

Goods and Services Tax Act

BUDGET ANALYSIS 2025-26

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Sec No	Amendment Effective	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
Section 2 Clause 61	1 st April 2025	Definition of Input Service Distributor	“Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20.	“Input Service Distributor” means an office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9 of this Act or under subsection (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 , for or on behalf of distinct persons referred to in section 25, and liable to distribute the input tax credit in respect of such invoices in the manner provided in section 20.	Earlier, there was provision of ITC distribution of tax paid under RCM regarding intra-state transactions needed to be distributed under ISD. There was no reference for inter-state transactions. Now the government has made necessary changes in ISD definition by including distribution of ITC of tax paid under RCM for inter-state transactions under IGST Act, 2017.

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Section 2 Clause 69 of CGST Act,2017	Yet to Notify	Definition of local authority	"local authority" means- (c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal or local fund;	"local authority" means- (c) a Municipal Committee, a Zilla Parishad, a District Board, and any other authority legally entitled to, or entrusted by the Central Government or any State Government with the control or management of a municipal fund or local fund; Explanation.— For the purposes of this sub-clause— (a) "local fund" means any fund under the control or management of an authority of a local self government established for discharging civic functions in relation to a Panchayat area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called; (b) "municipal fund" means any fund under the control or	Greater clarity has been provided by explicitly defining "municipal fund" instead of the previously used term "municipal". Additionally, an explanation has been included for "local fund" and "municipal fund" to eliminate any ambiguity and ensure a clearer understanding.

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				management of an authority of a local self government established for discharging civic functions in relation to a Metropolitan area or Municipal area and vested by law with the powers to levy, collect and appropriate any tax, duty, toll, cess or fee, by whatever name called.	
Section 2 Insertion of Clause 116A of CGST Act,2017	Yet to Notify	Unique identification marking		“unique identification marking” means the unique identification marking referred to in clause (b) of sub-section (2) of section 148A and includes a digital stamp, digital mark or any other similar marking, which is unique, secure and non-removable	A new clause is being inserted in providing definition of Unique Identification Marking for the implementation of Track and Trace Mechanism.
Section 12 Sub section 4 of CGST Act,2017	Yet to Notify	Time of Supply of Goods	(4) In case of supply of vouchers by a supplier, the time of supply shall be- (a) the date of issue of voucher, if the supply is identifiable at that point; or	(4) In case of supply of vouchers by a supplier, the time of supply shall be- (a) the date of issue of voucher, if the supply is identifiable at that point; or	Supply of voucher is not considered as the supply of goods or services as this transaction is included under Schedule III of CGST Act.

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			(b) the date of redemption of voucher, in all other cases.	(b) the date of redemption of voucher, in all other cases.	Accordingly, provision regarding the time of supply of vouchers has been deleted.
Section 13 Sub section 4 of CGST Act,2017	Yet to Notify	Time of Supply of Services	In case of supply of vouchers by a supplier, the time of supply shall be- (a) the date of issue of voucher, if the supply is identifiable at that point; or (b) the date of redemption of voucher, in all other cases.	In case of supply of vouchers by a supplier, the time of supply shall be- (a) the date of issue of voucher, if the supply is identifiable at that point; or (b) the date of redemption of voucher, in all other cases.	Supply of voucher is not considered as the supply of goods or services as this transaction is included under Schedule III of the CGST Act. Accordingly, provision regarding the time of supply of vouchers has been deleted.
Section 17 sub section 5 clause (d) of CGST Act,2017	1st July 2017	Apportionment of credit and blocked credits	(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own account including when such goods or services or both are used in the course or furtherance of business.	(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant or and machinery) on his own account including when such goods or services or both are used in the course or furtherance of business. Explanation 2 is inserted as Follows: ‘Explanation 2.—For the purposes of clause (d), it is	The explanation in the Goods and Services Tax (GST) Act, 2017 clarifies the interpretation of the term " plant or machinery " as used in clause (d) of the relevant provision. The key points of this explanation are: Retrospective Clarification – It states that the phrase " plant or machinery " should always be understood as "plant and machinery",

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				<p>hereby clarified that notwithstanding anything to the contrary contained in any judgment, decree or order of any court, tribunal, or other authority, any reference to "plant or machinery" shall be construed and shall always be deemed to have been construed as a reference to "plant and machinery".'</p>	<p>meaning the interpretation applies not just going forward but also retrospectively.</p> <p>Overrides Judicial Interpretations – It explicitly overrides any judgment, decree, or order by a court, tribunal, or authority that might have interpreted the phrase differently.</p> <p>Legal Intent – The government ensures that wherever the term "plant or machinery" appears, it should not be interpreted as two separate categories (i.e., either plant or machinery separately), but rather as a combined category.</p> <p>Implication: This clarification helps in ensuring uniformity in tax treatment and avoids any potential disputes regarding whether something qualifies as plant or machinery for GST purposes.</p>

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Section 20 of CGST Act, 2017	1st April 2025	Manner of distribution of credit by Input Service Distributor	<p>(1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor under clause (viii) of section 24 and shall distribute the input tax credit in respect of such invoices.</p> <p>(2) The Input Service Distributor shall distribute the credit of central tax or integrated tax charged on invoices received by him, including the credit of central or integrated tax in respect of services subject to</p>	<p>(1) Any office of the supplier of goods or services or both which receives tax invoices towards the receipt of input services, including invoices in respect of services liable to tax under sub-section (3) or sub-section (4) of section 9 of this Act or under subsection (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017, for or on behalf of distinct persons referred to in section 25, shall be required to be registered as Input Service Distributor under clause (viii) of section 24 and shall distribute the input tax credit in respect of such invoices.</p> <p>(2) The Input Service Distributor shall distribute the credit of central tax or integrated tax charged on invoices received by him, including the credit of central or integrated tax in respect of services subject to levy of tax</p>	<p>Earlier, ITC of tax paid under RCM regarding intra-state transactions needed to be distributed under ISD. There was no reference to inter-state transactions.</p> <p>Now, the government has made necessary change in ISD definition under section 2(61) by including distribution of tax paid for inter-state transactions under IGST Act, 2017.</p> <p>Accordingly, mechanism has been specified for distribution of RCM paid for inter-state transactions.</p>

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			levy of tax under sub-section (3) or sub-section (4) of section 9 paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.	under sub-section (3) or sub-section (4) of section 9 of this Act or under subsection (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act, 2017 , paid by a distinct person registered in the same State as the said Input Service Distributor, in such manner, within such time and subject to such restrictions and conditions as may be prescribed.	
Proviso to Section 34 Sub section 2 of CGST Act,2017	Yet to Notify	Credit and debit notes	Provided that no reduction in output tax liability of the supplier shall be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.	Provided that no reduction in output tax liability of the supplier shall be permitted, if the- (i) input tax credit as is attributable to such a credit note, if availed, has not been reversed by the recipient, where such recipient is a registered person; or (ii) incidence of tax on such supply has been passed on to any other person, in other cases.	Now a supplier cannot reduce their output tax liability through a credit note in the following cases: 1. If the recipient has already availed ITC on the original invoice but has not reversed the ITC corresponding to the credit note. • This applies when the recipient is a registered person and has claimed ITC on the original supply. If a credit note is issued for that supply, the recipient

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					<p>must reverse the proportionate ITC. If the recipient does not reverse it, the supplier cannot reduce their output tax liability.</p> <p>2.If the tax burden has already been passed on to another party.</p> <ul style="list-style-type: none"> This implies that if the tax burden of the supply has been transferred to another person (e.g., the end consumer), the supplier cannot reduce their output tax liability.
Section 38 of CGST Act,2017	Yet to Notify	Communication of details of inward supplies and tax credit.	(1) The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and an auto-generated statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in	(1) The details of outward supplies furnished by the registered persons under sub-section (1) of section 37 and of such other supplies as may be prescribed, and an auto-generated statement a statement containing the details of input tax credit shall be made available electronically to the recipients of such supplies in such form	<p>This amendment has been introduced to facilitate the implementation of the Invoice Management System (IMS) and to provide a legal framework for its enforcement within the Act.</p> <p>Key Changes:</p> <p>Before IMS Implementation:</p>

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			<p>such form and manner, within such time, and subject to such conditions and restrictions as may be prescribed.</p> <p>(2) The auto-generated statement under sub-section (1) shall consist of—</p> <p>(a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and</p> <p>(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient, on account of the details of the said supplies being furnished under sub-section (1) of section 37</p>	<p>and manner, within such time, and subject to such conditions and restrictions as may be prescribed.</p> <p>(2) The auto-generated statement—under auto-generated statement referred in sub-section (1) shall consist of—</p> <p>(a) details of inward supplies in respect of which credit of input tax may be available to the recipient; and</p> <p>(b) details of supplies in respect of which such credit cannot be availed, whether wholly or partly, by the recipient including, on account of the details of the said supplies being furnished under sub-section (1) of section 37.</p> <p>Insertion of new clause: (c) such other details as may be prescribed.</p>	<p>Details of inward supplies and input tax credit (ITC) were auto-generated in a statement called GSTR-2B, without any action required from the taxpayer.</p> <p>After IMS Implementation:</p> <p>Taxpayers now have the option to accept, reject, or keep an invoice pending before finalizing their inward supply details.</p> <p>After these actions, a new statement will be generated, reflecting the final details of inward supplies and tax credit.</p> <p>This ensures greater control and accuracy in reporting ITC and inward supplies.</p> <p>New clause (c) in the said sub-section is inserted to provide for an enabling clause to</p>

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					prescribe other details to be made available in statement of input tax credit.
Section 39 sub-section (1) of CGST Act,2017	Yet to Notify	Furnishing of returns	(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time, as may be prescribed	(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time within such time, and subject to such conditions and restrictions, as may be prescribed	This amendment introduces an enabling provision to allow the prescription of conditions and restrictions for filing returns under the specified sub-section. Essentially, it grants the authority to set specific rules or limitations that taxpayers must adhere to while filing their returns, ensuring compliance and proper implementation of the law.
Proviso to Section 107 sub-section (6) of CGST Act,2017	Yet to Notify	Appeals to Appellate Authority	Provided that no appeal shall be filed against an order under sub-section (3) of section 129, unless a sum equal to twenty-five per	Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent. of	Earlier there were no pre-deposits to be made for orders involving penalty demand only.

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			cent. of the penalty has been paid by the appellant.	the said penalty has been paid by the appellant.	Now there will be a mandatory pre-deposit of 10% for filing an appeal to appellate authority.
Proviso inserted to Section 112 sub-section (8) of CGST Act,2017	Yet to Notify	Appeals to Appellate Tribunal		Provided that in case of any order demanding penalty without involving demand of any tax, no appeal shall be filed against such order unless a sum equal to ten per cent of the said penalty, in addition to the amount payable under the proviso to sub-section (6) of section 107 has been paid by the appellant.	An additional 10% penalty pre-deposit needs to be made in addition to 10% penalty pre-deposit made under Section 107(6).
Insertion of New Section 148A of CGST Act,2017	Yet to Notify	Track and trace mechanism for certain goods.		(1) The Government may, on the recommendations of the Council, by notification, specify,– (a) the goods; (b) persons or class of persons who are in possession or deal with such goods, to which the provisions of this section shall apply. (2) The Government may, in respect of the goods referred	The government has inserted a new section for tracking & tracing the goods where Unique Identification marking needs to be contained on goods. The taxpayer must file a report & maintain information of goods as specified. Also, taxpayers need to furnish details of machinery

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				<p>to in clause (a) of sub-section (1),— (a) provide a system for enabling affixation of unique identification marking and for electronic storage and access of information contained therein, through such persons, as may be prescribed; and (b) prescribe the unique identification marking for such goods, including the information to be recorded therein.</p> <p>(3) The persons referred to in sub-section (1), shall,— (a) affix on the said goods or packages thereof, a unique identification marking, containing such information and in such manner; (b) furnish such information and details within such time and maintain such records or documents, in such form and manner;</p>	<p>installed including identification, capacity, duration of the machinery.</p> <p>This mechanism will be mostly for the sector of Pan Masala, Scrap / Plastic related items.</p>

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				(c) furnish details of the machinery installed in the place of business of manufacture of such goods, including the identification, capacity, duration of operation and such other details or information, within such time and in such form and manner; (d) pay such amount in relation to the system referred to in sub-section (2), as may be prescribed.	
Insertion of New Section 122B of CGST Act,2017	Yet to Notify	Penalty for failure to comply with track and trace mechanism for certain goods.		Notwithstanding anything contained in this Act, where any person referred to in clause (b) of sub-section (1) of section 148A acts in contravention of the provisions of the said section, he shall, in addition to any penalty under Chapter XV or the provisions of this Chapter, be liable to pay a penalty equal to an amount of one lakh rupees or ten per cent. of the tax payable on such goods, whichever is higher.	In case of non-compliance of Tracking & tracking of goods under section 148A, penalty will be payable as follows: a. Penalty under Chapter XV AND b. Rs. 1 lakh or 10% of the tax payable on goods whichever is higher

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Insertion of new clause and explanation in Schedule III of CGST Act,2017	1st July 2017	Activities or transactions which shall be treated neither as a supply of goods nor a supply of services	Explanation 2.- For the purposes of paragraph 8, the expression "warehoused goods" shall have the same meaning as assigned to it in the Customs Act, 1962 (50 of 1962)	<p>(aa) Supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area.</p> <p>Explanation 2.- For the purposes of clause (a) of paragraph 8, the expression "warehoused goods" shall have the same meaning as assigned to it in the Customs Act, 1962 (50 of 1962)</p> <p>“Explanation 3.— For the purposes of clause (aa) of paragraph 8, the expressions “Special Economic Zone”, “Free Trade Warehousing Zone” and “Domestic Tariff Area” shall have the same meanings respectively as assigned to them in section 2 of the Special Economic Zones Act, 2005.</p> <p><i>No refund shall be made of all such tax which has been</i></p>	<p>Transaction of supply of goods warehoused in FTWZ or SEZ to any person before clearance will not be considered as supply of goods or services under Schedule III of CGST Act.</p> <p>Please note that such supply is not considered as exempt supply as per Section 17(2) of CGST Act, 2017 and no common credit reversal under Rule 17(5) needs to be made.</p> <p>Earlier, only transaction of warehoused goods before clearance for home consumption were considered as neither supply of goods or services under Schedule III.</p> <p>No refund of tax will be made for tax already paid for supply</p>

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				<i>collected, but which would not have been so collected, had section 128 been in force at all material times.</i>	of warehouse goods in FTWZ or SEZ before clearance in DTA or export.

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CUSTOMS ACT, 1962

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CUSTOMS ACT 1962:

Section	Existing	Amendment	Bizsol Analysis
<p>18 Provisional Assessment</p> <p>(W.E.F the date of assent to Finance Bill 2025)</p>	<p>[(1) Notwithstanding anything contained in this Act but without prejudice to the provisions of section 46 and section 50,-</p> <p>(a) where the importer or exporter is unable to make self-assessment under sub-section (1) of section 17 and makes a request in writing to the proper officer for assessment; or</p> <p>(b) where the proper officer deems it necessary to subject any imported goods or export goods to any chemical or other test; or</p> <p>(c) where the importer or exporter has produced all the necessary documents and furnished full information but the proper officer deems it necessary to make further enquiry; or</p> <p>(d) where necessary documents have not been produced or information has not been furnished and the proper officer deems it necessary to make further enquiry,</p> <p>the proper officer may direct that the duty leviable on such goods be assessed provisionally if the importer or the exporter, as the case may be, furnishes such security as the proper officer deems fit for the payment of the deficiency, if any,</p>	<p>[(1) Notwithstanding anything contained in this Act but without prejudice to the provisions of section 46 and section 50,-</p> <p>(a) where the importer or exporter is unable to make self-assessment under sub-section (1) of section 17 and makes a request in writing to the proper officer for assessment; or</p> <p>(b) where the proper officer deems it necessary to subject any imported goods or export goods to any chemical or other test; or</p> <p>(c) where the importer or exporter has produced all the necessary documents and furnished full information but the proper officer deems it necessary to make further enquiry; or</p> <p>(d) where necessary documents have not been produced or information has not been furnished and the proper officer deems it necessary to make further enquiry,</p> <p>the proper officer may assess the duty leviable on such goods, provisionally if the importer or the exporter, as the case may be, furnishes such security as the proper officer deems fit for the payment of the deficiency, if any, between the duty as may be finally assessed or re-assessed as the case may be, and the duty provisionally assessed.]</p> <p>[(1A) Where, pursuant to the provisional assessment under sub-section (1), if any document</p>	<p>Provision of reassessment has been simplified for which importer will be largely benefited.</p> <p>Time limit has been prescribed to finalize the assessment within the period of Two years and may be extended by One year subject to certain conditions and exceptions.</p>

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	<p>between the duty as may be finally assessed or re-assessed as the case may be, and the duty provisionally assessed.]</p> <p>(1A) Where, pursuant to the provisional assessment under sub-section (1), if any document or information is required by the proper officer for final assessment, the importer or exporter, as the case may be, shall submit such document or information within such time, and the proper officer shall finalise the provisional assessment within such time and in such manner, as may be prescribed.]</p>	<p>or information is required by the proper officer for final assessment, the importer or exporter, as the case may be, shall submit such document or information within such time, and the proper officer shall finalise the provisional assessment in such manner, as may be prescribed.]</p> <p>(1B) The proper officer shall finalise the duty provisionally assessed, within two years from the date of such assessment under sub-section (1):</p> <p>Provided that the Principal Commissioner of Customs or the Commissioner of Customs may, on sufficient cause being shown and for reasons to be recorded in writing, extend the said period to a further period of one year:</p> <p>Provided further that in respect of any provisional assessment pending under sub-section (1) as on the date on which the Finance Bill, 2025 receives the assent of the President, the said period of two years shall be reckoned from the date on which the said Finance Bill receives the assent of the President.</p> <p>(1C) Where the proper officer is unable to assess the duty finally within the time specified under sub-section (1B) for the reason that--</p> <p>(a) an information is being sought from an authority outside India through a legal process; or</p>	

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		<p>(b) an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or</p> <p>(c) an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or</p> <p>(d) the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or</p> <p>(e) the importer or exporter has a pending application before the Settlement Commission or the Interim Board, the proper officer shall inform the importer or exporter concerned, the reason for non-finalisation of the provisional assessment and in such case, the time specified in sub-section (1B) shall apply not from the date of the provisional assessment but from the date when such reason ceases to exist.</p>	
<p>18A Voluntary revision of entry, post clearance.</p>		<p>18A. (1) Notwithstanding anything contained in section 149, the importer or exporter of the goods, after the clearance, may revise an entry already made in relation to the goods, in such form and manner, within such time and subject to such conditions as may be prescribed.</p> <p>(2) On revising the entry under sub-section (1), the</p>	<p>Welcome Amendment with the object to reduce transaction cost and time and cost of detention and demurrages.</p> <p>In case of Classification/ Valuation or any dispute, it is better to pay the duty and file voluntary revision of Bill of Entry</p>

