NRIs on foreign exchange assets [Section 217 of ITA 2025 (corresponding to Section 115H/115-I of ITA 1961)]	1.240
10.4 Insertion of provisions for taxing post-holiday income of IFSC units and OBUs [Section 218 of the ITA 2025]	1.240
10.5 Rationalisation of Minimum Alternate Tax (MAT) provisions [Section 206 of the ITA 2025 (corresponding to Section 115JAA/115JB of the ITA 1961)]	1.241
10.6 Mandatory to file an updated return with recomputed MAT credit [Section 263(6)(e) of the ITA 2025 (corresponding to the seventh proviso to section 139(8A) of the ITA 1961)]	1.251
10.7 Due to the rationalisation of the MAT provisions, consequential amendments have also been made to various provisions	1.251
10.8 Computation of depreciation in case of persons opting for concessional tax regimes [Section 199/200/201/203/204/205 of the ITA 2025 (corresponding to Section 115BA/115BAA/115BAB/115BAD/115BAE of the ITA 1961)]	1.252
10.9 Removal of difficulty guidelines under the concessional tax regimes for manufacturing domestic companies and resident co-operative societies will not be binding on the assessee [Section 201/204/205 of the ITA 2025 (corresponding to Sections 115BAB/115BAE of the ITA 1961)]	1.253
10.10 A co-operative society is allowed to form a business by rehabilitation in the prescribed circumstances for the concessional tax regime [Section 205(2)(a) of the ITA 2025 (corresponding to Section 115BAE(2)(a)(i) of the ITA 1961)]	1.254

	PAGE
10.11 Once the explanation by the assessee against 'unexplained income' is found unsatisfactory, the addition shall be made by the AO [Section 102 of the ITA 2025 (corresponding to Section 68 of the ITA 1961)]	1.255
10.12 Addition for unexplained assets owned by or belonging to the assessee [Section 104 of the ITA 2025 (corresponding to Sections 69A and 69B of the ITA 1961)]	1.257
10.13 Borrowing or repayment through bearer negotiable instruments is taxable as unexplained [Section 106 of the ITA 2025 (corresponding to Section 69D of the ITA 1961)]	1.259

11

TONNAGE TAX

11.1 Overview of differences in the provisions relating to the Tonnage Tax in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.260
11.2 Background	1.260
11.3 Curative amendment is made to add 'valid' before the certificate [Section 227 of ITA 2025 (corresponding to Section 115VG/115VX of ITA 1961)]	1.261
11.4 On-board and onshore activities of inland vessels will be covered within the core activities of a tonnage company [Section 228(3) (b)(ii)(A) of the ITA 2025 (corresponding to Section 115V-I of the ITA 1961)]	1.261
11.5 Inland shipping companies to comply with the training requirements specified by relevant authorities [Section 232 of the ITA 2025 (corresponding to Section 115VU of the ITA 1961)]	1.261
11.6 Meaning of Inland Waterways Authority is inserted [Section 235 of the ITA 2025 (corresponding to Section 115V of the ITA 1961)]	1.262

12

TRANSFER PRICING

12.1 Overview of differences in the provisions relating to the Transfer Pricing in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.263
12.2 Rationalisation of Safe Harbour Rules [Rules 86 to 93 of the Income-tax Rules, 2026]	1.263
12.3 Furnishing of a modified return by Associated Enterprise due to the Advance Pricing Agreement (APA) under section 169 [(corresponding to section 92CD of ITA 1961)]	1.272

	PAGE
12.4 Change in the time limit to pass the order by the Transfer Pricing Officer [Section 166 of ITA 2025 (corresponding to section 92CA of ITA 1961)]	1.274
12.5 Removing ambiguity from the definition of “Associated Enterprise” under Section 162 of the ITA 2025 (Corresponding to section 92A of the ITA 1961)	1.277
12.6 Period to be excluded from the limitation period of assessment shall end on the date APA is entered into with the CBDT [Section 168(10) of the ITA 2025 (corresponding to Section 92CC(10) of the ITA 1961)]	1.280