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		<p>importer or exporter of the goods shall self-assess the duty.</p> <p>(3) Where the revised entry and self-assessment made under sub-sections (1) and (2) results in--</p> <p>(a) any duty short-levied, not levied, short-paid or not paid, then the same may be paid voluntarily by the importer or exporter of such goods along with the interest under section 28AA;</p> <p>(b) duty paid in excess of that payable on such goods or whole of the duty paid, requiring refund, then, such revised entry shall be deemed to be a claim for refund under section 27.</p> <p>(4) The proper officer may,--</p> <p>(a) verify the revised entry and self-assessment made under sub-sections (1) and (2) in cases selected primarily on the basis of risk evaluation through appropriate selection criteria;</p> <p>(b) re-assess the duty leviable on such goods in cases where the self-assessment under sub-section (2) is not done correctly.</p> <p>(5) No revision of entry shall be made under this section in the following cases, namely:--</p> <p>(a) cases where any audit under Chapter XIA or search, seizure or summons under Chapter XIII has been initiated and intimated to the importer or the exporter concerned;</p> <p>(b) cases requiring refund where the proper officer has re-assessed the duty under section 17 or assessed the duty under section 18 or under section 84;</p> <p>(c) any other case which the Board may specify by</p>	<p>post clearance either for short payment of duty and save the penalty thereafter Or claim the refund of excess duty paid rather than applying for re-assessment u/s 149 of the Act and wait on mercy of the Officer.</p>

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		notification in the Official Gazette.” .	
27 Claim for refund of duty (New explanation inserted)		Explanation 2.— For the removal of doubts, it is hereby clarified that the period of limitation of one year in case of claim of refund under clause (b) of sub-section (3) of section 18A or amendment of documents under section 149, shall be computed from the date of payment of such duty or Interest.	Application/ Revision of Bill of Entry to be made within the period of One year in the case of refund.
28 Recovery of duties not levied or not paid or short-levied or short- paid or erroneously refunded (New clause inserted)		(ba) in a case where duty is paid under clause (a) of sub-section (3) of section 18A, the date of payment of duty or interest.	Period of limitation will be counted and relevant date for the same will be date of payment of duty/interest in case of voluntary revision of assessments.
127A Definitions for Settlement of Cases (New definition inserted) (W.E.F- 1 st April 2025)		(da) “Interim Board” means the Interim Board for Settlement constituted under section 31A of the Central Excise Act, 1944 (ea) “pending application” means an application filed under section 127B before the 1 st day of April, 2025 and fulfils the following conditions, namely: -- (i) it has been allowed under section 127C; and (ii) no order under sub-section (5) of section 127C was issued on or before the 31 st day of March, 2025 with respect to such application;	New definitions have been inserted so as to express the meaning for the amendment made in 127B and 127C for settlement of disputes.
127B (5) Application for settlement of cases		Provided that no application shall be made under this section on or after the 1st day of April, 2025: Provided further that on and from the date of the	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no

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Section	Existing	Amendment	Bizsol Analysis
(New Proviso inserted) (W.E.F- 1 st April 2025)		constitution of the Interim Board, every pending application shall be dealt by it from the stage at which such pending application stood immediately before its constitution	provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021
127C Procedure on receipt of an application under Section 127B (New sub section inserted) (W.E.F- 1 st April 2025)		11) On and from the 1st day of April, 2025,-- (a) the provisions of sub-sections (2), (3), (4), (5), (5A), (7), (8) and (8A) shall apply to pending applications with the modification that for the words “Settlement Commission” , wherever they occur, the words “Interim Board” shall be substituted; (b) in sub-section (3), for the words “seven days from the date of order” , the words “seven days from the date of receipt of the order” shall be substituted; (c) in sub-section (7), for the word “Bench” , the words “Interim Board” shall be substituted; (d) the provisions of sub-section (10) shall have effect as if for the words “Settlement Commission, the words “Settlement Commission or the Interim Board” had been substituted. (12) Notwithstanding anything contained in this section, the Interim Board may, within three months	Settlement Commission is substituted with Interim board and pending applications with Settlement Commission will be dealt by Interim Board and suitable changes have been made in respective chapters and section relating to Settlement Commission

BUDGET ANALYSIS 2025-26

Section	Existing	Amendment	Bizsol Analysis
		from the date of its constitution under section 31A of the Central Excise Act, 1944, for the reasons to be recorded in writing, extend the time limit referred to in sub-section (8A), by such further period not exceeding twelve months from the date of such constitution.’ .	
<p>127D Power of Settlement Commission to order provisional attachment to protect revenue (New sub section inserted) (W.E.F- 1st April 2025)</p>		(3) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.	Provisions relating to Settlement Commission will be made applicable to Interim Board
<p>127F Power and procedure of Settlement Commission (New sub section inserted) (W.E.F- 1st April 2025)</p>		(5) On and from the 1st day of April, 2025, the powers and functions of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.	Provisions relating to Settlement Commission will be made applicable to Interim Board

BUDGET ANALYSIS 2025-26

Section	Existing	Amendment	Bizsol Analysis
<p>127G Inspection, etc. of reports (New proviso inserted) (W.E.F- 1st April 2025)</p>		<p>Provided further that on and from the 1st day of April, 2025, the functions of the Settlement Commission under this section shall be performed by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission</p>	<p>Provisions relating to Settlement Commission will be made applicable to Interim Board</p>
<p>127H Power of Settlement Commission to grant immunity from prosecution and penalty (New sub section inserted) (W.E.F- 1st April 2025)</p>		<p>“(4) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.” .</p>	<p>Provisions relating to Settlement Commission will be made applicable to Interim Board</p>

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CUSTOMS TARIFF ACT, 1975

CUSTOMS TARIFF ACT 1975:

Section	Existing	Amendment	Bizsol Analysis
Amendment of First Schedule (W.E.F- 1 st May 2025)		the First Schedule shall,-- (a) be amended in the manner specified in the Second Schedule; (b) with effect from the 1st May, 2025, be amended in the manner specified in the Third Schedule	<ul style="list-style-type: none">• Revised Tariff rate for certain industrial tariff item• 178 Tariff entries and Chapter 10, 20, 27, 28, 29, 38 and 71 has been inserted• 63 Tariff entries has been substituted or deleted to align with WCO classification and better identification of goods

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CENTRAL EXCISE ACT, 1944

BUDGET ANALYSIS 2025-26

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CENTRAL EXCISE ACT 1944:

Section	Amendment	Bizsol Analysis
<p>31 (New clause inserted)</p>	<p>31(i)(ea) “ Interim Board ” means the Interim Board for Settlement constituted under section 31A;</p> <p>31(ii)(fa) “pending application” means an application filed under section 32E before the 1st day of April, 2025 and fulfils the following conditions, namely:– (i) it has been allowed under sub-section (1) of section 32F; and (ii) no order under sub-section (5) of section 32F was issued on or before the 31st day of March, 2025 with respect to such application</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>31A Interim Board for Settlement. (New Section inserted)</p>	<p>31A. (1) The Central Government shall, by notification, constitute one or more Interim Boards for Settlement, as may be necessary, for the settlement of pending applications: Provided that on and from the date of the constitution of the Interim Board, every pending application shall be dealt by it from the stage at which such pending application stood immediately before its constitution.</p> <p>(2) Every Interim Board shall consist of three members, each being an officer of the rank of Chief Commissioner or above, as may be nominated by the Central Board of Indirect Taxes and Customs</p> <p>(3) If the Members of the Interim Board differ in opinion on any point, the point shall be decided according to the opinion of the majority.</p> <p>(4) The Interim Board shall be assisted by such</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

BUDGET ANALYSIS 2025-26

Section	Amendment	Bizsol Analysis
	Central Excise Officers, to be nominated by the Central Board of Indirect Taxes and Customs.	
32 Customs and Central Excise Settlement Commission (New Proviso inserted)	Provided that the Settlement Commission so constituted under this section shall cease to operate on or after the 1 st day of April, 2025	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021
32A Jurisdiction and powers of Settlement Commission (New Proviso inserted)	Provided that the provisions of this section shall not apply on or after the 1 st day of April, 2025	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021
32B Vice-Chairman to act as Chairman or to discharge his functions in certain circumstances (New Proviso inserted)	Provided that the provisions of this section shall not apply on or after the 1 st day of April, 2025	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021

BUDGET ANALYSIS 2025-26

Section	Amendment	Bizsol Analysis
<p>32C Power of Chairman to transfer cases from one Bench to another (New Proviso inserted)</p>	<p>Provided that the provisions of this section shall not apply on or after the 1st day of April, 2025</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32D Decision to be by majority (New Proviso inserted)</p>	<p>Provided that the provisions of this section shall not apply on or after the 1st day of April, 2025</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32E Application for settlement of cases (New Proviso inserted)</p>	<p>Provided that no application shall be made under this section on or after the 1st day of April, 2025</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

BUDGET ANALYSIS 2025-26

Section	Amendment	Bizsol Analysis
<p>32F Procedure on receipt of an application under section 32E (New subsection inserted)</p>	<p>(11) On and from the 1st day of April, 2025,-- (a) the provisions of sub-sections (2), (3), (4), (5), (5A), (6), (7), and (8) shall apply to pending applications with the modification that for the words “Settlement Commission”, wherever they occur, the words “Interim Board” shall be substituted; (b) in sub-section (3), for the words “seven days from the date of order” , the words “seven days from the date of receipt of the order” shall be substituted; (c) in sub-section (7), for the word “Bench” , the words “Interim Board” shall be substituted; (d) the provisions of sub-section (10) shall have effect as if for the words “ Settlement Commission, the words “Settlement Commission or Interim Board” had been substituted. (12) Notwithstanding anything contained in this section, the Interim Board may, within three months from the date of its constitution under section 31A, for the reasons to be recorded in writing, extend the time limit referred to in subsection (6), by such further period not exceeding twelve months from the date of such constitution.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32G Power of Settlement Commission to order provisional attachment to protect revenue (New subsection inserted)</p>	<p>(3) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

BUDGET ANALYSIS 2025-26

Section	Amendment	Bizsol Analysis
<p>32I Powers and procedure of Settlement Commission. (New subsection inserted)</p>	<p>(5) On and from the 1st day of April, 2025, the powers and functions of the Settlement Commission under this section shall be exercised or performed by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32J Inspection, etc., of reports (New Proviso inserted)</p>	<p>Provided further that on and from the 1st day of April, 2025, the functions of the Settlement Commission under this section shall be performed by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32K Power of Settlement Commission to grant immunity from prosecution and penalty (New subsection inserted)</p>	<p>(4) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

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Section	Amendment	Bizsol Analysis
<p>32L Power of Settlement Commission to send a case back to the Central Excise Officer (New subsection inserted)</p>	<p>(4) On and from the 1st day of April, 2025, the power of the Settlement Commission under this section shall be exercised by the Interim Board and the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32M Order of settlement to be conclusive (New Proviso inserted)</p>	<p>Provided that on and from the 1st day of April, 2025, the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>
<p>32-0 Bar on subsequent application for settlement in certain cases (New Proviso inserted)</p>	<p>Provided that on and from the 1st day of April, 2025, the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.</p>	<p>Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025.</p> <p>This is in line with the provisions incorporated in Income Tax Act in year 2020-2021</p>

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Section	Amendment	Bizsol Analysis
32P Proceedings before Settlement Commission to be judicial proceedings (New Proviso inserted)	Provided that on and from the 1 st day of April, 2025, the provisions of this section shall mutatis mutandis apply to the Interim Board as they apply to the Settlement Commission.	Interim Board will be constituted after 1st April 2025 to deal with Pending Settlement cases and no provisions of Settlement Commission for new applications w.e.f 1st April 2025 therefore it is advised in case old disputes needs to be settled then application to be made on/before 31st March 2025. This is in line with the provisions incorporated in Income Tax Act in year 2020-2021

BUDGET ANALYSIS 2025-26

CUSTOMS TARIFF CHANGES

BUDGET ANALYSIS 2025-26

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CUSTOMS TARIFF CHANGES

A. Amendments to the First Schedule of Customs Tariff Act, 1975:

A.		Increase in Tariff rate (to be effective from 02.02.2025)	Rate of Duty	
S. No.	Tariff item	Commodity	From	To
Textile				
1.	6004 10 00 6004 90 00 6006 22 00 6006 31 00 6006 32 00 6006 33 00 6006 34 00 6006 42 00 6006 90 00	Knitted Fabrics	20%/10%	20% or Rs115/kg, whichever is higher
IT & Electronics sector				
2.	8528 59 00	Interactive Flat Panel Displays (Completely Built Units)	10%	20%
B.		Decrease in Tariff rate (to be effective from 02.02.2025 unless otherwise specified)	Rate of Duty	
S. No.	Heading, subheading, tariff item	Commodity	From	To
1.	25151100 2515 12	Marble and travertine, crude or roughly trimmed, merely cut into blocks, slabs and other	40%	20%
2.	2516 11 00 2516 12 00	Granite, crude or roughly trimmed, merely cut into blocks, slabs and other	40%	20%
3.	2933 59	Other compounds containing a pyrimidine ring (whether or not hydrogenated) or piperazine ring in the structure	10%	7.5%
4.	3302 10	Synthetic flavouring essences and mixtures of odoriferous substances of a kind used in food and drink industries	100%	20%

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A.		Increase in Tariff rate (to be effective from 02.02.2025)	Rate of Duty	
S. No.	Tariff item	Commodity	From	To
5.	3406	Candles, tapers and the like	25%	20%
6.	3822 90	Reference Materials	30%	10%
7.	3824 60	Sorbitol other than subheading 2905 44	30%	20%
8.	3824 99 00	All Goods	17.5%	7.5%
9.	3920	Other, plates, sheets, films, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials	25%	20%
10.	3921	Other plates, sheet, film, foil and strip of plastics	25%	20%
11.	6401	Waterproof Footwear with outer soles and Uppers of Rubber or of plastics, the uppers of which are neither fixed to the sole nor assembled by stitching, riveting, nailing, screwing, plugging or similar processes	35%	20%
12.	6402	Other footwear with outer soles and uppers of rubber or plastics	35%	20%
13.	6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather	35%	20%
14.	6404	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials	35%	20%
15.	6405	Other Footwear	35%	20%

BUDGET ANALYSIS 2025-26

A.		Increase in Tariff rate (to be effective from 02.02.2025)	Rate of Duty	
S. No.	Tariff item	Commodity	From	To
16.	6802 10 00 6802 21 10 6802 21 20 6802 21 90 6802 23 10 6802 23 90 6802 29 00 6802 91 00 6802 92 00 6802 93 00	Worked monumental or building stone	40%	20%
17.	7113	Articles of Jewellery and parts thereof	25%	20%
18.	7114	Articles of goldsmiths' and silversmiths' ware's and parts thereof	25%	20%
19.	7404 00 12 7404 00 19 7404 00 22	Copper Waste and Scrap	2.5%	Nil
20.	8002	Tin Waste and Scrap	5%	Nil
21.	8101 97 00	Tungsten Waste and Scrap	5%	Nil
22.	8102 97 00	Molybdenum Waste and Scrap	5%	Nil
23.	8103 30 00	Tantalum Waste and Scrap	5%	Nil
24.	8105 30 00	Cobalt Waste and Scrap	5%	Nil
25.	8106 90 10	Waste and Scrap of Bismuth Bismuth alloys	5%	Nil
26.	8109 31 00, 8109 39 00	Zirconium Waste and Scrap	10%	Nil
27.	8110 20 00	Antimony Waste and Scrap	2.5%	Nil
28.	8112 13 00	Beryllium Waste and Scrap	5%	Nil
29.	8112 41 20	Rhenium Waste and Scrap	10%	Nil
30.	8112 61 00	Cadmium Waste and Scrap	5%	Nil
31.	8541 42 00	Solar Cells	25%	20%

BUDGET ANALYSIS 2025-26

A.		Increase in Tariff rate (to be effective from 02.02.2025)	Rate of Duty	
S. No.	Tariff item	Commodity	From	To
32.	8541 43 00 8541 49 00	Solar Module and Other and semiconductor devices photovoltaic cells	40%	20%
33.	8702	Motor vehicles for transport of 10 or more persons	40%	20%
34.	8703	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702)	125%	70%
35.	8704	Motor vehicles for transport of goods	40%	20%
36.	8711	Motorcycles and cycles fitted with an auxiliary motor with or without side-car	100%	70%
37.	8712 00 10	Bicycles	35%	20%
38.	8903	Yachts and other vessels for pleasure or sports; rowing boats and canoes	25%	20%
39.	9028 30 10	Electricity meters for alternating current (Smart meter)	25%	20%
40.	9401	Seats (other than those of headings 9402), whether or not convertible into beds, and parts thereof	25%	20%
41.	9403	Other furniture and parts thereof	25%	20%
42.	9404	Mattress supports, articles of bedding and similar furnishing etc.	25%	20%
43.	9405	Luminaries and lighting fittings including searchlights and spotlights and parts thereof etc.	25%	20%
44.	9503 00 91	Parts of electronic toys	70%	20%
45.	9802 00 00	Laboratory Chemicals	150%	70%
46.	9803 00 00	All dutiable articles, imported by a passenger or a member of a crew in his baggage	100%	70%
47.	9804 00 00	All dutiable goods imported for personal use.	35%	20%

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A.		Increase in Tariff rate (to be effective from 02.02.2025)	Rate of Duty	
S. No.	Tariff item	Commodity	From	To
C.		Tariff rate changes (without change in existing effective rate of duty) to be effective from 01.05.2025 unless otherwise specified	Rate of Duty	
S. No.	Heading, subheading tariff item	Commodity	From	To
1.	1520 00 00	Glycerol Crude, glycerol waters, glycerol lye	30%	20%
2.	2603 00 00	Copper Ores and concentrates	2.5%	Nil
3.	2605 00 00	Cobalt Ores and concentrates	2.5%	Nil
4.	2609 00 00	Tin Ores and concentrates	2.5%	Nil
5.	2611 00 00	Tungsten Ores and concentrates	2.5%	Nil
6.	2613 00 00	Molybdenum Ores and concentrates	2.5%	Nil
7.	2615 10 00	Zirconium Ores and concentrates	2.5%	Nil
8.	2615 90 10	Vanadium Ores and concentrates	2.5%	Nil
9.	2615 90 20	Niobium or Tantalum Ores and concentrates	2.5%	Nil
10.	2617 10 00	Antimony Ores and Concentrates	2.5%	Nil
11.	2711 12 00	Liquefied Propane	15%	2.5%
12.	2711 13 00	Liquefied Butane	15%	2.5%
13.	27 11 19 10	LPG (for non-automotive purpose)	15%	5%
14.	2711 19 20	LPG (for automotive purpose)	15%	5%
15.	2711 19 90	Other liquified petroleum gas	15%	5%
16.	2809 20 10	Phosphoric Acid	20%	7.5%
17.	2810 00 20	Boric Acid	27.5%	7.5%
18.	3824 99 00	Other – Prepared Binders, chemical products and preparations of chemical or allied industries	17.5%	7.5%
19.	7210 12 10	OTS/MR type-flat rolled products of thickness less than 0.5 mm	27.5%	15%

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A.		Increase in Tariff rate (to be effective from 02.02.2025)	Rate of Duty	
S. No.	Tariff item	Commodity	From	To
20.	7210 12 90	Other flat rolled products of thickness less than 0.5 mm	27.5%	15%
21.	7219 12 00	Hot-rolled products in coils of thickness greater than or equal to 4.75 mm, but not exceeding 10 mm	22.5%	15%
22.	7219 13 00	Hot-rolled products in coils of thickness greater than or equal to 3 mm but less than 4.75 mm	22.5%	15%
23.	7219 21 90	Flat rolled products of stainless steel of width 600 mm or more - Other nickel chromium austenitic type	22.5%	15%
24.	7219 90 90	Flat rolled products of stainless steel of width 600 mm or more - Other sheets and plates	22.5%	15%
25.	7225 11 00	Flat-rolled products of other alloy steel - grain oriented, silicon electrical steel	20%	15%
26.	7307 29 00	Other tube or pipe fittings of stainless steel	25%	15%
27.	7307 99 90	Other fittings of iron or steel, nongalvanised	25%	15%
28.	7308 90 90	Other structure and parts of structures of iron and steel	25%	15%
29.	7310 29 90	Others-tanks and drums etc.	25%	15%
30.	7318 15 00	Other screws and bolts whether or with nuts or washers	25%	15%
31.	7318 16 00	Threaded nuts	25%	15%
32.	7318 29 90	Other non-threaded articles	25%	15%
33.	7320 90 90	Other springs and leaves of iron/steel	25%	15%
34.	7325 99 99	Other cast articles of iron or steel	25%	15%

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A.		Increase in Tariff rate (to be effective from 02.02.2025)	Rate of Duty	
S. No.	Tariff item	Commodity	From	To
35.	7326 19 90	Others - forged or stamped articles of iron or steel but not further worked	25%	15%
36.	7326 90 99	Miscellaneous other articles of iron/steel	25%	15%
37.	8001	Unwrought Tin	5%	Nil
38.	8101 94 00	Unwrought tungsten, including bars and rods obtained simply by sintering	5%	Nil
39.	8102 94 00	Unwrought molybdenum, including bars and rods obtained simply by sintering	5%	Nil
40.	8103 20	Unwrought tantalum, including bars and rods obtained simply by sintering, powders	5%	Nil
41.	8105 20 20	Cobalt, unwrought	5%	Nil
42.	8106 10 10	Bismuth, unwrought	5%	Nil
43.	8109 21 00	Unwrought zirconium, powders, containing less than 1 part hafnium to 500 parts zirconium by weight	10%	Nil
44.	8110 10 00	Unwrought antimony, powders	2.5%	Nil
45.	8112 12 00	Beryllium unwrought, powders	5%	Nil
46.	8112 31	Hafnium unwrought, waste and scrap, powders	10%	Nil
47.	8112 41 10	Rhenium unwrought	10%	Nil
48.	8112 69 10	Cadmium unwrought, Powders	5%	Nil
49.	8112 69 20	Cadmium, wrought	5%	Nil

I. OTHER PROPOSALS INVOLVING CHANGES IN BASIC CUSTOMS DUTY RATES IN NOTIFICATIONS

BUDGET ANALYSIS 2025-26

A.		Changes in Basic Customs Duty (to be effective from 02.02.2025)		Rates of Duty	
S. No.	Chapter, Heading	Commodity	From	To	
		Aquafarming & Marine Exports			
1.	0304 99 00	Frozen Fish Paste (Surimi) for use in manufacture of Surimi Analogue products, for export	30%	5%	
2.	2301 20	Fish Hydrolysate for use in manufacture of aquatic feed	15%	5%	
		Leather			
3.	4104 11 00 4104 19 00 4105 10 00 4106 21 00 4106 31 00 4106 91 00	Wet blue leather (hides and skins)	10%	Nil	
		Gems and Jewellery Sector			
4.	7113	Platinum Findings	25%	5%	
		Metal Scrap & Lithium-Ion Battery Waste and Scrap			
5.	7802	Lead waste and scrap	5%	Nil	
6.	7902	Zinc waste and scrap	5%	Nil	
7.	8105 20 30	Cobalt powders	5%	Nil	
8.	8549 13 00 8549 14 00 8549 19 00	Waste and scrap of Lithium-Ion Battery	5%	Nil	
		IT and Electronics Sector			

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9.	8517	Ethernet switches Carrier grade	20%	10%
10.	8524 8529	Open cell for Interactive Flat Panel Display Module with or without touch, Touch Glass Sheet and Touch Sensor PCB for the manufacture of the Interactive Flat Panel Display Module.	15%/10%	5%
11.	8529	Inputs and Parts of the Open Cells for use in the manufacture of Television Panels of LED/LCD TV.	2.5%	Nil
12.	Any chapter	Inputs or Parts/sub-parts for use in the manufacture of the Printed Circuit Board Assembly, Camera module and connectors of cellular mobile phones and inputs and raw materials for use in the manufacture of specified parts of cellular mobile phones i.e on Wired Headset, Microphone and Receiver, USB Cable and Fingerprint reader/Scanner of Cellular Mobile Phone.	2.5%	Nil
13.	Any chapter	Add 35 capital goods for use in the manufacture of lithium-ion battery of EVs and 28 capital goods for use in the manufacture of lithium-ion battery of mobile phones in the list of exempted capital goods	As applicable	Nil
14.	Any chapter	To amend entry S. No. 6D of Notification No. 57/2017-Customs and incorporate 'any chapter' in column (2) for goods used to manufacture mechanics of mobile phone	As applicable	10%
		Automobile		
15.	8702	Motor vehicles for transport of 10 or more persons	25%/40%	20%

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16.	8703	Motor cars and other motor vehicles with CIF value more than US \$40,000 or with engine capacity more than 3000 cc for petrol run vehicles and more than 2500 cc for diesel run vehicles or with both	100%	70%
17.	8703	Motor vehicles for transport of goods when imported under S. No. 526 (2) (a) of the notification No. 50/2017- Customs	100%	70%
18.	8703	Motor vehicles for transport of goods when imported under S. No. 526A (2) (a) of the notification No. 50/2017- Customs	100%	70%
19.	8704	Motor vehicles for transport of goods	25%/40%	20%
20.	8702 or 8704	Motor vehicles for transport of 10 or more persons when imported under S. No. 524 (1) (b) & (2) of the notification No. 50/2017- Customs	25%/40%	20%
21.	8702 or 8704	Motor vehicles for transport of goods when imported under S. No. 525 (1) (b) & (2) of the notification No. 50/2017- Customs	25%/40%	20%
22.	8711	Motor cycles with engine capacity not exceeding 1600cc in CBU form	50%	40%
23.	8711	Motor cycles with engine capacity not exceeding 1600cc in SKD form	25%	20%
24.	8711	Motor cycles with engine capacity not exceeding 1600cc in CKD form	15%	10%
25.	8711	Motor cycles with engine capacity of 1600cc and above in CBU form	50%	30%

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26.	8711	Motor cycles with engine capacity of 1600cc and above in SKD form	25%	20%
27.	8711	Motor cycles with engine capacity of 1600cc and above in CKD form	15%	10%
		Toys		
28.	9503 00 91	Parts of electronic toys for manufacture of electronic toys	25%	20%
		Other		
29.	2809 20 10	Phosphoric Acid originating in or exported from United States of America	10%	5%
30.	84 or any other Chapter	1) Wind operated in electricity generators up to 30KW and wind operated battery charges up to 30KW. 3) Blades for rotor of wind operated electricity generators, for the manufacture or the maintenance of wind operator electricity generators.	5%	Tariff Rate
31.	88 or Any Other Chapter	Scientific and Technical Instrument or equipment required for launch vehicles and satellites and payloads	5%	Nil
B.	Changes in Export Duty (To be effective from 02.02.2025)		Rate of Duty	
S. No.	Tariff item	Commodity	From	To
1.	4104 41 00 4104 49 00 4105 30 00 4106 22 00 4106 32 00 4106 92 00	Crust leather (hides and skins)	20%	Nil

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Notification No. 16/2017 – Customs, dated 20.04.2017 is being amended to exempts the goods specified at Sr. 53 to 89 added for supply under Patient Assistance Programs specified to run by the pharmaceutical companies specified when imported into India, from the whole of the duty of customs viz. (w.e.f. 02.02.2025):

S. No.	Description of drug / medicine	Name of Patient Assistance Programme	Name of pharmaceutical company running Patient Assistance Programme
1.	Pembrolizumab	Key- PAP 1.0	MSD Pharmaceuticals
2.	Lorlatinib	LorbriquaCare	Pfizer Products India Private Ltd.
3.	Ribociclib	UMAANG	Novartis Healthcare Pvt. Ltd.
4.	Selumetinib	AstraZeneca Pharma PAP	AstraZeneca Pharma India Limited
5.	Amivantamab	Johnson and Johnson PAP	Johnson & Johnson Pvt. Ltd.
6.	Cetuximab	Rainbow PAP	Merck Specialties Pvt. Ltd.
7.	Brentuximab Vedotin	TakedaPAP	Takeda Biopharmaceuticals India Pvt. Limited
8.	Mepolizumab	GSK Pharmaceuticals Limited	GSK Pharmaceuticals Limited.
9.	Alectinib	The Blue TREE	Roche Products India Private Ltd.
10.	Luspatercept	Bristol-Myers Patient Assistance Program	Bristol-Myers Squibb India Pvt. Ltd.

V. AGRICULTURE INFRASTRUCTURE AND DEVELOPMENT CESS (AIDC)

Notification No. 11/2021– Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the following goods (w.e.f. 02.02.2025):

S. No.	Heading	Commodity	Rate	
			From	To
1.	2515 11 00 2515 12	Marble and travertine, crude or roughly trimmed, merely cut into blocks, slabs and other	Nil	20%
2.	2516 11 00 2516 12 00	Granite, crude or roughly trimmed, merely cut into blocks, slabs and other	Nil	20%

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Notification No. 11/2021– Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the following goods (w.e.f. 02.02.2025):

S. No.	Heading	Commodity	Rate	
			From	To
3.	3406	Candles, Tapers and the like	Nil	7.5%
4.	3920 or 3921	PVC Flex Films, PVC Flex Sheets, PVC Flex Banner	Nil	7.5%
5.	6401	Waterproof Footwear with outer soles and Uppers of Rubber or Plastics	Nil	18.5%
6.	6402	Other Footwear With Outer Soles And Uppers of Rubber or Plastics	Nil	18.5%
7.	6403	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of leather	Nil	18.5%
8.	6404	Footwear with outer soles of rubber, plastics, leather or composition leather and uppers of textile materials	Nil	18.5%
9.	6405	Other Footwear	Nil	18.5%
10.	6802 10 00 6802 21 10 6802 21 20 6802 21 90 6802 91 00 6802 92 00	Marble Slab	Nil	20%
11.	7113	Gold Findings Silver Findings Platinum findings	Nil Nil Nil	1% 1% 1.4%
12.	8541 42 00	Solar Cells	Nil	7.5%
13.	8541 43 00 8541 49 00	Solar Module and Other semiconductor devices and photovoltaic cells	Nil	20%
14.	8702	Motor vehicles for transport of 10 or more persons	Nil	20%

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Notification No. 11/2021– Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the following goods (w.e.f. 02.02.2025):

S. No.	Heading	Commodity	Rate	
			From	To
15.	8702	Motor vehicles for transport of 10 or more persons when imported under S. No. 524 (1) (b) of the notification No. 50/2017- Customs	Nil	5%
16.	8702	Motor vehicles for transport of 10 or more persons when imported under S. No. 524 (2) of the notification No. 50/2017- Customs	Nil	20%
17.	8703	Used Motor vehicles	Nil	67.5%
18.	8703	Motor cars and other motor vehicles principally designed for the transport of persons in other than Completely Knocked Down and Semi Knocked Down form with CIF value exceeding USD 40,000	Nil	40%
19.	8704	Motor vehicles for transport of goods	Nil	20%
20.	8704	Motor vehicles for transport of goods when imported under S. No. 525 (1) (b) of the notification No. 50/2017- Customs	Nil	5%
21.	8704	Motor vehicles for transport of 10 or more persons when imported under S. No. 525 (2) of the notification No. 50/2017- Customs	Nil	20%
22.	8711	Used motorcycles and cycles fitted with an auxiliary motor with or without side-car	Nil	40%
23.	8712 00 10	All Goods (Bicycles)	Nil	15%
24.	8903	Yachts and other vessels for the pleasure of sports	Nil	7.5%
25.	9028 30 10	Electricity meters for alternating current (Smart meter)	Nil	7.5%
26.	9401	Seats (other than those of headings 9402), whether or not convertible into beds, and parts thereof	Nil	5%

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Notification No. 11/2021– Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the following goods (w.e.f. 02.02.2025):

S. No.	Heading	Commodity	Rate	
			From	To
27.	9403	Other furniture and parts thereof	Nil	5%
28.	9404	Mattress supports, articles of bedding and similar furnishing etc.	Nil	5%
29.	9405	Luminaries and lighting fittings including searchlights and spotlights and parts thereof etc.	Nil	5%
30.	9503 00 91	Parts of electronic toys	Nil	20%
31.	9503 00 91	Parts of electronic toys for manufacture of electronic toys (<i>S. No. 591 of notification No. 50/2017-Customs dated 30.06.2017</i>)	Nil	7.5%
32.	9802 00 00	Laboratory Chemicals (other than those attracting 10% BCD for specified end use)	Nil	70%

Notification No. 22/2022 – Customs, dated 01.02.2021 is being amended to revise the AIDC rates on the following goods imported in India having origin of the United Arab Emirates (w.e.f. 02.02.2025):

1	2515 12 10 2515 12 20	All Goods	Nil	20%
2	2515 12 90	All Goods	Nil	8%
3	2516 11 00 2516 12 00	All Goods	Nil	5%
4	3416 00 10 3416 00 90	All Goods	Nil	0%
5	3920 62 90 to 3921 19 00	All Goods	Nil	0%
6	6403, 6404, 6405	All Goods	Nil	0%
7	6802 10 00 6802 91 00	All Goods	Nil	16% 20%
8	8514	All Goods	Nil	0%

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VI. SOCIAL WELFARE SURCHARGE (SWS)

AMENDMENT TO NOTIFICATION NO. 11/2018 – CUSTOMS, DATED 02.02.2018 (w.e.f. 02.02.2025)	
S. No.	Description
	The following goods are being exempted from levy of Social Welfare Surcharge
1.	Candles, tapers and the like
2.	PVC Flex Films including Flex Banner and PVC flex Sheets under headings 3920 or 3921
3.	Solar Cells
4.	Yachts and other vessels for pleasure of sports
5.	Electricity meters for alternating current (Smart meter)
6.	Seats (other than those of headings 9402), whether or not convertible into beds, and parts thereof
7.	Other furniture and parts thereof
8.	Mattress supports, articles of bedding and similar furnishing etc.
9.	Luminaries and lighting fittings including searchlights and spotlights and parts thereof etc.
10.	Parts of electronic toys
11.	Articles of gold/silver imported <i>vide</i> S. No. 356 and 357 of Notification No. 50/2017 customs dated 30.06.2017
12.	Waterproof Footwear with outer soles and Uppers of Rubber or Plastics
13.	Other Footwear with Outer Soles and Uppers of Rubber or Plastics
14.	Footwear with Outer Soles of Rubber, Plastics, Leather or Composition Leather and Uppers of Leather
15.	Footwear with Outer Soles of Rubber, Plastics, Leather or Composition Leather and Uppers of Textile Materials
16.	Other Footwear
17.	All dutiable goods imported for personal use and not exempted under any prohibition in respect of imports thereof under the Foreign Trade (Development and Regulations) (FTDR) Act, 1992.
18.	Solar Module and Other semiconductor devices and photovoltaic cells
19.	Motor vehicles for transport of 10 or more persons

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20.	Motor vehicles for transport of goods
21.	Motor cars and other motor vehicles principally designed for the transport of persons in other than Completely Built Form with CIF value exceeding USD 40,000
22.	Motor cars and other motor vehicles which have been registered abroad before import into India i.e. Used Vehicles
23.	Used motorcycles and cycles fitted with an auxiliary motor with or without side-car
24.	Laboratory Chemicals under CTH 9802 00 00 (other than those attracting 10% BCD for specified end use)
25.	Dutiable articles imported by passenger or member of crew in his baggage classified under heading 9803

VII. Conditional Customs duty exemption is being continued for 24 entries for varying period in Customs Notification No 50/2017 Customs

S. No	Description	Entry No	End date
1.	Ships and vessels for breaking up	S. No. 555A	31.3.2035
2.	Raw materials, components, consumables or parts, for use in the manufacture of ships/vessels	S. No. 559	31.3.2035
3.	Bulk drugs for manufacture of drugs or medicines [A separate entry is being created for Drugs, medicines, diagnostic kits specified in List 3 with modifications in the list]	S. No. 166	31.3.2029
4.	Bulk drugs used in the manufacture of polio vaccine and Monocomponent insulins	S. No. 166A	31.3.2029
5.	Bulk drugs used in the manufacture of life saving drugs or medicines	S. No. 167	31.3.2029
6.	Drugs, Medicines or Food for Special Medical Purposes (FSMP) used for treatment of rare disease	S. No. 167A S. No. 607B	31.3.2029
7.	Good specified in List 36 imported by testing agencies specified in List 37, for the purpose of testing and/or certification	S. No. 532A	31.3.2029
8.	Crude Glycerin for use in manufacture of Epichlorohydrin	S. No. 81A	31.3.2027
9.	Denatured ethyl alcohol for use in manufacture of industrial chemicals	S. No. 104B	31.3.2027
10.	Fish meal for use in manufacture of aquatic feed	S. No. 104C	31.3.2027

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S. No	Description	Entry No	End date
11.	Goods for the manufacture of telecommunication grade optical fibres or optical fiber cables	S. No. 168, S. No. 341, S. No. 341A	31.3.2027
12.	Textile machinery (with the addition of two new machinery)	S. No. 460, S. No. 460A, S. No. 460B, S. No. 460C, S. No. 460D	31.3.2027
13.	Parts and components for use in the manufacturing of textile machineries	S. No. 460E	31.3.2027
14.	Goods for use in the manufacture of Open cell of LCD and LED TV panel	S. No. 515B	31.3.2027
15.	Seeds for use in manufacturing rough Lab-Grown Diamonds [IGCR condition removed]	S. No. 345B	31.3.2026
16.	Parts of wind operated electricity generators, for the manufacture or the maintenance of wind operated electricity generators	S. No. 405	31.3.2026
17.	Permanent magnets for manufacture of PM synchronous generators above 500KW for use in wind operated electricity generators	S. No. 406	31.3.2026

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INCOME TAX ACT

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
2(14)	1 st April 2026	Definitions – Capital Asset	Capital asset means – (a)--- (b) any securities held by a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992); (c) any unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth provisos thereof,	Capital asset means – (a)--- (b) any securities held by a Foreign Institutional Investor or held by an investment fund specified in clause (a) of Explanation 1 to section 115UB which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992); (c) any unit linked insurance policy to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the	Any security held by investment funds referred to in Section 115UB which has invested in such security in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be treated as capital asset only so that any income arising from transfer of such security would be in the nature of capital gain.