13

TDS/TCS

13.1 Overview of differences in the provisions relating to TDS and TCS in the ITA 1961 <i>vis-à-vis</i> the ITA 2025	1.282
13.2 An amendment is made in the provision relating to TDS on the sale of immovable property to make a correct cross-reference [Section 393(1): Table: Sl. No. 3(i) (corresponding to section 194-IA of ITA 1961)]	1.283
13.3 A curative amendment is made in the provision relating to TDS on the interest other than on securities to extend the exemption where interest is paid to a co-operative bank [Section 393(4): Table: Sl. No. 7 (corresponding to section 194A(3) of ITA 1961)]	1.284
13.4 No tax is to be deducted from the interest on compensation awarded to an individual by the Motor Accidents Claims Tribunal [Section 393(4): Table: Sl. No. 7 (corresponding to section 194A(3) of ITA 1961)]	1.284
13.5 Investors are permitted to file a declaration for non-deduction of tax with the depositories [Section 393(6) (corresponding to section 197A of ITA 1961)]	1.285
13.6 Application for a lower or <i>nil</i> TDS certificate can also be filed with the prescribed tax authority [Section 395 of the ITA 2025 (corresponding to sections 195, 197, 203 and 206C of ITA 1961)]	1.288
13.7 No need to obtain a TAN by a resident individual/HUF deducting tax on purchase of immovable property from a non-resident [Section 397 of the ITA 2025 (corresponding to section 203A of ITA 1961)]	1.289
13.8 Supply of manpower included within the definition of ‘work’ for TDS under [Section 402(47) (corresponding to section 194C of ITA 1961)]	1.292

	PAGE
13.9 A reference is given to take the meaning of “authorised person” from section 2 of the FEMA 1999 [Section 402(27) (corresponding to section 204 of ITA 1961)]	1.294
13.10 The guidelines for the removal of difficulties issued by the CBDT will be binding on the tax authorities and the deductor [Section 400 of the ITA 2025]	1.295
13.11 Consequential amendment made to the provision dealing with the processing of TDS/TCS statement due to a change in fee provisions [Section 399 of the ITA 2025 (corresponding to sections 200A & 206CB of ITA 1961)]	1.296
13.12 TCS rates rationalised to largely introduce a uniform rate of 2% [Section 394 of the ITA 2025 (corresponding to section 206C of the ITA 1961)]	1.297
13.13 Slight change in the threshold for TDS on payment in respect of a life insurance policy [Section 393 of the ITA 2025 (corresponding to Section 194DA of the ITA 1961)]	1.298
13.14 Advertising services fall within the scope of “professional services” for TDS on commission or brokerage [Section 393(1) read with Section 402 of the ITA 2025 (corresponding to Section 194H of the ITA 1961)]	1.299
13.15 Expanding the definition of ‘rent’ for the purpose of TDS on payments made by certain individuals or HUFs [Section 393(1) read with Section 402 of the ITA 2025 (corresponding to Section 194-IB of the ITA 1961)]	1.300
13.16 Tax to be deducted on credit or payment in case of compulsory acquisition of immovable property [Section 393(1) of the ITA 2025 (corresponding to Section 194LA of ITA 1961)]	1.301
13.17 Certificate for deduction of TDS at lower rates extended to all TDS provisions [Section 395 of the ITA 2025 (corresponding to Section 197(1) of the ITA 1961)]	1.302
13.18 No corresponding provision to enable notifying a scheme for processing of statements made by a person not being a deductor [Section 399 of the ITA 2025 (corresponding to Section 200A(3) of the ITA 1961)]	1.302
13.19 In case of motor vehicles and notified goods, the tax is to be collected at the time of collection or debited to the account of the buyer [Section 394(1) of the ITA 2025 (corresponding to Section 206C(1F) of the ITA 1961)]	1.303