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				fourth and fifth provisos thereof,	
2(22)	1st April, 2025	Definitions – Dividend	-	(ii) any advance or loan between two group entities, where,— — (A) one of the group entity is a “Finance company” or a “Finance unit”; and (B) the parent entity or principal entity of such group is listed on stock exchange in a country or territory outside India other than the country or territory outside India as may be specified by the Board in this behalf;	New sub-clause inserted for exclusion from definition of Dividend. Also Finance company and Finance unit have been defined
2(47A)	1st April, 2026	Definitions – virtual digital asset	-	Virtual Digital Asset means - (d) any crypto-asset being a digital representation of value that relies on a cryptographically secured distributed ledger or a similar technology to validate and	Scope of Virtual Digital Asset has been expanded

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				secure transactions, whether or not such asset is included in sub-clause (a) or sub-clause (b) or sub-clause (c)	
9(1)	1st April, 2026	Income deemed to accrue or arise in India.	-	in clause (i), in Explanation 2A, after the first proviso, the following proviso shall be inserted, namely:— “Provided further that the transactions or activities which are confined to the purchase of goods in India for the purpose of export shall not constitute significant economic presence in India:	The transactions or activities of a non-resident in India which are confined to the purchase of goods in India for the purpose of export shall not constitute significant economic presence of such non-resident in India
9A(3)	1 st April 2025	Certain activities not to constitute business connection in India	(c) the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent of the corpus of the fund	(c) the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent of the corpus of the fund as on the first day of April	The condition at clause (c) of sub-section (3) of section 9A is rationalised for all the eligible investment funds whether or not their eligible fund managers are based

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				and the first day of October of the previous year	in IFSC, by determining the aggregate participation or investment in the fund as on the 1st day of April and the 1st day of October of the previous year and in case the said condition at clause (c) is not satisfied on either of the said days, it shall be provided that it will satisfy the same condition within four months of the said days
Proviso to 9A	1 st April 2025	Certain activities not to constitute business connection in India	-	Provided further that where the said aggregate participation or investment in the fund exceeds five per cent. on the first day of April or the first day of October of the previous year, the condition mentioned in this clause shall be deemed to be satisfied, if it is	Refer comment above

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				satisfied within four months of the first day of April or the first day of October of such previous year, as the case may be;	
9A(8A)	1st April 2025	Certain activities not to constitute business connection in India	(8A) The Central Government may, by notification in the Official Gazette, specify that any one or more of the conditions specified in clauses (a) to (m) of sub-section (3) or clauses (a) to (d) of sub-section (4) shall not apply or shall apply with such modifications, as may be specified in such notification, in case of an eligible investment fund and its eligible fund manager, if such fund manager is located in an International Financial Services Centre, as defined in clause (a) of the <i>Explanation</i> to section 80LA, and has commenced its operations on or before the 31st day of March, 2024.	(8A) The Central Government may, by notification in the Official Gazette, specify that any one or more of the conditions specified in clauses (a) to (m) other than clause (c) of sub-section (3) or clauses (a) to (d) of sub-section (4) shall not apply or shall apply with such modifications, as may be specified in such notification, in case of an eligible investment fund and its eligible fund manager, if such fund manager is located in an International Financial Services Centre, as defined in clause (a) of the <i>Explanation</i> to section 80LA, and has	The conditions w.r.t the aggregate participation or investment in the fund, directly or indirectly, by persons resident in India does not exceed five per cent of the corpus of the fund will not be relaxed for fund manager located in IFSC.

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				commenced its operations on or before the 31st day of March, 2030.	
10(4D), 10(4F), 10(H)	1st April, 2025	Incomes not included in total income			Income Tax Exemption has been extended from 31 st March 2025 to 31 st March 2030 for units in IFSC.
10(4E)	1st April, 2026	Incomes not included in total income	4E) any income accrued or arisen to, or received by a non-resident as a result of— (i) transfer of non-deliverable forward contracts or offshore derivative instruments or overthecounter derivatives; or (ii) distribution of income on offshore derivative instruments, entered into with an offshore banking unit of an International Financial Services Centre referred to in sub-section (1A) of section 80LA, which fulfils such conditions as may be prescribed;	4E) any income accrued or arisen to, or received by a non-resident as a result of— (i) transfer of non-deliverable forward contracts or offshore derivative instruments or overthecounter derivatives; or (ii) distribution of income on offshore derivative instruments, entered into with an offshore banking unit of an International Financial Services Centre referred to in sub-section (1A) of section 80LA or any Foreign Portfolio	Exemption on accounts of specified non-resident on account of transfer of non-deliverable forward contracts or offshore derivative instruments or over the-counter derivatives, or distribution of income on offshore derivative instruments, entered into with Foreign Portfolio Investors being an IFSC unit.

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				<p>Investor being a unit of an International Financial Services Centre, which fulfils such conditions as may be prescribed; Explanation.—For the purposes of this clause, “Foreign Portfolio Investor” means a person registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 made under the Securities and Exchange Board of India Act, 1992</p>	
10(10D)	1 st April 2025	Exemption on life insurance policy		<p>Provided also that the provisions of the fourth, fifth, sixth and seventh provisos shall not apply to any sum received— (a) on the death of a person; or (b) under a life insurance policy issued by the</p>	<p>ULIP having value more than 2.5 Lacs will be treated as Capital assets and will be taxed under Capital Gains. It will taxed as Equity Oriented Funds under the head of Capital Gains.</p>

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				<p>International Financial Services Centre insurance intermediary office, including the sum allocated by way of bonus on such policy.</p> <p>Explanation.—For the purposes of this proviso, “International Financial Services Centre insurance intermediary office” shall have the same meaning as assigned to it in clause (s) of sub-regulation (1) of regulation 3 of the International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021, made under the International Financial Services</p>	
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				Centres Authority Act, 2019	
10(12B)	1st April, 2026			“(12BA) any payment from the National Pension System Trust to an assessee, being the parent or guardian of a minor, under the pension scheme referred to in section 80CCD, on partial withdrawal made out of the account of the minor, as per the terms and conditions, specified under the Pension Fund Regulatory and Development Authority Act, 2013 and the regulations made thereunder, to the extent it does not exceed twenty five per cent. of the amount of contributions made by him	Exemption introduced for partial withdrawals from NPS accounts opened for minors
10(23FE)	1 st April 2025			(i) in the opening portion, after the words “long-term	1) Long-term capital gains arising from an

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				<p>capital gains”, the brackets, words, figures and letters “(whether or not such capital gains are deemed as short term capital gains under section 50AA)” shall be inserted; (ii) in sub-clause (i), for the figures “2025”, the figures “2030” shall be substituted</p>	<p>investment made by it in India, shall be exempted from total income of a specified person under clause (23FE) of section 10; and 2) Extension of date of making investment by Sovereign Wealth Funds, Pension Funds & others</p>
12AB		Procedure for fresh registration.		<p>Provided that where an application is made under sub-clauses (i) to (v) of the said clause, and the total income of such trust or institution, without giving effect to the provisions of sections 11 and 12, does not exceed rupees five crores during each of the two previous years,</p>	<p>Extension of Registration Period: For smaller trusts (with income not exceeding ₹5 crores in each of the last two years), the validity of registration is extended from 5 years to 10 years.</p>

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				preceding the previous year in which such application is made, the provisions of this sub-section shall have effect as if for the words "five years", the words "ten years" had been substituted.';	
Sec 13(3)	01.04.2025	Section 11 not to apply in certain cases.	<p>The persons referred to in clause (c) of sub-section (1) and sub-section (2) are the following, namely :—</p> <p>(a) the author of the trust or the founder of the institution;</p> <p>(b) any person who has made a substantial contribution to the trust or institution, that is to say, any person whose total contribution up to the end of the relevant previous year exceeds fifty thousand rupees;</p> <p>(c) where such author, founder or person is a Hindu undivided family, a member of the family;</p> <p>(cc) any trustee of the trust or manager (by whatever name called) of the institution;</p> <p>(d) any relative of any such author, founder, person, member, trustee or manager as aforesaid;</p>	<p>The persons referred to in clause (c) of sub-section (1) and sub-section (2) are the following, namely :—</p> <p>(a) the author of the trust or the founder of the institution;</p> <p>(b) any person who has made a substantial contribution to the trust or institution, that is to say, any person whose total contribution up to the end of the relevant previous year exceeds fifty thousand rupees</p> <p>any person whose total contribution to the trust or institution,</p>	<p>Threshold for Substantial Contribution Increased:</p> <p>Earlier, any person donating ₹50,000 cumulatively to a trust was considered a specified person.</p> <p>Now, the threshold has been increased to ₹1,00,000 per year or ₹10,00,000 cumulatively.</p> <p>Relatives & Associated</p>

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			(e) any concern in which any of the persons referred to in clauses (a), (b), (c), (cc) and (d) has a substantial interest.	during the relevant previous year exceeds one lakh rupees, or, in aggregate up to the end of the relevant previous year exceeds ten lakh rupees, as the case may be; (c) where such author, founder or person is a Hindu undivided family, a member of the family; (cc) any trustee of the trust or manager (by whatever name called) of the institution; (d) any relative of any such author, founder, member, trustee or manager as aforesaid; (e) any concern in which any of the persons referred to in clauses (a), (b) , (c), (cc) and (d) has a substantial interest.	Concerns Excluded: Relatives of such donors and their associated concerns will no longer be considered as specified persons. Exemptions for Certain Old Trusts: If a trust was created before March 1, 1970, and provides benefits to specified persons under pre-existing obligations, it may continue to get exemption.
Sec 17(2)(iii)(c)	01.04.2026	"Salary", "perquisite" and "profits in lieu of salary" defined. Perquisite Includes:	perquisite" includes— (c) by any employer (including a company) to an employee to whom the provisions of	perquisite" includes— (c) by any employer (including a company)	To take into account changes in standard of living and economic

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			paragraphs (a) and (b) of this sub-clause do not apply and whose income under the head "Salaries" (whether due from, or paid or allowed by, one or more employers), exclusive of the value of all benefits or amenities not provided for by way of monetary payment, exceeds fifty thousand rupees	to an employee to whom the provisions of paragraphs (a) and (b) of this sub-clause do not apply and whose income under the head "Salaries" (whether due from, or paid or allowed by, one or more employers), exclusive of the value of all benefits or amenities not provided for by way of monetary payment, exceeds fifty thousand rupees such amount as may be prescribed.	conditions It is proposed that the amenities and benefits received by such employees would be exempt from being treated as perquisites.
Sec 17(2) Proviso (vi)	01.04.2026	"Salary", "perquisite" and "profits in lieu of salary" defined. Perquisite Includes:	(vi) any expenditure incurred by the employer on— (1) medical treatment of the employee, or any member of the family of such employee, outside India; (2) travel and stay abroad of the employee or any member of the family of such employee for medical treatment; (3) travel and stay abroad of one attendant who accompanies the patient in connection with such treatment, subject to the condition that—	(vi) any expenditure incurred by the employer on— (1) medical treatment of the employee, or any member of the family of such employee, outside India; (2) travel and stay abroad of the employee or any member of the family of such	To take into account changes in standard of living and economic conditions It is proposed that the expenditure incurred by the employer for travel outside India on the medical treatment of such employee or his family member

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			<p>(A) the expenditure on medical treatment and stay abroad shall be excluded from perquisite only to the extent permitted by the Reserve Bank of India; and</p> <p>(B) the expenditure on travel shall be excluded from perquisite only in the case of an employee whose gross total income, as computed before including therein the said expenditure, does not exceed two lakh rupees;</p>	<p>employee for medical treatment;</p> <p>(3) travel and stay abroad of one attendant who accompanies the patient in connection with such treatment, subject to the condition that—</p> <p>(A) the expenditure on medical treatment and stay abroad shall be excluded from perquisite only to the extent permitted by the Reserve Bank of India; and</p> <p>(B) the expenditure on travel shall be excluded from perquisite only in the case of an employee whose gross total income, as computed before including therein the said expenditure, does not exceed two lakh rupees such amount as may be prescribed.</p>	<p>would not be treated as a perquisite</p>
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Sec 23(2)	01.04.2025	Annual value determined.	how (2) Where the property consists of a house or part of a house which— (a) is in the occupation of the owner for the purposes of his own residence; or (b) cannot actually be occupied by the owner by reason of the fact that owing to his employment, business or profession carried on at any other place, he has to reside at that other place in a building not belonging to him, the annual value of such house or part of the house shall be taken to be <i>nil</i> .	(2) Where the property consists of a house or part of a house which— (a) is in the occupation of the owner for the purposes of his own residence; or (b) cannot actually be occupied by the owner by reason of the fact that owing to his employment, business or profession carried on at any other place, he has to reside at that other place in a building not belonging to him, the annual value of such house or part of the house shall be taken to be <i>nil</i>. The annual value of the property consisting of a house or any part thereof shall be taken as nil, if the owner occupies it for his own residence or cannot actually occupy it due to any reason..	Annual value of the property consisting of a house or any part thereof shall be taken as nil, if the owner occupies it for his own residence or cannot actually occupy it due to any reason. Conditions w.r.t self occupancy have been simplified as compared to earlier provision.
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44BBD	1 st April, 2026 i.e. AY - 2027-28	Special provision for computing profits and gains of nonresidents engaged in business of providing services or technology for setting up an electronics manufacturing facility or in connection with manufacturing or producing electronic goods, article or thing in India.	-	'44BBD. (1) Notwithstanding anything to the contrary contained in sections 28 to 43A, where an assessee, being a non-resident, engaged in the business of providing services or technology in India, for the purposes of setting up an electronics manufacturing facility or in connection with manufacturing or producing electronic goods, article or thing in India—(a) to a resident company which is establishing or operating electronics manufacturing facility or a connected facility for manufacturing or producing electronic goods, article or thing in India, under a scheme notified by the Central Government in the Ministry of	A new presumptive taxation scheme is introduced for non-residents engaged in providing services or technology to Indian electronics manufacturing facilities. - 25% of the total amount received/receivable will be deemed as profits and gains of business and will be taxable under "Profits and Gains of Business or Profession". - The scheme applies only to non-residents providing services to companies that are setting up or operating electronics manufacturing facilities under a
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				Electronics and Information Technology; and (b) the resident company satisfies the conditions prescribed in this behalf, a sum equal to twenty-five per cent. of the aggregate of the amounts specified in sub-section (2) shall be deemed to be the profits and gains of such business of the non-resident assessee chargeable to tax under the head "Profits and gains of business or profession". (2) The amounts referred to in sub-section (1) shall be the following: — (a) the amount paid or payable to the non-resident assessee or to any person on his behalf on account of providing services or technology; and (b) the amount received or deemed to be received	government-notified scheme.
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				by the non-resident assessee or on behalf of non-resident assessee on account of providing services or technology. (3) Notwithstanding anything in sub-section (2) of section 32 and sub-section (1) of section 72, where a nonresident assessee declares profits and gains of business for any previous year under sub-section (1), no set off of unabsorbed depreciation and brought forward loss shall be allowed to the assessee for such previous year.'.	
45	1 st April, 2026 i.e. AY - 2027-28	CAPITAL GAINS	(1B) Notwithstanding anything contained in sub-section (1), where any person receives at any time during any previous year any amount under a unit linked insurance policy, to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth provisos thereof, including	(1B) Notwithstanding anything contained in sub-section (1), where any person receives at any time during any previous year any amount under a unit linked insurance policy,	Earlier amount received under a Unit Link Insurance policies having total premium payable above 2.5 Lakh rupees issued after 1 st Feb 2021 were

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			<p>the amount allocated by way of bonus on such policy, then, any profits or gains arising from receipt of such amount by such person shall be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of such person of the previous year in which such amount was received and the income taxable shall be calculated in such manner as may be prescribed.</p>	<p>to which exemption under clause (10D) of section 10 does not apply on account of the applicability of the fourth and fifth provisions thereof, including the amount allocated by way of bonus on such policy, then, any profits or gains arising from receipt of such amount by such person shall be chargeable to income-tax under the head "Capital gains" and shall be deemed to be the income of such person of the previous year in which such amount was received and the income taxable shall be calculated in such manner as may be prescribed.</p>	<p>only taxed as Capital Gains, now with this amendment any amount received under unit link insurance policies, to which Section 10 Clause 10D does not apply will be taxed under Capital Gain.</p>
47	1 st April, 2026 i.e. AY - 2027-28	Transactions not recorded as transfer	<p>(c) "resultant fund" means a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership, which— (i) has been granted a certificate of registration as a</p>	<p><i>'(c) "resultant fund" means a fund established or incorporated in India in the form of a trust or a</i></p>	<p>The definition of a "resultant fund" now includes retail schemes and ETFs located in an</p>

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			<p>Category I or Category II or Category III Alternative Investment Fund, and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022, made under the International Financial Services Centres Authority Act, 2019 (50 of 2019); and (ii) is located in any International Financial Services Centre as referred to in sub-section (1A) of section 80LA;</p>	<p><i>company or a limited liability partnership, which is located in an International Financial Services Centre as referred to in sub-section (1A) of section 80LA, and has been granted—(i) a certificate of registration as a Category I or Category II or Category III Alternative Investment Fund, and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 made under the Securities and Exchange Board of India Act, 1992 or regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the</i></p>	<p>International Financial Services Centre (IFSC). The exemption is extended to relocations of funds and investments to IFSC until March 31, 2030 (previously it was till March 31, 2025). Transfers of shares, debentures, or warrants under Employee Stock Option Plans (ESOPs) will not be exempt if made through a gift or irrevocable trust.</p>
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				<p><i>International Financial Services Centres Authority Act, 2019; or</i> <i>(ii) a certificate as a retail scheme or an Exchange Traded Fund as per item (b) of sub-clause (l) of clause (c) of the Explanation to clause (4D) of section 10 which fulfils the conditions specified in the said clause (4D).’;</i> <i>(ii) in clause (b), for the figures “2025”, the figures “2030” shall be substituted.</i></p>	
72A	1 st April, 2026 i.e. AY - 2027-28	Provisions relating to carry forward and set off of accumulated loss and unabsorbed depreciation allowance in amalgamation or demerger, etc.		<p><i>(i) after sub-section (6A), the following sub-section shall be inserted, namely:—</i> <i>“(6B) Where any amalgamation or business reorganisation, as the case may be, is effected on or after the 1st April, 2025, any loss forming part of the accumulated loss of the</i></p>	<p><i>Introduction of a Time Limit: Losses from the amalgamating entity can now be carried forward in the hands of successor entity for only 8 years immediately succeeding the assessment year for which the loss was first computed for</i></p>

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				<p><i>predecessor entity under subsection (1), (6) or (6A), being— (a) the amalgamating company; or (b) the firm or proprietary concern; or (c) the private company or unlisted public company, as the case may be, which is deemed to be the loss of the successor entity, being— (i) the amalgamated company; or (ii) the successor company; or (iii) the successor limited liability partnership, 33 as the case may be, shall be carried forward in the hands of the successor entity for not more than eight assessment years immediately succeeding the assessment year for</i></p>	<p><i>original predecessor entity.</i></p>
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				<p><i>which such loss was first computed for original predecessor entity.”-</i></p> <p><i>(ii) ‘(ab) “original predecessor entity” means predecessor entity in respect of the first amalgamation under sub-section (1) or first business reorganisation under sub-section (6) or (6A)</i></p>	
72AA	1 st April, 2026 i.e. AY - 2027-28	<i>Carry forward and set off of accumulated loss and unabsorbed depreciation allowance in scheme of amalgamation in certain cases.</i>		<p><i>(i) the following proviso shall be inserted, namely:— “Provided that where any scheme of such amalgamation is brought into force on or after the 1st April, 2025, any loss forming part of the accumulated loss of the predecessor entity, being— (a) the banking company or companies; or (b) the</i></p>	<p><i>Introduction of a Time Limit: Losses from the amalgamating entity can now be carried forward in the hands of successor entity for only 8 years immediately succeeding the assessment year for which the loss was first computed for original predecessor entity.</i></p>

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				<p><i>amalgamating corresponding new bank or banks; or (c) the amalgamating Government company or companies, as the case may be, which is deemed to be the loss of the successor entity, being— (i) the banking institution or company; or (ii) the amalgamated corresponding new bank or banks; or (iii) the amalgamated Government company or companies, as the case may be, shall be carried forward in the hands of the successor entity for not more than eight assessment years immediately succeeding the assessment year for which such loss was</i></p>	
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				<p><i>first computed for original predecessor entity.”;</i></p> <p><i>(ii) in the Explanation, after clause (vii), the following clause shall be inserted, namely: —</i></p> <p><i>‘(viii) “original predecessor entity” means predecessor entity in respect of the first amalgamation</i></p>	
80CCA	29th August, 2024	Deduction in respect of deposits under National Savings Scheme or payment to a deferred annuity plan.	-	<p>In section 80CCA (2) insertion of new provision, namely:- Provided further that the amount referred to in clause (a) which is withdrawn on or after the 29th August, 2024, shall not be charged to tax in the case of an assessee, being an individual.”.</p>	New proviso inserted to exempt withdrawals made from deposits made in National Saving Scheme account (For which deduction was allowed) on or after 29 th August 2024.
80CCD	1st April, 2026	Deduction in respect of contribution to pension scheme of Central Government.	-	<p>In section 80CCD (1B) – insertion of new provision, namely:— “Provided further that the deduction under this subsection shall also be allowed, where</p>	Deduction u/s 80CCD for contributions made to the NPS Vatsalya: (W.e.f AY 2026-27) NPS Vatsalya Scheme: Introduced

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				<p>any payment or deposit is made to the account of a minor under the pension scheme referred to in the said sub-section, by the assessee, being the parent or guardian of such minor, subject to the condition that the aggregate amount of deduction under this sub-section shall not exceed fifty thousand rupees.”; (b) in sub-section (3),— (i) in the opening portion, for the words “in his account”, the words “or a minor, in his account or the account of a minor, as the case may be,” shall be substituted; (ii) after the proviso, the following proviso shall be inserted, namely:— “Provided further that the amount received by a person, being the parent or guardian or</p>	<p>for minors, allowing parents/guardians to contribute to a pension account for children. The deduction will be allowed under subsection (1B) of Section 80CCD up to ₹50,000 per year.</p> <p>2. Taxability of Withdrawals: If withdrawals are made from a minor’s NPS Vatsalya account before maturity, they will be taxable. However, withdrawals due to the death of the minor will be tax-exempt for parents/guardians.</p> <p>3. Partial Withdrawal Exemption: Up to 25% of contributions can be</p>
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				nominee of a minor, on account of closure of the pension scheme referred to in sub-section (1B) due to the death of the minor, shall not be deemed to be the income of such person.”; (c) in sub-section (4), in the opening portion, after the words “Where any amount paid or deposited by the assessee”, the words “in his account or the account of a minor” shall be inserted.	withdrawn for education, medical emergencies, or disability-related expenses without tax
80-IAC	AY 2025-26	Special provision in respect of specified business.	Section 80IAC (4) The provisions of sub-section (5) and sub-sections (7) to (11) of section 80-IA shall apply to the start-ups for the purpose of allowing deductions under sub-section (1). Explanation.—For the purposes of this section,— (i) "eligible business" means a business carried out by an eligible start-up engaged in innovation, development or improvement of products or processes or services or a scalable business model with a high potential of employment generation or wealth creation; (ii) "eligible start-up"	In section 80-IAC of the Income-tax Act, in the Explanation, in clause (ii), in sub-clause (a), for the figures “2025”, the figures “2030” shall be substituted.	The amendment extends the eligibility period for incorporation of startups to April 1, 2030, allowing more startups to benefit from tax deductions

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			means a company or a limited liability partnership engaged in eligible business which fulfils the following conditions, namely:— (a) it is incorporated on or after the 1st day of April, 2016 but before the 1st day of April, 15[2025]; (b) the total turnover of its business does not exceed one hundred crore rupees in the previous year relevant to the assessment year for which deduction under sub-section (1) is claimed; and (c) it holds a certificate of eligible business from the Inter-Ministerial Board of Certification as notified in the Official Gazette by the Central Government; (iii) "limited liability partnership" means a partnership referred to in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008 (6 of 2009).....		
80 LA	AY 2025-26	Deductions in respect of certain incomes of Offshore Banking Units and International Financial Services Centre.	<p>Section 80LA</p> <p>(1) Where the gross total income of an assessee,....</p> <p>(1A)</p> <p>(2) (2) The income referred to in sub-section (1) and sub-section (1A) shall be the income— (a) from an Offshore Banking Unit in a Special Economic Zone; or (b) from the business referred to in sub-section (1) of section 6 of the Banking Regulation Act, 1949 (10 of 1949) with an undertaking located in a Special Economic</p>	In section 80LA of the Income-tax Act, in sub-section (2), in clause (d), for the figures “2025”, the figures “2030” shall be substituted.	The deadline for commencement of operations to claim deductions is now extended to March 31, 2030. This ensures that new IFSC units set up after 2025 can still benefit from tax exemptions.

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			<p>Zone or any other undertaking which develops, develops and operates or develops, operates and maintains a Special Economic Zone; or (c) from any Unit of the International Financial Services Centre from its business for which it has been approved for setting up in such a Centre in a Special Economic Zone; (d) arising from the transfer of an asset, being an aircraft 17[or a ship], which was leased by a unit referred to in clause (c) to a person, subject to the condition that the unit has commenced operation on or before the 31st day of March, 18[2025]. Explanation.—For the purposes of this clause, "aircraft" 17[and "ship"] shall have the meaning assigned to it in the Explanation to clause (4F) of section 10.</p>		
87A	1st April, 2026	Rebate of income-tax in case of certain individuals.	<p>Section 87A An assessee, being an individual resident in India, whose total income does not exceed five hundred thousand rupees, shall be entitled to a deduction, from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to hundred per cent of such income-tax or an amount of twelve thousand and five hundred rupees, whichever is less: 21[Provided that where</p>	<p>In section 87A of the Income-tax Act, with effect from the 1st April, 2026,— Amendment of section 87A. (a) in first proviso,— (i) in clause (a),— (I) for the words “seven hundred thousand rupees”, the words “twelve hundred thousand rupees” shall</p>	Rebate on income for individual resident opting for new tax regime has been increased from Rs 7 lakhs to Rs 12 lakhs and limit of rebate has been increased from Rs 25,000/- to Rs 60,000/-.

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			<p>the total income of the assessee is chargeable to tax under sub-section (1A) of section 115BAC, and the total income—</p> <p>(a) does not exceed seven hundred thousand rupees, the assessee shall be entitled to (a) deduction from the amount of income-tax (as computed before allowing for the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to one hundred per cent of such income-tax or an amount of twenty-five thousand rupees, whichever is less;</p> <p>(b) exceeds seven hundred thousand rupees and the income-tax payable on such total income exceeds the amount by which the total income is in excess of seven hundred thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds seven hundred thousand rupees.</p>	<p>be substituted; (II) for the words “twenty-five thousand rupees”, the words “sixty thousand rupees” shall be substituted; (ii) in clause (b), for the words “seven hundred thousand rupees” at both the places where they occur, the words “twelve hundred thousand rupees” shall be substituted;</p> <p>(b) after the proviso, the following proviso shall be inserted, namely:- “Provided further that the deduction under the first proviso, shall not exceed the amount of income-tax payable as per the rates provided in sub-section (1A) of section 115BAC.”.</p>	
115V	01 st April 2026	Definitions	Section 115V In this Chapter, unless the context otherwise requires:-	In section 115V	The amendment modifies definitions to include inland

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			<p>(a) "bareboat charter" means hiring of a ship for a stipulated period on terms which give the charterer possession and control of the ship, including the right to appoint the master and crew.</p> <p>(b) "bareboat charter-cum-demise" means a bareboat charter where the ownership of the ship is intended to be transferred after a specified period to the company to whom it has been chartered</p> <p>(e) "fishing vessel" shall have the meaning assigned to it in clause (12) of section 3 of the Merchant Shipping Act, 1958 (44 of 1958)</p> <p>(f) "pleasure craft" means a ship of a kind whose primary use is for the purposes of sport or recreation;</p> <p>(h) "qualifying ship" means a ship referred to in section 115VD</p>	<p>(i) In clauses (a), (b), (f) and (h), for the word "ship", the words "ship or inland vessel, as the case may be," shall be substituted;</p> <p>(ii) After clause (e), the following clause shall be inserted, namely:— “(ea) “inland vessel” shall have the same meaning as assigned to it in clause (q) of section 3 of the Inland Vessels Act, 2021;”.</p>	vessels along with ships.
92CA	1 st April, 2026	Reference to Transfer Pricing Officer	(1) Where any person, being the assessee, has entered into an international transaction or specified domestic transaction in any previous year, and the Assessing Officer considers it necessary or expedient so to do, he	(1) Where any person, being the assessee, has entered into an international transaction or specified domestic	Assessing officer cannot refer computation of the arm's length price to the Transfer Pricing officer, if Assessee

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			<p>may, with the previous approval of the Principal Commissioner or Commissioner, refer the computation of the arm's length price in relation to the said international transaction or specified domestic transaction under section 92C to the Transfer Pricing Officer.</p> <p>(2)..... (2A)..... (2B)..... (2C)..... (3)..... (3A).....</p>	<p>transaction in any previous year, and the Assessing Officer considers it necessary or expedient so to do, he may, with the previous approval of the Principal Commissioner or Commissioner, refer the computation of the arm's length price in relation to the said international transaction or specified domestic transaction under section 92C to the Transfer Pricing Officer.</p> <p>Provided that no reference for computation of the arm's length price in relation to an international transaction or a specified domestic transaction shall be</p>	<p>opts for an option under sub-section 3B of the section 92CA to determine arm's length price for the next 2 consecutive years including previous year.</p>
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				<p>made, if the Transfer Pricing Officer has declared that option exercised by the assessee in sub-section (3B) in relation to such transaction is valid for such previous year:</p> <p>Provided further that if any reference for an international transaction or a specified domestic transaction, in respect of a previous year, for which the option is declared valid under sub-section (3B) is made before or after such declaration by the Transfer Pricing Officer, the provisions of this sub-section shall have the effect as if no reference is made for such transaction.”</p> <p>(3B) The arm’s length price, being determined in relation</p>	
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			(4).....	to the international transaction or the specified domestic transaction under sub-section (3) for any previous year shall apply to similar international transaction or specified domestic transaction for the two consecutive previous years immediately following such previous year, on fulfilment of the following conditions, namely:— (a) the assessee exercises an option or options to the above effect for the said two consecutive previous years; (b) such option or options are exercised in such form, manner and within such period as prescribed; and, (c) the Transfer Pricing Officer shall, within one month from the end of the month in which such	
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			<p>(5)..... (6)..... (7)..... (8)..... (9) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (8), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification: Provided that no direction shall be issued after the 31st day of March, (10).....</p>	<p>option or options are exercised, by an order in writing, declare that such option or options are valid subject to the conditions, as prescribed: Provided that the provisions of this subsection shall not apply to any proceedings under Chapter XIV-B.”</p> <p>(4A) Notwithstanding anything contained in sub-section (4), where the Transfer Pricing Officer has declared an option exercised by the assessee as valid option under sub-section (3B), he shall examine and determine the arm’s length price in relation to such similar transaction for two consecutive previous years immediately following such previous year, in the order referred to in sub-</p>	
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				<p>section (3) and on receipt of such order, the Assessing Officer shall proceed to recompute the total income of the assessee for the said two consecutive previous years as per the provisions of sub-section (21) of section 155.”</p> <p>in sub-section (9), the proviso shall be omitted.</p> <p>after sub-section (10), the following sub-sections (11) and (12) shall be inserted with effect from the 1st April, 2026, namely:–</p> <p>(11) If any difficulty arises in giving effect to the provisions of sub-sections (3B) and (4A), the Board may, with the previous approval of the Central</p>	
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				<p>Government, issue guidelines for the purpose of removing such difficulty: Provided that no such guideline shall be made after the expiration of two years from the 1st April, 2026. (12) Every guideline issued by the Board under sub-section (11) shall be laid before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive session aforesaid, both houses agree in making any modification in such guideline or both Houses agree that the guideline, should not be</p>	
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				issued, the guideline shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that guideline.”.	
112A	1 st April, 2026	Tax on long-term capital gains in certain cases	(1) Notwithstanding anything contained in section 112, the tax payable by an assessee on his total income shall be determined in accordance with the provisions of subsection (2), if— (i) the total income includes any income chargeable under the head "Capital gains"; (ii) the capital gains arise from the transfer of a long-term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust; (iii) securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004 (23 of 2004) has,— (a) in a case where the long-term capital asset is in the nature of an equity share in a company, been paid on acquisition and transfer of such capital asset; or (b) in a case where the long-term	in the opening portion, the words “on account of the applicability of the fourth and fifth provisos thereof” shall be omitted; (b) in the second proviso, the words “on account of the applicability of the fourth and fifth provisos thereof” shall be omitted.	All Unit Linked Insurance policies which are excluded from Section 10 clause 10D will be taxed under Capital Gain.