	PAGE
13.20 Reference to furnishing an invalid/wrong PAN has been omitted since it is covered under the main provisions [Section 397(2) of the ITA 2025 (corresponding to Section 206AA and Section 206CC of the ITA 1961)]	1.303
13.21 Time limit to furnish a correction statement of the TDS/ TCS statement is reduced [Section 397(3)(f) of the ITA 2025 (corresponding to Section 200(3) of the ITA 1961)]	1.304
13.22 TDS provisions on cash withdrawal applies on entire threshold limit [Section 393(3) of the ITA 2025 (corresponding to Section 194N of the ITA 1961)]	1.305

14

RETURN AND APPEALS

14.1 Overview of differences in the provisions relating to Return and Appeals in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.307
14.2 Due date for filing of return has been extended from 31st July to 31st August for non-audit business taxpayers and partners of non-audit firms [Section 263(1)(c) of the ITA 2025 (corresponding to <i>Explanation 2</i> to Section 139(1) of ITA 1961)]	1.308
14.3 A revised return can be filed after 9 months but before 12 months from the end of the relevant tax year after payment of a fee [Section 263(5) of the ITA 2025 (corresponding to Section 139(5) of ITA 1961)]	1.311
14.4 An updated return is allowed to be filed even when the loss was claimed in the original ITR or when a reassessment notice is issued [Sections 263(6) and 267 of the ITA 2025 (corresponding to Sections 139(8A) and 140B of the ITA 1961)]	1.312
14.5 CBDT is empowered to make rules to prescribe the documents relating to certain transactions in which quoting of PAN will be mandatory [Section 262 of the ITA 2025 (corresponding to Section 139A of the ITA 1961)]	1.324
14.5A Power to adjust refund extended to the tax liability due under ITA 1961 or ITA 2025 [Section 438 of the ITA 2025 (corresponding to Section 245 of the ITA 1961)]	1.325
14.5B The order of the ITAT must be sent electronically to the jurisdictional PCIT or CIT through the designated portal [Section 363 of the ITA 2025 (corresponding to Section 254 of the ITA 1961)]	1.326

	PAGE
14.6 No updated return only on violation of specified laws [Section 263(6)(c)(vi) of the ITA 2025 (corresponding to the 3rd proviso (c) to Section 139(8A) of the ITA 1961)]	1.327
14.7 Avoiding repetitive appeals by the assessee [Section 375 of the ITA 2025 (corresponding to Section 158A of the ITA 1961)]	1.328
14.8 Revision of orders prejudicial to revenue [Section 377 of the ITA 2025 (corresponding to Section 263 of the ITA 1961)]	1.328
14.9 Revision of other orders [Section 378 of the ITA 2025 (corresponding to Section 264 of the ITA 1961)]	1.329
14.10 Every order passed by the Commissioner (Appeals) or Joint Commissioner (Appeals) is appealable before ITAT [Section 362 of the ITA 2025 (corresponding to Section 253 of the ITA 1961)]	1.330
14.11 An Advance Ruling could be declared void for any misrepresentation [Section 386 of the ITA 2025 (corresponding to Section 245T of the ITA 1961)]	1.331

15

INTEREST AND FEE

15.1 Overview of differences in the provisions of interest and fee in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.333
15.2 Substitution of certain penalty provisions with a fee for default in furnishing specified statements or reports [Sections 427 and 428 of the ITA 2025 (corresponding to sections 271B, 271BA and 271FA of the ITA 1961)]	1.333
15.3 Interest shall not be levied on penalties for under-reporting or misreporting income until the order is passed by the CIT(A) or ITAT [Section 411(3) of the ITA 2025 (corresponding to Section 220(2) of the ITA 1961)]	1.337

16

ASSESSMENT PROCEEDINGS

16.1 Overview of differences in the provisions relating to the Assessment Proceedings in the ITA 1961 <i>vis-à-vis</i> the ITA 2025	1.339
16.2 The general time limit for completion of assessment or reassessment will apply up to the stage of issuing of draft assessment order [Section 275/286 of ITA 2025 (corresponding to Section 144C/153 of ITA 1961)]	1.341