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			capital asset is in the nature of a unit of an equity oriented fund or a unit of a business trust, been paid on transfer of such capital asset.		
115AD	1 st April, 2026	Tax on income of Foreign Institutional Investors from securities or capital gains arising from their transfer.	(1) Where the total income of a specified fund or Foreign Institutional Investor includes— (a) income received in respect of securities (other than units referred to in section 115AB); or (b) income by way of short-term or long-term capital gains arising from the transfer of such securities, the income-tax payable shall be the aggregate of— (i) the amount of income-tax calculated on the income in respect of securities referred to in clause (a), if any, included in the total income,— (A) at the rate of twenty per cent in case of Foreign Institutional Investor; (B) at the rate of ten per cent in case of specified fund: Provided that the amount of income-tax calculated on the income by way of interest referred to in section 194LD shall be at the rate of five per cent; (ii) the amount of income-tax calculated on the income by way of short-term capital gains referred to in clause (b), if any, included in the total income, at the rate of thirty per cent : 49[Provided that the amount of income-tax calculated on the income by way of short-term capital gains referred to in section 111A shall be at the rate of— (A) fifteen per cent for any	<i>in sub-section (1), in clause (iii), in the long line, for the words “ten per cent.”, the words “twelve and one-half per cent.” shall be substituted.</i>	Income tax on transfer of securities by Foreign Institutional Investor has been increased to 12.5 % from 10%

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			transfer which takes place before the 23rd day of July, 2024; and (B) twenty per cent for any transfer which takes place on or after the 23rd day of July, 2024;] (iii) the amount of income-tax calculated on the income by way of long-term capital gains referred to in clause (b), if any, included in the total income, at the rate of ten per cent: 50[Provided that in case of income arising from the transfer of a long-term capital asset referred to in section 112A which exceeds one lakh and twenty-five thousand rupees, income-tax shall be calculated at the rate of— (A) ten per cent where transfer of such asset takes place before the 23rd day of July, 2024; and (B) twelve and one-half per cent where transfer of such asset takes place on or after the 23rd day of July, 2024		
115BAC	1 st April, 2026	Tax on income of individuals	(1)Notwithstanding anything contained in this Act but subject to the provisions of this Chapter, the income-tax payable in respect of the total income of a person, being an individual or a Hindu undivided family, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2021 53[but before the 1st day of April, 2024], shall, at the option of such person, be computed at the rate of tax given in the following Table, if the	<i>in subsection (1A), with effect from the 1st April, 2026,— Amendment of section 115BAC. (a) in clause (ii), the words “or after” shall be omitted; (b) after clause (ii), the following clause shall be inserted, namely:— “(iii) for any previous year relevant to the</i>	Tax slab rates of new regime has been changed, from PY 25-26 i.e. AY 26-27, basic slab rate having nil rate of tax is increased from 3 lakhs to 4 lakhs. Also the maximum tax rate of 30% was applicable on total income exceeding

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			<p>conditions contained in sub-section (2) are satisfied, namely:—</p> <p>A. Up to 2.5lakhs – Nil</p> <p>B. From 2.5 lakhs to 5lakhs- 5%</p> <p>C. From 5 Lakhs to 7.5 lakhs- 10%</p> <p>D. From 7.5Lakhs to 10 lakhs- 15%</p> <p>E. From 10 Lakhs to 12.5 lakhs- 20%</p> <p>F. From 12.5 Lakhs to 15 lakhs- 25%</p> <p>G. Above 15 Lakhs – 30%</p>	<p>assessment year beginning on or after the 1st April, 2026, shall be computed at the rate of tax given in the following Table, namely:-</p> <p>A. Up to 4lakhs – Nil</p> <p>B. From 4 lakhs to 8lakhs- 5%</p> <p>C. From 8 Lakhs to 12 lakhs- 10%</p> <p>D. From 12 Lakhs to 16 lakhs- 15%</p> <p>E. From 16 Lakhs to 20 lakhs- 20%</p> <p>F. From 20 Lakhs to 24 lakhs- 25%</p> <p>G. Above 24 Lakhs – 30%</p>	<p>15 lakhs, is now increased to 24 lakhs.</p>
115UA	1st April, 2026	Tax on income of unit holder and business trust.	<p>(1).....</p> <p>(2) Subject to the provisions of section 111A and section 112, the total income of a business trust shall be charged to tax at the maximum marginal rate.</p>	<p>, in sub-section (2), for the words, figures and letter “section 111A and section 112”, the words, figures and letters “sections 111A, 112 and 112A” shall be substituted</p>	<p>For a business trust Income under section 112A will now be subject to maximum marginal rate.</p>
115VB	01st April 2026	Operating ships	<p>Section 115VB</p> <p>For the purposes of this Chapter, a company shall be regarded as operating a</p>	<p>In Section 115VB</p>	<p>The amendment includes inland vessels under the</p>

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			<p>ship if it operates any ship whether owned or chartered by it and includes a case where even a part of the ship has been chartered in by it in an arrangement such as slot charter, space charter or joint charter: Provided that a company shall not be regarded as the operator of a ship which has been chartered out by it on bareboat charter-cum-demise terms or on bareboat charter terms for a period exceeding three years</p>	<p>(a) after the words “any ship”, the words “or inland vessel, as the case may be,” shall be inserted; (b) after the words “the ship”, the words “or inland vessel, as the case maybe,” shall be inserted; (c) in the proviso, after the words “a ship”, the words “or inland vessel, as the case may be,” shall be inserted.</p>	<p>definition of "operating ships," meaning that companies operating inland waterway vessels will now be eligible for the tonnage tax scheme.</p>
115VD	01 st April 2026	Qualifying ship	<p>Section 115VD For the purposes of this Chapter, a ship is a qualifying ship if— (a) it is a seagoing ship or vessel of fifteen net tonnage or more; (b) it is a ship registered under the Merchant Shipping Act, 1958 (44 of 1958), or a ship registered outside India in respect of which a licence has been issued by the Director-General of Shipping under section 406 or section 407 of the Merchant Shipping Act, 1958 (44 of 1958); and</p>	<p>In section 115VD (i) after the words “Chapter, a ship”, the words “or inland vessel, as the case may be,” shall be inserted; (ii) in clause (a), after the words “or vessel”, the words “, or inland vessel, as the case may be,” shall be inserted;</p>	<p>he amendment proposes to include "inland vessels" under the definition of a qualifying ship. The revised section will now state that a qualifying ship includes inland vessels registered under the Inland Vessel Act, 2021.</p>

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			(c) a valid certificate in respect of such ship indicating its net tonnage is in force,	(iii) in clause (b), after the words and figures “section 407 of the Merchant Shipping Act, 1958”, the words and figures “or an inland vessel registered under the Inland Vessels Act, 2021, as the case may be,” shall be inserted; (iv) in clause (c), after the words “such ship”, the words “or inland vessel, as the case may be,” shall be inserted; (v) after the long line, in clause (i), after the words “or vessel”, the words “or inland vessel, as the case may be,” shall be inserted.	
115VG	01 st April 2026	Computation of tonnage income	Section 115VG (4) For the purposes of this Chapter, the tonnage shall mean the tonnage of a ship indicated in the certificate referred to in section 115VX and includes the deemed tonnage computed in the prescribed manner.	In section 115VG in sub-section (4), after the words “a ship”, the words “or inland vessel, as the case may be,” shall be inserted with	Inland vessels are now included in tonnage tax scheme.

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			Explanation.—For the purposes of this sub-section, "deemed tonnage" shall be the tonnage in respect of an arrangement of purchase of slots, slot charter and an arrangement of sharing of break-bulk vessel	effect from the 1st April, 2026	
115V-I	01 st April 2026	Relevant shipping income	<p>Section 115V-I</p> <p>(1)</p> <p>(2) The core activities of a tonnage tax company shall be-</p> <p>(i) its activities from operating qualifying ships; an</p> <p>(ii) Other ship-related activities mentioned as under-</p> <p>(A) shipping contracts in respect of—</p> <p>(i) earning from pooling arrangements;</p> <p>(ii) contracts of affreightment.</p> <p>Explanation.—For the purposes of this sub-clause,—</p> <p>(a) "pooling arrangement" means an agreement between two or more persons for providing services through a pool or operating one or more ships and sharing earnings or operating profits on the basis of mutually agreed terms;</p> <p>(b) "contract of affreightment" means a service contract under which a tonnage tax company agrees to transport a specified quantity of specified products at a specified rate,</p>	<p>In Section 115V-I under sub-section (2), in clause (ii),-</p> <p>(i) for the words "other ship-related activities", the words "other ship-related or inland vessel related activities, as the case may be," shall be substituted.</p> <p>(ii) in sub-clause (A), in the Explanation, in clause (a), after the words "more ships", the words "or inland vessels, as the case may be," shall be inserted;</p> <p>(iii) under sub-section (6), after the words "any ship", the words</p>	The amendment expands the scope of this provision to include inland vessels

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			<p>between designated loading and discharging ports over a specified period</p> <p>(6) Where a tonnage tax company operates any ship, which is not a qualifying ship, the income attributable to operating such non-qualifying ship shall be computed in accordance with the other provisions of this Act.</p>	<p>“or inland vessel, as the case may be,” shall be inserted.</p>	
115VK	01 st April 2026	Depreciation	<p>Section 115VK</p> <p>(1)</p> <p>The written down value of the block of assets, being ships, as on the first day of the first previous year, shall be divided in the ratio of the book written down value of the qualifying ships (hereafter in this section referred to as the qualifying assets) and the book written down value of the non-qualifying ships (hereafter in this section referred to as the other assets).</p>	<p>In section 115VK, in sub-section (2), after the words “being ships”, the words “or inland vessels, as the case may be” shall be inserted with effect from the 1st April, 2026.</p>	<p>Inland vessels are now included within the tonnage tax scheme.</p> <p>The WDV calculation will now apply to both ships and inland vessels, ensuring a uniform depreciation method.</p>
115VP	01 st April 2026	Method and time of opting for tonnage tax scheme	<p>Section 115VP</p> <p>(4) Every order granting or refusing the approval of the option for tonnage tax scheme under clause (i) or clause (ii), as the case may be, of sub-section (3) shall be passed before the expiry of one month from the end of the month in which the application was received under sub-section (1).</p>	<p>In section 115VP after subsection (4), the following proviso shall be inserted, namely:-</p> <p>Provided that for an application received under subsection (1) on or after the 1st April, 2025, order under subsection (3) shall be</p>	<p>The time limit for approval or rejection of the tonnage tax option is extended to three months from the end of the quarter in which the application was received.</p>

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					passed before the expiry of three months from the end of the quarter in which such application was received.”	
115VT	01 st April 2026	Transfer of profits to Tonnage Tax Reserve Account	<p>Section 115VT</p> <p>(1)</p> <p>(2)</p> <p>(3) The amount credited to the Tonnage Tax Reserve Account under sub-section (1) shall be utilised by the company before the expiry of a period of eight years next following the previous year in which the amount was credited—</p> <p>(a) for acquiring a new ship for the purposes of the business of the company; and</p> <p>(b) until the acquisition of a new ship, for the purposes of the business of operating qualifying ships other than for distribution by way of dividends or profits or for remittance outside India as profits or for the creation of any asset outside India.</p> <p>(4) Where any amount credited to the Tonnage Tax Reserve Account under sub-section (1)-</p> <p>(a).....</p>	<p>In Section 115VT under subsection -</p> <p>(3) after the words “new ship” at both the places where they occur, the words “or new inland vessel, as the case may be” shall be inserted.</p> <p>(4) in clause (c), for the words, brackets, letter and figure “as specified in clause (a) of subsection but such ship”, the words, brackets, letter and figure, “or new inland vessel, as the case may be, as specified in clause (a) of sub-section (3), but such ship or inland</p>	<p>The amendment expands the scope of this provision to include inland vessels. Now, inland vessels will be treated similarly to qualifying ships under the tonnage tax scheme. If an inland vessel ceases to operate but is expected to resume, it will not lose its tonnage tax benefits.</p>	

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			<p>(b)..... (c) has been utilised for the purpose of acquiring a new ship as specified in clause (a) of sub-section (3), but such ship is sold or otherwise transferred, other than in any scheme of demerger by the company to any person at any time before the expiry of three years from the end of the previous year in which it was acquired.</p> <p>Explanation: - For the purposes of this section, "new ship" includes a qualifying ship which, before the date of acquisition by the qualifying company was used by any other person, if it was not at any time previous to the date of such acquisition owned by any person resident in India</p>	<p>vessel, as the case may be," shall be substituted;</p> <p>Explanation, for the words 'section, "new ship" includes', the words 'section, "new ship or new inland vessel", as the case may be, includes' shall be substituted.</p>	
115VV	01 st April 2026	Limit for charter in of tonnage.	<p>Section 115VV. (4) Where the net tonnage of ships chartered in exceeds the limit under sub-section (1) during any previous year, the total income of such company in relation to that previous year shall be computed as if the option for tonnage tax scheme does not have effect for that previous year.</p> <p>Explanation:- For the purposes of this section, the term "chartered in" shall</p>	<p>In Section 115VV (4) for the words "chartered in", the words "or inland vessels, as the case may be, chartered in" shall be substituted.</p> <p>In Explanation after the words "a ship", the words "or inland</p>	<p>The amendment expands the scope of this provision to include inland vessels.</p>

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			exclude a ship chartered in by the company on bareboat charter-cum-demise term	vessel, as the case may be," shall be inserted.	
115VX	01 st April 2026	Determination of tonnage	Section 115VX. (1) For the purposes of this Chapter,— the tonnage of a ship shall be determined in accordance with the valid certificate indicating its tonnage.	In Section 115VX under subsection 1(a), after the words “a ship”, the words “or inland vessel, as the case may be,” shall be inserted; (b)New proviso added “(iii) in case of inland vessel registered in India, a certificate issued under the Inland Vessels Act, 2021.”	The amendment expands the scope of this provision to include inland vessels.
115VZA	01 st April 2026	Temporarily ceasing to operate qualifying ships.	Section 115VZA: (2) Where a qualifying company continues to operate a ship, which temporarily ceases to be a qualifying ship, such ship shall not be considered as a qualifying ship for the purposes of this Chapter.	In Section 115VZA under subsection (2) (a) after the words “a ship”, the words “or inland vessel, as the case may be,” shall be inserted; (b) after the words “such ship”, the words “or inland vessel, as the case may be,” shall be inserted.	The amendment expands the scope of this provision to include inland vessels.

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Sec No	Amendment Effective from AY	Provision	Existing provision	Amendment in existing provision / new provision	Bizsol Remarks
132	AY 2025-26 (1st day of February, 2025)	Search and seizure	<p>(1) Where the Principal Director General or Director General or Principal Director or Director or the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or Additional Director or Additional Commissioner or Joint Director or Joint Commissioner in consequence of information in his possession, has reason to believe that—</p> <p>(a) any person to whom a summons under sub-section (1) of section 37 of the Indian Income-tax Act, 1922 (11 of 1922), or under sub-section (1) of section 131 of this Act, or a notice under sub-section (4) of section 22 of the Indian Income-tax Act, 1922, or under sub-section (1) of section 142 of this Act was issued to produce, or cause to be produced, any books of account or other documents has omitted or failed to produce, or cause to be produced, such books of account or other documents as required by such summons or notice, or</p> <p>(b) any person to whom a summons or notice as aforesaid has been or might be issued will not, or would not, produce or cause to be produced, any books of</p>	<p>(a) in sub-section (8), for the words “thirty days from the date of the order of assessment or reassessment or re-computation”, the words “one month from the end of the quarter in which the order of assessment or reassessment or re-computation is made” shall be substituted.</p> <p>in Explanation 1, in clause (a), for the word “authorisation”, the word “authorisations” shall be substituted.</p>	<p>The time limit for taking approval for retention of seized books of accounts shall be one month from end of the quarter in which the assessment or reassessment or recomputation order has been made instead of 30 days.</p>

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			<p>account or other documents which will be useful for, or relevant to, any proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or under this Act, or</p> <p>(c) any person is in possession of any money, bullion, jewellery or other valuable article or thing and such money, bullion, jewellery or other valuable article or thing represents either wholly or partly income or property which has not been, or would not be, disclosed for the purposes of the Indian Income-tax Act, 1922 (11 of 1922), or this Act (hereinafter in this section referred to as the undisclosed income or property),</p> <p>then,—</p> <p>(A) the Principal Director General or Director General or Principal Director or Director or the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be, may authorise any Additional Director or Additional Commissioner or Joint Director, Joint Commissioner, Assistant Director or Deputy Director, Assistant Commissioner or Deputy Commissioner or Income-tax Officer, or</p> <p>(B) such Additional Director or Additional Commissioner or Joint Director, or Joint Commissioner, as the case may be, may</p>		
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			<p>authorise any Assistant Director or Deputy Director, Assistant Commissioner or Deputy Commissioner or Income-tax Officer, (the officer so authorised in all cases being hereinafter referred to as the authorised officer) to—</p> <p>(i) enter and search any building, place, vessel, vehicle or aircraft where he has reason to suspect that such books of account, other documents, money, bullion, jewellery or other valuable article or thing are kept;</p> <p>(ii) break open the lock of any door, box, locker, safe, almirah or other receptacle for exercising the powers conferred by clause (i) where the keys thereof are not available;</p> <p>(iia) search any person who has got out of, or is about to get into, or is in, the building, place, vessel, vehicle or aircraft, if the authorised officer has reason to suspect that such person has secreted about his person any such books of account, other documents, money, bullion, jewellery or other valuable article or thing;</p> <p>(iib) require any person who is found to be in possession or control of any books of account or other documents maintained in the form of electronic record as defined in clause (t) of sub-section (1) of section 2 of</p>		
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			<p>the Information Technology Act, 2000 (21 of 2000), to afford the authorised officer the necessary facility to inspect such books of account or other documents;</p> <p>(iii) seize any such books of account, other documents, money, bullion, jewellery or other valuable article or thing found as a result of such search:</p> <p><i>Provided</i> that bullion, jewellery or other valuable article or thing, being stock-in-trade of the business, found as a result of such search shall not be seized but the authorised officer shall make a note or inventory of such stock-in-trade of the business;</p> <p>(iv) place marks of identification on any books of account or other documents or make or cause to be made extracts or copies therefrom;</p> <p>(v) make a note or an inventory of any such money, bullion, jewellery or other valuable article or thing :</p> <p><i>Provided</i> that where any building, place, vessel, vehicle or aircraft referred to in clause (i) is within the area of jurisdiction of any Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, but such Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner has no jurisdiction over the person</p>		
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			<p>referred to in clause (a) or clause (b) or clause (c), then, notwithstanding anything contained in section 120, it shall be competent for him to exercise the powers under this sub-section in all cases where he has reason to believe that any delay in getting the authorisation from the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner having jurisdiction over such person may be prejudicial to the interests of the revenue :</p> <p><i>Provided further</i> that where it is not possible or practicable to take physical possession of any valuable article or thing and remove it to a safe place due to its volume, weight or other physical characteristics or due to its being of a dangerous nature, the authorised officer may serve an order on the owner or the person who is in immediate possession or control thereof that he shall not remove, part with or otherwise deal with it, except with the previous permission of such authorised officer and such action of the authorised officer shall be deemed to be seizure of such valuable article or thing under clause (iii):</p> <p><i>Provided also</i> that nothing contained in the second proviso shall apply in case of any</p>		
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			<p>valuable article or thing, being stock-in-trade of the business: <i>Provided also</i> that no authorisation shall be issued by the Additional Director or Additional Commissioner or Joint Director or Joint Commissioner on or after the 1st day of October, 2009 unless he has been empowered by the Board to do so. Explanation.—For the removal of doubts, it is hereby declared that the reason to believe, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal. (1A) Where any Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, in consequence of information in his possession, has reason to suspect that any books of account, other documents, money, bullion, jewellery or other valuable article or thing in respect of which an officer has been authorised by the Principal Director General or Director General or Principal Director or Director or any other Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or Additional Director or Additional Commissioner or Joint Director or Joint Commissioner to take action under clauses (i) to (v) of sub-section (1) are or is</p>		
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			<p>kept in any building, place, vessel, vehicle or aircraft not mentioned in the authorisation under sub-section (1), such Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner may, notwithstanding anything contained in section 120, authorise the said officer to take action under any of the clauses aforesaid in respect of such building, place, vessel, vehicle or aircraft.</p> <p>Explanation.—For the removal of doubts, it is hereby declared that the reason to suspect, as recorded by the income-tax authority under this sub-section, shall not be disclosed to any person or any authority or the Appellate Tribunal.</p> <p>91(2) The authorised officer may requisition the services of,—</p> <p>(i) any police officer or of any officer of the Central Government, or of both; or</p> <p>(ii) any person or entity as may be approved by the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, in accordance with the procedure, as may be prescribed, in this regard,</p> <p>to assist him for all or any of the purposes specified in sub-section (1) or sub-section (1A) and it shall be the duty of every such</p>		
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			<p>officer or person or entity to comply with such requisition.]</p> <p>(3) The authorised officer may, where it is not practicable to seize any such books of account, other documents, money, bullion, jewellery or other valuable article or thing, for reasons other than those mentioned in the second proviso to sub-section (1), serve an order on the owner or the person who is in immediate possession or control thereof that he shall not remove, part with or otherwise deal with it except with the previous permission of such officer and such officer may take such steps as may be necessary for ensuring compliance with this sub-section.</p> <p>Explanation.—For the removal of doubts, it is hereby declared that serving of an order as aforesaid under this sub-section shall not be deemed to be seizure of such books of account, other documents, money, bullion, jewellery or other valuable article or thing under clause (iii) of sub-section (1).</p> <p>(4) The authorised officer may, during the course of the search or seizure, examine on oath any person who is found to be in possession or control of any books of account, documents, money, bullion, jewellery or other valuable article or thing and any statement made by such person during such examination may thereafter be</p>		
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			<p>used in evidence in any proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or under this Act.</p> <p>Explanation.—For the removal of doubts, it is hereby declared that the examination of any person under this sub-section may be not merely in respect of any books of account, other documents or assets found as a result of the search, but also in respect of all matters relevant for the purposes of any investigation connected with any proceeding under the Indian Income-tax Act, 1922 (11 of 1922), or under this Act.</p> <p>(4A) Where any books of account, other documents, money, bullion, jewellery or other valuable article or thing are or is found in the possession or control of any person in the course of a search, it may be presumed—</p> <p>(i) that such books of account, other documents, money, bullion, jewellery or other valuable article or thing belong or belongs to such person;</p> <p>(ii) that the contents of such books of account and other documents are true; and</p> <p>(iii) that the signature and every other part of such books of account and other documents which purport to be in the handwriting of any particular person or which may reasonably be assumed to have</p>		
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			<p>been signed by, or to be in the handwriting of, any particular person, are in that person's handwriting, and in the case of a document stamped, executed or attested, that it was duly stamped and executed or attested by the person by whom it purports to have been so executed or attested.</p> <p>(5) [***] (6) [***] (7) [***] (8) The books of account or other documents seized under sub-section (1) or sub-section (1A) shall not be retained by the authorised officer for a period exceeding thirty days from the date of the⁹²[order of assessment or reassessment or recomputation under sub-section (3) of section 143 or section 144 or section 147 or] section 153A or clause (c) of section 158BC unless the reasons for retaining the same are recorded by him in writing and the approval of the Principal Chief Commissioner or Chief Commissioner, Principal Commissioner or Commissioner, Principal Director General or Director General or Principal Director or Director for such retention is obtained : <i>Provided</i> that the Principal Chief Commissioner or Chief Commissioner, Principal Commissioner or Commissioner,</p>		
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			<p>Principal Director General or Director General or Principal Director or Director shall not authorise the retention of the books of account and other documents for a period exceeding thirty days after all the proceedings under the Indian Income-tax Act, 1922 (11 of 1922), or this Act in respect of the years for which the books of account or other documents are relevant are completed.</p> <p>(8A) An order under sub-section (3) shall not be in force for a period exceeding sixty days from the date of the order.</p> <p>(9) The person from whose custody any books of account or other documents are seized under sub-section (1) or sub-section (1A) may make copies thereof, or take extracts therefrom, in the presence of the authorised officer or any other person empowered by him in this behalf, at such place and time as the authorised officer may appoint in this behalf.</p> <p>(9A) Where the authorised officer has no jurisdiction over the person referred to in clause (a) or clause (b) or clause (c) of sub-section (1), the books of account or other documents, or any money, bullion, jewellery or other valuable article or thing (hereafter in this section and in sections 132A and 132B referred to as the assets) seized under that sub-section shall be</p>		
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			<p>handed over by the authorised officer to the Assessing Officer having jurisdiction over such person within a period of sixty days from the date on which the last of the authorisations for search was executed and thereupon the powers exercisable by the authorised officer under sub-section (8) or sub-section (9) shall be exercisable by such Assessing Officer.</p> <p>(9B) Where, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, the authorised officer, for reasons to be recorded in writing, is satisfied that for the purpose of protecting the interest of revenue, it is necessary so to do, he may with the previous approval of the Principal Director General or Director General or the Principal Director or Director, by order in writing, attach provisionally any property belonging to the assessee, and for the said purposes, the provisions of the Second Schedule shall, <i>mutatis mutandis</i>, apply.</p> <p>(9C) Every provisional attachment made under sub-section (9B) shall cease to have effect after the expiry of a period of six months from the date of the order referred to in sub-section (9B).</p> <p>93[(9D) The authorised officer may, during the course of the search or seizure or</p>		
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			<p>within a period of sixty days from the date on which the last of the authorisations for search was executed, make a reference to,-</p> <p>-</p> <p>(i) a Valuation Officer referred to in section 142A; or</p> <p>(ii) any other person or entity or any valuer registered by or under any law for the time being in force, as may be approved by the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General, in accordance with the procedure, as may be prescribed, in this regard, who shall estimate the fair market value of the property in the manner as may be prescribed, and submit a report of the estimate to the authorised officer or the Assessing Officer, as the case may be, within a period of sixty days from the date of receipt of such reference.]</p> <p>(10) If a person legally entitled to the books of account or other documents seized under sub-section (1) or sub-section (1A) objects for any reason to the approval given by the Principal Chief Commissioner or Chief Commissioner, Principal Commissioner or Commissioner, Principal Director General or Director General or Principal Director or Director under sub-section (8), he may make an application to</p>		
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			<p>the Board stating therein the reasons for such objection and requesting for the return of the books of account or other documents and the Board may, after giving the applicant an opportunity of being heard, pass such orders as it thinks fit.</p> <p>(11) [***] (11A) [***] (12) [***] (13) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974), relating to searches and seizure shall apply, so far as may be, to searches and seizure under sub-section (1) or sub-section (1A). (14) The Board may make rules in relation to any search or seizure under this section ; in particular, and without prejudice to the generality of the foregoing power, such rules may provide for the procedure to be followed by the authorised officer— (i) for obtaining ingress into any building, place, vessel, vehicle or aircraft to be searched where free ingress thereto is not available ; (ii) for ensuring safe custody of any books of account or other documents or assets seized.</p> <p>⁹⁴[Explanation 1.--For the purposes of sub-sections (9A), (9B) and (9D), the last of authorisation for search shall be deemed to have been executed,—</p>		
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			<p>(a) in the case of search, on the conclusion of search as recorded in the last <i>panchnama</i> drawn in relation to any person in whose case the warrant of authorisation has been issued; or</p> <p>(b) in the case of requisition under section 132A, on the actual receipt of the books of account or other documents or assets by the authorised officer.]</p> <p>Explanation 2.—In this section, the word "proceeding" means any proceeding in respect of any year, whether under the Indian Income-tax Act, 1922 (11 of 1922), or this Act, which may be pending on the date on which a search is authorised under this section or which may have been completed on or before such date and includes also all proceedings under this Act which may be commenced after such date in respect of any year.</p>		
139	AY 2025-26 (1st day of April 2025)	Return of income.	<p>139. (1) Every person,—</p> <p>(a) being a company or a firm; or</p> <p>(b) being a person other than a company or a firm, if his total income or the total income of any other person in respect of which he is assessable under this Act during the previous year exceeded the maximum amount which is not chargeable to income-tax,</p>	In section 139 of the Income-tax Act, in sub-section (8A),—	Time limit to file updated return extended from 24 months to 48 months
				(a) for the words "twenty-four months", the words "forty-eight months" shall be substituted;	No updated return can be furnished where any notice to