	PAGE
16.3 Jurisdictional AO will have the jurisdiction to issue notice for re-assessment [Section 279 of ITA 2025 (corresponding to section 147A of ITA 1961)]	1.348
16.3A Units in the faceless assessment are allowed to authenticate electronic records by way of electronic communication [Section 144B of the ITA 1961 (corresponding to Section 273 of the ITA 2025)]	1.351
16.3B AO must allow the assessee a minimum period of 30 days in the reassessment notice to furnish the return of income [Section 148 of the ITA 1961 (corresponding to Section 280 of the ITA 2025)]	1.352
16.3C Reassessment notice pursuant to the findings or directions of the courts or authorities must be issued within 3 months [Section 150 of the ITA 1961 (corresponding to Section 283 of the ITA 2025)]	1.354
16.4 The powers of the Dispute Resolution Committee are enhanced to reduce or waive the penalty already imposed under the Act [Section 379 of ITA 2025 (corresponding to Section 245MA of ITA 1961)]	1.358
16.5 Assessment order will not be invalid merely on grounds of mistake or omission of DIN [Section 522 of ITA 2025 (corresponding to Section 292BA of ITA 1961)]	1.358
16.5A Approval given by the tax authorities in electronic mode for assessment proceedings shall not be deemed invalid on grounds of insufficient reasons or missing DSC [Section 292BC of the ITA 1961 (corresponding to Section 522(3) of the ITA 2025)]	1.360
16.6 The time limit to furnish a special audit or inventory valuation report changed to six months from the end of the month of the direction [Section 268(10) of the ITA 2025 (corresponding to the Proviso to Section 142(2C) of the ITA 1961)]	1.362
16.7 Powers of the Valuation Officer are defined in the provision [Section 269 of the ITA 2025 (corresponding to Section 142A of the ITA 1961)]	1.363
16.8 Team-based decision-making removed from the faceless scheme for inquiry and valuation [Section 532(1) of the ITA 2025 (corresponding to Section 142B(1)(c) of the ITA 1961)]	1.363
16.9 Relief from tax on income from retirement benefit account to be allowed during summary assessment [Section 270(1)(c) of the ITA 2025 (corresponding to Section 143(1)(c) of the ITA 1961)]	1.364
16.10 Faceless assessment procedure to be laid down in rules [Section 273(1) of the ITA 2025 (corresponding to Section 144B(1) of the ITA 1961)]	1.365

	PAGE
16.11 DRP to focus on the structure and content of directions instead of listing out specific items to consider [Section 275(6) of the ITA 2025 (corresponding to Section 144C(6) of the ITA 1961)]	1.366
16.12 Direction by approving panel to invoke GAAR and finding or direction of the court is included in 'information' to initiate the reassessment [Section 280 of the ITA 2025 (corresponding to Section 148 of the ITA 1961)]	1.367
16.13 No need to follow the procedure before issuing a notice for reassessment where a direction is given to invoke GAAR or a finding or direction given by the court [Section 281 of the ITA 2025 (corresponding to Section 148A of the ITA 1961)]	1.369
16.14 Team-based decision-making removed from the faceless reassessment scheme [Section 532 of the ITA 2025 (corresponding to Section 151A of the ITA 1961)]	1.370
16.15 Time limit to complete the assessment [Section 286 of the ITA 2025 (corresponding to Section 153 of the ITA 1961)]	1.370
16.16 Team-based decision-making removed from the faceless rectification scheme [Section 532 of the ITA 2025 (corresponding to Section 157A of the ITA 1961)]	1.372
16.17 An SLP under Article 136 of the Constitution of India shall be considered in the provision for avoiding repetitive appeals by the assessee [Section 375 of the ITA 2025 (corresponding to Section 158A of the ITA 1961)]	1.372
16.18 Powers given to the Central Government to make faceless schemes for various provisions [Section 532 of the ITA 2025]	1.373

17

SEARCH & SEIZURE

17.1 Overview of differences in the provisions relating to the Search & Seizure in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.378
17.2 A shorter block period will be computed in the case of other persons [Section 295 of ITA 2025 (corresponding to Section 158BD of ITA 1961)]	1.379
17.3 The limitation period for completion of the block assessment is increased from 12 months to 18 months [Section 296 of ITA 2025 (corresponding to Section 158BE of ITA 1961)]	1.381

	PAGE
17.4 An authorised officer can now exercise the power to issue a summons during the course of a search action as well [Section 246(2)(c) of the ITA 2025 (corresponding to Section 131(1A) of the ITA 1961)]	1.382
17.5 Changes in the provisions relating to search and seizure [Section 247 of the ITA 2025 (corresponding to Section 132 of the ITA 1961)]	1.383
17.6 Monetary limit increased to call for Information in respect of any assessee who made certain payments [Section 252(1)(e) of the ITA 2025 (corresponding to Section 133(4) of the ITA 1961)]	1.392
17.7 The statement of a person can be recorded on oath during the survey [Section 253(5)(b) of the ITA 2025 (corresponding to Section 133A(3)(iii) of the ITA 1961)]	1.392
17.8 Joint Director is also an “income-tax authority” for the purposes of collecting certain information [Section 254(4) of the ITA 2025 (corresponding to the <i>Explanation</i> to Section 133B of the ITA 1961)]	1.393

18

PENALTIES

18.1 Overview of differences in the provisions relating to Penalty in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.394
18.2 Overview of the amendment to the penalty and immunity provisions in case of unexplained income	1.395
18.3 Unexplained income detected by AO will be considered misreporting of income [Section 439 and Section 443 of the ITA 2025 (corresponding to Sections 270A and 271AAC of the ITA 1961)]	1.396
18.4 Extension of immunity from penalties for under-reporting caused by misreporting of income [Section 440 of the ITA 2025 (corresponding to Section 270AA of the ITA 1961)]	1.398
18.5 Insertion of penalty provisions for failure to submit information or furnishing inaccurate information regarding crypto-asset transactions [Section 446 of the ITA 2025]	1.405
18.6 A maximum cap is introduced on penalty for failure to furnish SFT or the reportable account within the prescribed time limit [Section 454 of the ITA 2025]	1.407
18.7 Increase in penalty for failing to provide information to tax authorities entering the place of business to collect certain information [Section 466 of the ITA 2025 (corresponding to Section 272AA of the ITA 1961)]	1.408

	PAGE
18.8 Integration of penalty proceedings with assessment orders [Section 471 of the ITA 2025 (corresponding to section 274 of the ITA 1961)]	1.408
18.9 Removal of the phrase “Without Prejudice” from various penalty provisions [Section 441/442/444/445/461/ 463/464 of the ITA 2025 (corresponding to Section 271A/271AA/271AAD/271AAE/271H/271J/271K of the ITA 1961)]	1.411
18.10 Expansion of reasonable cause provision [Section 470 of the ITA 2025 (corresponding to Section 273B of the ITA 1961)]	1.412

19

PROSECUTION FOR OFFENCES

19.1 Overview of differences in the provisions relating to the prosecution of offences in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.413
19.2 “Rigorous imprisonment” is replaced with “simple imprisonment” for all prosecution provisions [Chapter XXII of the ITA 2025 (corresponding to Chapter XXII of the ITA 1961)]	1.413
19.3 Graded punishment structures are incorporated in various prosecution provisions [Chapter XXII of the ITA 2025 (corresponding to Chapter XXII of the ITA 1961)]	1.414
19.4 Certain offences are decriminalised [Sections 476 and 481 of the ITA 2025 (corresponding to Sections 276B and 276D of the ITA 1961)]	1.417
19.5 Prosecution for failure to furnish a return of income in search cases shall be non-cognizable [Section 480 of the ITA 2025 (corresponding to Section 276CCC of the ITA 1961)]	1.418
19.6 Due date to file a belated return is aligned with provisions granting relief from prosecution for failure to furnish the return of income [Section 479 of the ITA 2025 (corresponding to Section 276CC of the ITA 1961)]	1.419

20

MISCELLANEOUS

20.1 Overview of differences in the other provisions in the ITA 2025 <i>vis-à-vis</i> the ITA 1961	1.421
20.2 Rationalisation of Schedule XI governing recognised provident funds [Schedule XI of the ITA 2025 (corresponding to the Schedule IV of the ITA 1961)]	1.422

	PAGE
20.3 Repeal and Savings provision repeals the ITA 1961 and preserves the rights, liabilities and proceedings already existing [Section 536 of the ITA 2025]	1.424
20.4 Correction of cross-reference error in clubbing provisions [Section 99 of the ITA 2025 (corresponding to Section 64 of the ITA 1961)]	1.430
20.4A Power of the tax recovery officer to arrest and detain a taxpayer in prison for tax recovery has been removed [Section 413 of the ITA 2025 (corresponding to Section 222 read with the Second Schedule of the ITA 1961)]	1.431
20.5 Definitions of 'Electronic Mail' and 'Electronic Mail Message' are inserted [Section 501 of the ITA 2025 (corresponding to Section 282 of the ITA 1961)]	1.431
20.6 Meaning of 'Registered Valuer' is inserted [Sections 513 and 514 of the ITA 2025 (corresponding to Section 287A of the ITA 1961)]	1.432
20.7 Income of a minor child arising 'directly or indirectly' will be clubbed with the income of the parent [Section 99(1) of the ITA 2025 (corresponding to Section 64(1A) of the ITA 1961)]	1.433
20.8 Consequential changes in the provision requiring the person leaving India to obtain a Tax Clearance Certificate [Section 420 of the ITA 2025 (corresponding to Section 230 of the ITA 1961)]	1.434
20.9 Liability of representative assessee [Section 304 of the ITA 2025 (corresponding to Section 161 of the ITA 1961)]	1.435
20.10 Amount borrowed or repaid on hundi [Section 106 of the ITA 2025 (corresponding to Section 69D of the ITA 1961)]	1.435
20.11 Non-applicability of clubbing provision if spouse possesses technical or professional qualification [Section 99 of the ITA 2025 (corresponding to Section 64 of the ITA 1961)]	1.436

DIVISION TWO

TDS Rate Reckoner under the ITA 2025

◆ TDS Rate Reckoner under the ITA 2025	2.3
◆ TCS Rate Reckoner under the ITA 2025	2.17

DIVISION THREE

Circulars, Clarifications & Notifications Issued by CBDT relevant under Income-tax Act 2025 [1961 – February 2026]

- ◆ Section Key to Circulars, Clarifications & Notifications issued by CBDT relevant under Income-tax Act 2025 [1961 - February 2026] 3.i
- ◆ Alphabetical Key to Circulars, Clarifications & Notifications issued by CBDT relevant under Income-tax Act 2025 [1961 - February 2026] 3.v
- ◆ Circulars, Clarifications and Notifications issued by CBDT Relevant under Income-tax Act 2025 [1961 – February 2026] 3.3

DIVISION FOUR

Landmark rulings of Supreme Court/High Courts relevant under Income-tax Act 2025 [1922 - February 2026]

- ◆ Section Key to Landmark Rulings of Supreme Court/High Courts relevant under Income-tax Act 2025 [1922 - February 2026] 4.i
- ◆ Alphabetical Key to Landmark Rulings of Supreme Court/High Courts relevant under Income-tax Act 2025 [1922 - February 2026] 4.vii
- ◆ Landmark Rulings of Supreme Court/High Courts relevant under Income-tax Act 2025 4.3