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			<p>shall, on or before the due date, furnish a return of his income or the income of such other person during the previous year, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed : <i>Provided</i> that a person referred to in clause (b), who is not required to furnish a return under this sub-section and residing in such area as may be specified by the Board in this behalf by notification in the Official Gazette, and who during the previous year incurs an expenditure of fifty thousand rupees or more towards consumption of electricity or at any time during the previous year fulfils any one of the following conditions, namely :— <i>(i)</i> is in occupation of an immovable property exceeding a specified floor area, whether by way of ownership, tenancy or otherwise, as may be specified by the Board in this behalf; or <i>(ii)</i> is the owner or the lessee of a motor vehicle other than a two- wheeled motor vehicle, whether having any detachable side car having extra wheel attached to such two-wheeled motor vehicle or not; or <i>(iii)</i> [***] <i>(iv)</i> has incurred expenditure for himself or any other person on travel to any foreign country; or</p>	<p>(b) after the third proviso, the following provisos shall be inserted, namely:— “Provided also that no updated return shall be furnished by any person where any notice to show-cause under section 148A has been issued in his case after thirty-six months from the end of the relevant assessment year: Provided also that the fourth proviso shall not apply where an order is passed under sub-section (3) of section 148A determining that it is not a fit case to issue notice under section 148.”.</p>	<p>show cause has been issued after 36 months from the end of relevant assessment year.</p>
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			<p>(v) is the holder of a credit card, not being an "add-on" card, issued by any bank or institution; or</p> <p>(vi) is a member of a club where entrance fee charged is twenty-five thousand rupees or more,</p> <p>shall furnish a return, of his income during any previous year ending before the 1st day of April, 2005, on or before the due date in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed :</p> <p><i>Provided further</i> that the Central Government may, by notification in the Official Gazette, specify the class or classes of persons to whom the provisions of the first proviso shall not apply :</p> <p><i>Provided also</i> that every company or a firm shall furnish on or before the due date the return in respect of its income or loss in every previous year :</p> <p><i>Provided also</i> that a person, being a resident other than not ordinarily resident in India within the meaning of clause (6) of section 6, who is not required to furnish a return under this sub-section and who at any time during the previous year,—</p> <p>(a) holds, as a beneficial owner or otherwise, any asset (including any financial interest in any entity) located</p>		
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			<p>outside India or has signing authority in any account located outside India; or (b) is a beneficiary of any asset (including any financial interest in any entity) located outside India, shall furnish, on or before the due date, a return in respect of his income or loss for the previous year in such form and verified in such manner and setting forth such other particulars as may be prescribed: <i>Provided also</i> that nothing contained in the fourth proviso shall apply to an individual, being a beneficiary of any asset (including any financial interest in any entity) located outside India where, income, if any, arising from such asset is includible in the income of the person referred to in clause (a) of that proviso in accordance with the provisions of this Act: <i>Provided also</i> that every person, being an individual or a Hindu undivided family or an association of persons or a body of individuals, whether incorporated or not, or an artificial juridical person, if his total income or the total income of any other person in respect of which he is assessable under this Act during the previous year, without giving effect to the provisions of clause (38) of section 10 or section 10A or section 10B or section 10BA or section 54 or section</p>		
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			<p>54B or section 54D or section 54EC or section 54F or section 54G or section 54GA or section 54GB or Chapter VI-A exceeded the maximum amount which is not chargeable to income-tax, shall, on or before the due date, furnish a return of his income or the income of such other person during the previous year, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed:</p> <p><i>Provided also</i> that a person referred to in clause (b), who is not required to furnish a return under this sub-section, and who during the previous year—</p> <p>(i) has deposited an amount or aggregate of the amounts exceeding one crore rupees in one or more current accounts maintained with a banking company or a co-operative bank; or</p> <p>(ii) has incurred expenditure of an amount or aggregate of the amounts exceeding two lakh rupees for himself or any other person for travel to a foreign country; or</p> <p>(iii) has incurred expenditure of an amount or aggregate of the amounts exceeding one lakh rupees towards consumption of electricity; or</p> <p>(iv) fulfils such other conditions as may be prescribed,</p>		
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			<p>shall furnish a return of his income on or before the due date in such form and verified in such manner and setting forth such other particulars, as may be prescribed.</p> <p>Explanation 1.—For the purposes of this sub-section, the expression "motor vehicle" shall have the meaning assigned to it in clause (28) of section 2 of the Motor Vehicles Act, 1988 (59 of 1988).</p> <p>Explanation 2.—In this sub-section, "due date" means,—</p> <p>(a) where the assessee other than an assessee referred to in clause (aa) is—</p> <p>(i) a company; or</p> <p>(ii) a person (other than a company) whose accounts are required to be audited under this Act or under any other law for the time being in force; or</p> <p>(iii) a partner of a firm whose accounts are required to be audited under this Act or under any other law for the time being in force or the spouse of such partner if the provisions of section 5A applies to such spouse,</p> <p>the 31st day of October of the assessment year;</p> <p>(aa) in the case of an assessee, including the partners of the firm or the spouse of such partner (if the provisions of section 5A applies to such spouse), being such</p>		
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			<p>assessee, who is required to furnish a report referred to in section 92E, the 30th day of November of the assessment year;</p> <p>(b) in the case of a person other than a company, referred to in the first proviso to this sub-section, the 31st day of October of the assessment year;</p> <p>(c) in the case of any other assessee, the 31st day of July of the assessment year.</p> <p>Explanation 3.—For the purposes of this sub-section, the expression "travel to any foreign country" does not include travel to the neighbouring countries or to such places of pilgrimage as the Board may specify in this behalf by notification in the Official Gazette.</p> <p>Explanation 4.—For the purposes of this section "beneficial owner" in respect of an asset means an individual who has provided, directly or indirectly, consideration for the asset for the immediate or future benefit, direct or indirect, of himself or any other person.</p> <p>Explanation 5.—For the purposes of this section "beneficiary" in respect of an asset means an individual who derives benefit from the asset during the previous year and the consideration for such asset has been provided by any person other than such beneficiary.</p>		
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			<p>Explanation 6.—For the purposes of this sub-section,—</p> <p>(a) "banking company" shall have the meaning assigned to it in clause (i) of the <i>Explanation</i> to section 269SS;</p> <p>(b) "co-operative bank" shall have the meaning assigned to it in clause (ii) of the <i>Explanation</i> to section 269SS.</p> <p>(1A) Without prejudice to the provisions of sub-section (1), any person, being an individual who is in receipt of income chargeable under the head "Salaries" may, at his option, furnish a return of his income for any previous year to his employer, in accordance with such scheme as may be specified by the Board in this behalf, by notification in the Official Gazette, and subject to such conditions as may be specified therein, and such employer shall furnish all returns of income received by him on or before the due date, in such form (including on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media) and manner as may be specified in that scheme, and in such case, any employee who has filed a return of his income to his employer shall be deemed to have furnished a return of income under sub-section (1), and the provisions of this Act shall apply accordingly.</p>		
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			<p>(1B) Without prejudice to the provisions of sub-section (1), any person, being a company or being a person other than a company, required to furnish a return of income under sub-section (1), may, at his option, on or before the due date, furnish a return of his income for any previous year in accordance with such scheme as may be specified by the Board in this behalf by notification in the Official Gazette and subject to such conditions as may be specified therein, in such form (including on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media) and in the manner as may be specified in that scheme, and in such case, the return of income furnished under such scheme shall be deemed to be a return furnished under sub-section (1), and the provisions of this Act shall apply accordingly.</p> <p>(1C) Notwithstanding anything contained in sub-section (1), the Central Government may, by notification in the Official Gazette, exempt any class or classes of persons from the requirement of furnishing a return of income having regard to such conditions as may be specified in that notification.</p> <p>(3) If any person who has sustained a loss in any previous year under the head "Profits and gains of business or</p>		
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			<p>profession" or under the head "Capital gains" and claims that the loss or any part thereof should be carried forward under sub-section (1) of section 72, or sub-section (2) of section 73, or sub-section (2) of section 73A or sub-section (1) or sub-section (3) of section 74, or sub-section (3) of section 74A, he may furnish, within the time allowed under sub-section (1), a return of loss in the prescribed form and verified in the prescribed manner and containing such other particulars as may be prescribed, and all the provisions of this Act shall apply as if it were a return under sub-section (1).</p> <p>(4) Any person who has not furnished a return within the time allowed to him under sub-section (1), may furnish the return for any previous year at any time before three months prior to the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.</p> <p>(4A) Every person in receipt of income derived from property held under trust or other legal obligation wholly for charitable or religious purposes or in part only for such purposes, or of income being voluntary contributions referred to in sub-clause (iia) of clause (24) of section 2, shall, if the total income in respect of which he is</p>		
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			<p>assessable as a representative assessee (the total income for this purpose being computed under this Act without giving effect to the provisions of sections 11 and 12) exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed and all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (1).</p> <p>(4B) The chief executive officer (whether such chief executive officer is known as Secretary or by any other designation) of every political party shall, if the total income in respect of which the political party is assessable (the total income for this purpose being computed under this Act without giving effect to the provisions of section 13A) exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed and all the provisions of this Act, shall, so far as may be, apply as if it</p>		
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			<p>were a return required to be furnished under sub-section (1). (4C) Every— (a) research association referred to in clause (21) of section 10; (b) news agency referred to in clause (22B) of section 10; (c) association or institution referred to in clause (23A) of section 10; (ca) person referred to in clause (23AAA) of section 10; (d) institution referred to in clause (23B) of section 10; (e) fund or institution referred to in sub-clause (iv) or trust or institution referred to in sub-clause (v) or any university or other educational institution referred to in sub-clause (iiiab) or sub-clause (iiiad) or sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (iiiac) or sub-clause (iii ae) or sub-clause (via) of clause (23C) of section 10; (ea) Mutual Fund referred to in clause (23D) of section 10; (eb) securitisation trust referred to in clause (23DA) of section 10; (eba) Investor Protection Fund referred to in clause (23EC) or clause (23ED) of section 10; (ebb) Core Settlement Guarantee Fund referred to in clause (23EE) of section 10;</p>		
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			<p>(ec) venture capital company or venture capital fund referred to in clause (23FB) of section 10;</p> <p>(f) trade union referred to in sub-clause (a) or association referred to in sub-clause (b) of clause (24) of section 10;</p> <p>(fa) Board or Authority referred to in clause (29A) of section 10;</p> <p>(g) body or authority or Board or Trust or Commission (by whatever name called) referred to in clause (46) of section 10;</p> <p>(h) infrastructure debt fund referred to in clause (47) of section 10,</p> <p>shall, if the total income in respect of which such research association, news agency, association or institution, person or fund or trust or university or other educational institution or any hospital or other medical institution or trade union or body or authority or Board or Trust or Commission or infrastructure debt fund or Mutual Fund or securitisation trust or venture capital company or venture capital fund is assessable, without giving effect to the provisions of section 10, exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed and</p>		
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			<p>all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (1).</p> <p>(4D) Every university, college or other institution referred to in clause (ii) and clause (iii) of sub-section (1) of section 35, which is not required to furnish return of income or loss under any other provision of this section, shall furnish the return in respect of its income or loss in every previous year and all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (1).</p> <p>(4E) Every business trust, which is not required to furnish return of income or loss under any other provisions of this section, shall furnish the return of its income in respect of its income or loss in every previous year and all the provisions of this Act shall, so far as may be, apply if it were a return required to be furnished under sub-section (1).</p> <p>(4F)Every investment fund referred to in section 115UB, which is not required to furnish return of income or loss under any other provisions of this section, shall furnish the return of income in respect of its income or loss in every previous year and all the provisions of this Act shall, so far as may be, apply as if it were a return</p>		
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			<p>required to be furnished under sub-section (1).</p> <p>(5) If any person, having furnished a return under sub-section (1) or sub-section (4), discovers any omission or any wrong statement therein, he may furnish a revised return at any time before three months prior to the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.</p> <p>(6) The prescribed form of the returns referred to in sub-sections (1) and (3) of this section, and in clause (i) of sub-section (1) of section 142 shall, in such cases as may be prescribed, require the assessee to furnish the particulars of income exempt from tax, assets of the prescribed nature and value, held by him as a beneficial owner or otherwise or in which he is a beneficiary, his bank account and credit card held by him, expenditure exceeding the prescribed limits incurred by him under prescribed heads and such other outgoings as may be prescribed.</p> <p>(6A) Without prejudice to the provisions of sub-section (6), the prescribed form of the returns referred to in this section, and in clause (i) of sub-section (1) of section 142 shall, in the case of an assessee engaged in any business or profession, also require him to furnish the report of any</p>		
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			<p>audit referred to in section 44AB, or, where the report has been furnished prior to the furnishing of the return, a copy of such report together with proof of furnishing the report, the particulars of the location and style of the principal place where he carries on the business or profession and all the branches thereof, the names and addresses of his partners, if any, in such business or profession and, if he is a member of an association or body of individuals, the names of the other members of the association or the body of individuals and the extent of the share of the assessee and the shares of all such partners or the members, as the case may be, in the profits of the business or profession and any branches thereof.</p> <p>(7) [***]</p> <p>(8)(a) Where the return under sub-section (1) or sub-section (2) or sub-section (4) for an assessment year is furnished after the specified date, or is not furnished, then whether or not the Assessing Officer has extended the date for furnishing the return under sub-section (1) or sub-section (2), the assessee shall be liable to pay simple interest at fifteen per cent per annum, reckoned from the day immediately following the specified date to the date of the furnishing of the return or, where no</p>		
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			<p>return has been furnished, the date of completion of the assessment under section 144, on the amount of the tax payable on the total income as determined on regular assessment, as reduced by the advance tax, if any, paid, and any tax deducted at source :</p> <p><i>Provided</i> that the Assessing Officer may, in such cases and under such circumstances as may be prescribed, reduce or waive the interest payable by any assessee under this sub-section.</p> <p>Explanation 1.—For the purposes of this sub-section, "specified date", in relation to a return for an assessment year, means,—</p> <p>(a) in the case of every assessee whose total income, or the total income of any person in respect of which he is assessable under this Act, includes any income from business or profession, the date of the expiry of four months from the end of the previous year or where there is more than one previous year, from the end of the previous year which expired last before the commencement of the assessment year or the 30th day of June of the assessment year, whichever is later;</p> <p>(b) in the case of every other assessee, the 30th day of June of the assessment year.</p> <p>Explanation 2.—Where, in relation to an assessment year, an assessment is made</p>		
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			<p>for the first time under section 147, the assessment so made shall be regarded as a regular assessment for the purposes of this sub-section.</p> <p>(b) Where as a result of an order under section 147 or section 154 or section 155 or section 250 or section 254 or section 260 or section 262 or section 263 or section 264 or an order of the Settlement Commission under sub-section (4) of section 245D, the amount of tax on which interest was payable under this sub-section has been increased or reduced, as the case may be, the interest shall be increased or reduced accordingly, and—</p> <p>(i) in a case where the interest is increased, the Assessing Officer shall serve on the assessee, a notice of demand in the prescribed form specifying the sum payable, and such notice of demand shall be deemed to be a notice under section 156 and the provisions of this Act shall apply accordingly;</p> <p>(ii) in a case where the interest is reduced, the excess interest paid, if any, shall be refunded.</p> <p>(c) The provisions of this sub-section shall apply in respect of the assessment for the assessment year commencing on the 1st day of April, 1988, or any earlier</p>		
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			<p>assessment year, and references therein to the other provisions of this Act shall be construed as references to the said provisions as they were applicable to the relevant assessment year.</p> <p>⁴[(8A) Any person, whether or not he has furnished a return under sub-section (1) or sub-section (4) or sub-section (5), for an assessment year (herein referred to as the relevant assessment year), may furnish an updated return of his income or the income of any other person in respect of which he is assessable under this Act, for the previous year relevant to such assessment year, in the prescribed form, verified in such manner and setting forth such particulars as may be prescribed, at any time within twenty-four months from the end of the relevant assessment year: <i>Provided</i> that the provision of this sub-section shall not apply, if the updated return,—</p> <ul style="list-style-type: none">(a) is a return of a loss; or(b) has the effect of decreasing the total tax liability determined on the basis of return furnished under sub-section (1) or sub-section (4) or sub-section (5); or(c) results in refund or increases the refund due on the basis of return furnished under sub-section (1) or sub-section (4) or sub-section (5),		
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			<p>of such person under this Act for the relevant assessment year: <i>Provided further</i> that a person shall not be eligible to furnish an updated return under this sub-section, where—</p> <p>(a) a search has been initiated under section 132 or books of account or other documents or any assets are requisitioned under section 132A in the case of such person; or</p> <p>(b) a survey has been conducted under section 133A, other than sub-section (2A) of that section, in the case of such person; or</p> <p>(c) a notice has been issued to the effect that any money, bullion, jewellery or valuable article or thing, seized or requisitioned under section 132 or section 132A in the case of any other person belongs to such person; or</p> <p>(d) a notice has been issued to the effect that any books of account or documents, seized or requisitioned under section 132 or section 132A in the case of any other person, pertain or pertains to, or any other information contained therein, relate to, such person, for the assessment year relevant to the previous year in which such search is initiated or survey is conducted or</p>		
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			<p>requisition is made and any assessment year preceding such assessment year: <i>Provided also</i> that no updated return shall be furnished by any person for the relevant assessment year, where—</p> <p>(a) an updated return has been furnished by him under this sub-section for the relevant assessment year; or</p> <p>(b) any proceeding for assessment or reassessment or recomputation or revision of income under this Act is pending or has been completed for the relevant assessment year in his case; or</p> <p>(c) the Assessing Officer has information in respect of such person for the relevant assessment year in his possession under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (13 of 1976) or the Prohibition of <i>Benami</i> Property Transactions Act, 1988 (45 of 1988) or the Prevention of Money-laundering Act, 2002 (15 of 2003) or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015) and the same has been communicated to him, prior to the date of furnishing of return under this sub-section; or</p> <p>(d) information for the relevant assessment year has been received under an agreement referred to in section</p>		
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			<p>90 or section 90A in respect of such person and the same has been communicated to him, prior to the date of furnishing of return under this sub-section; or</p> <p>(e) any prosecution proceedings under the Chapter XXII have been initiated for the relevant assessment year in respect of such person, prior to the date of furnishing of return under this sub-section; or</p> <p>(f) he is such person or belongs to such class of persons, as may be notified by the Board in this regard:</p> <p><i>Provided also</i> that if any person has sustained a loss in any previous year and has furnished a return of loss in the prescribed form within the time allowed under sub-section (1) and verified in the prescribed manner and containing such other particulars as may be prescribed, he shall be allowed to furnish an updated return where such updated return is a return of income:</p> <p><i>Provided also</i> that if the loss or any part thereof carried forward under Chapter VI or unabsorbed depreciation carried forward under sub-section (2) of section 32 or tax credit carried forward under section 115JAA or under section 115JD is to be reduced for any subsequent previous year as a result of furnishing of return of income under this sub-section for</p>		
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			<p>a previous year, an updated return shall be furnished for each such subsequent previous year.]</p> <p>(9) Where the Assessing Officer considers that the return of income furnished by the assessee is defective, he may intimate the defect to the assessee and give him an opportunity to rectify the defect within a period of fifteen days from the date of such intimation or within such further period which, on an application made in this behalf, the Assessing Officer may, in his discretion, allow; and if the defect is not rectified within the said period of fifteen days or, as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this Act, the return shall be treated as an invalid return and the provisions of this Act shall apply as if the assessee had failed to furnish the return:</p> <p><i>Provided</i> that where the assessee rectifies the defect after the expiry of the said period of fifteen days or the further period allowed, but before the assessment is made, the Assessing Officer may condone the delay and treat the return as a valid return.</p> <p>Explanation.—For the purposes of this subsection, a return of income shall be regarded as defective unless all the</p>		
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			<p>following conditions are fulfilled, namely :—</p> <p>(a) the annexures, statements and columns in the return of income relating to computation of income chargeable under each head of income, computation of gross total income and total income have been duly filled in;</p> <p>(aa) [***]</p> <p>(b) the return is accompanied by a statement showing the computation of the tax payable on the basis of the return;</p> <p>(bb) the return is accompanied by the report of the audit referred to in section 44AB, or, where the report has been furnished prior to the furnishing of the return, by a copy of such report together with proof of furnishing the report;</p> <p>(c) the return is accompanied by proof of—</p> <p>(i) the tax, if any, claimed to have been deducted or collected at source and the advance tax and tax on self-assessment, if any, claimed to have been paid :</p> <p><i>Provided</i> that where the return is not accompanied by proof of the tax, if any, claimed to have been deducted or collected at source, the return of income shall not be regarded as defective if—</p> <p>(a) a certificate for tax deducted or collected was not furnished under section</p>		
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			<p>203 or section 206C to the person furnishing his return of income;</p> <p>(b) such certificate is produced within a period of two years specified under sub-section (14) of section 155;</p> <p>(ii) the amount of compulsory deposit, if any, claimed to have been made under the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974 (38 of 1974);</p> <p>⁵[(ca) the return is accompanied by the proof of payment of tax as required under section 140B, if the return of income is a return furnished under sub-section (8A);]</p> <p>(d) where regular books of account are maintained by the assessee, the return is accompanied by copies of—</p> <p>(i) manufacturing account, trading account, profit and loss account or, as the case may be, income and expenditure account or any other similar account and balance sheet;</p> <p>(ii) in the case of a proprietary business or profession, the personal account of the proprietor; in the case of a firm, association of persons or body of individuals, personal accounts of the partners or members; and in the case of a partner or member of a firm, association of persons or body of individuals, also his personal account in the</p>		
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			<p>firm, association of persons or body of individuals;</p> <p>(e) where the accounts of the assessee have been audited, the return is accompanied by copies of the audited profit and loss account and balance sheet and the auditor's report and, where an audit of cost accounts of the assessee has been conducted, under section 233B of the Companies Act, 1956 (1 of 1956), also the report under that section;</p> <p>(f) where regular books of account are not maintained by the assessee, the return is accompanied by a statement indicating the amounts of turnover or, as the case may be, gross receipts, gross profit, expenses and net profit of the business or profession and the basis on which such amounts have been computed, and also disclosing the amounts of total sundry debtors, sundry creditors, stock-in-trade and cash balance as at the end of the previous year:</p> <p><i>Provided that the Board may, by notification in the Official Gazette, specify that any of the conditions specified in clauses (a) to (f) to the Explanation shall not apply to such class of assessee or shall apply with such modifications, as may be specified in such notification.</i></p> <p>⁵[(9A) Where any return of income is furnished in pursuance of an order under</p>		
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			<p>clause (b) of sub-section (2) of section 119, the provisions of this section shall apply.] (10) [Omitted by the Finance (No. 2) Act, 1991, w.e.f. 1-4-1991.]</p>		
140B	AY 2025-26 (1st day of April 2025)	Tax on updated return.	<p>(1) Where no return of income under sub-section (1) or sub-section (4) of section 139 has been furnished by an assessee and tax is payable, on the basis of return to be furnished by such assessee under sub-section (8A) of section 139, after taking into account,—</p> <p>(i) the amount of tax, if any, already paid as advance tax;</p> <p>(ii) any tax deducted or collected at source;</p> <p>(iii) any relief of tax claimed under section 89;</p> <p>(iv) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India;</p> <p>(v) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section; and</p> <p>(vi) any tax credit claimed to be set off in accordance with the provisions of section 115JAA or section 115JD,</p> <p>the assessee shall be liable to pay such tax together with interest and fee payable under any of the provisions of this Act for</p>	<p>In section 140B of the Income-tax Act, in sub-section (3), after clause (ii), the following clauses shall be inserted,</p> <p>Amendment of section 140B.</p> <p>“(iii) sixty per cent. of aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be, if such return is furnished after the expiry of twenty-four months from the end of the relevant assessment year but before completion of the period of</p>	<p>If the updated return is filed after expiry of 24 months and within period of 36 months additional income tax of 60% of aggregate of tax and interest is payable.</p> <p>If it is filed after expiry of 36 months upto 48 months additional income tax of 70% of aggregate of tax and interest is payable</p>

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			<p>any delay in furnishing the return or any default or delay in payment of advance tax, along with the payment of additional income-tax computed in accordance with sub-section (3), before furnishing the return and the return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee.</p> <p>(2) Where, return of income under sub-section (1) or sub-section (4) or sub-section (5) of section 139 (referred to as earlier return) has been furnished by an assessee and tax is payable on the basis of return to be furnished by such assessee under sub-section (8A) of section 139,—</p> <p>(a) after taking into account,—</p> <p>(i) the amount of relief or tax referred to in sub-section (1) of section 140A, the credit for which has been taken in the earlier return;</p> <p>(ii) tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing total income and which has not been included in the earlier return;</p> <p>(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside</p>	<p>thirty-six months from the end of the relevant assessment year; or</p> <p>(iv) seventy per cent. of aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be, if such return is furnished after the expiry of thirty-six months from the end of the relevant assessment year but before completion of the period of forty-eight months from the end of the relevant assessment year.”.</p>	
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			<p>India on such income which has not been included in the earlier return; (iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section on such income which has not been included in the earlier return; (v) any tax credit claimed, to be set off in accordance with the provisions of section 115JAA or section 115JD, which has not been claimed in the earlier return; and (b) as increased by the amount of refund, if any, issued in respect of such earlier return, the assessee shall be liable to pay such tax together with interest payable under any provision of this Act for any default or delay in payment of advance tax along with the payment of additional income-tax, as computed in accordance with sub-section (3), as reduced by the amount of interest paid under the provisions of this Act in the earlier return, before furnishing the return and the return shall be accompanied by proof of payment of such tax, additional income-tax, interest and fee. (3) For the purposes of sub-sections (1) and (2), the additional income-tax payable at the time of furnishing the return under sub-section (8A) of section 139 shall be equal to,—</p>		
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			<p>(i) twenty-five per cent of aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be, if such return is furnished after expiry of the time available under sub-section (4) or sub-section (5) of section 139 and before completion of the period of twelve months from the end of the relevant assessment year; or</p> <p>(ii) fifty per cent of aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be, if such return is furnished after the expiry of twelve months from the end of the relevant assessment year but before completion of the period of twenty-four months from the end of the relevant assessment year.</p> <p>Explanation.—For the purposes of computation of "additional income-tax", tax shall include surcharge and cess, by whatever name called, on such tax.</p> <p>(4) Notwithstanding anything contained in <i>Explanation 1</i> to section 234B, for the purposes of sub-section (2), interest payable under section 234B shall be computed on an amount equal to the assessed tax ¹⁰[***] where, "assessed tax" means the tax on the total income as declared in the return to be furnished under sub-section (8A) of section 139,—</p>		
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			<p>(a) after taking into account,—</p> <p>(i) the amount of relief or tax referred to in sub-section (1) of section 140A, the credit for which has been claimed in the earlier return 11[, if any];</p> <p>(ii) tax deducted or collected at source, in accordance with the provisions of Chapter XVII-B, on any income which is subject to such deduction or collection and which is taken into account in computing such total income, which has not been included in the earlier return;</p> <p>(iii) any relief of tax or deduction of tax claimed under section 90 or section 91 on account of tax paid in a country outside India on such income which has not been included in the earlier return;</p> <p>(iv) any relief of tax claimed under section 90A on account of tax paid in any specified territory outside India referred to in that section on such income which has not been included in the earlier return;</p> <p>(v) any tax credit claimed, to be set off in accordance with the provisions of section 115JAA or section 115JD, which has not been claimed in the earlier return; and</p> <p>(b) as increased by the amount of refund, if any, issued in respect of such earlier return.</p> <p>(5) If any difficulty arises in giving effect to the provisions of this section, the Board</p>		
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			<p>may, with the approval of the Central Government, by notification in the Official Gazette, issue guidelines for the purpose of removing the difficulty.</p> <p>(6) Every guideline issued under sub-section (5) shall be laid before each House of Parliament.</p> <p>Explanation.—For the purposes of this section,—</p> <p>(i) interest payable under section 234A, for the purposes of sub-section (1), shall be computed on the amount of tax on the total income as declared in the return, under sub-section (8A) of section 139, in accordance with the provisions of sub-section (1A) of section 140A;</p> <p>(ii) interest payable under section 234C, for the purposes of sub-section (2), shall be computed after taking into account the total income furnished in the return under sub-section (8A) of section 139 as the returned income;</p> <p>(iii) interest payable, for the purposes of sub-section (3), shall be the interest chargeable under any provision of this Act, on the income as per return furnished under sub-section (8A) of section 139, as reduced by interest paid, in accordance with the earlier return, if any:</p> <p><i>Provided</i> that for the purposes of this clause, the interest paid in the earlier</p>		
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			return shall be <i>nil</i> if such return is an updated return referred to in sub-section (1).]		
144C	AY 2025-26 (1st day of April 2025)	Reference to dispute resolution panel.	<p>(1) The Assessing Officer shall, notwithstanding anything to the contrary contained in this Act, in the first instance, forward a draft of the proposed order of assessment (hereafter in this section referred to as the draft order) to the eligible assessee if he proposes to make, on or after the 1st day of October, 2009, any variation which is prejudicial to the interest of such assessee.</p> <p>(2) On receipt of the draft order, the eligible assessee shall, within thirty days of the receipt by him of the draft order,—</p> <p>(a) file his acceptance of the variations to the Assessing Officer; or</p> <p>(b) file his objections, if any, to such variation with,—</p> <p>(i) the Dispute Resolution Panel; and</p> <p>(ii) the Assessing Officer.</p> <p>(3) The Assessing Officer shall complete the assessment on the basis of the draft order, if—</p> <p>(a) the assessee intimates to the Assessing Officer the acceptance of the variation; or</p> <p>(b) no objections are received within the period specified in sub-section (2).</p> <p>(4) The Assessing Officer shall, notwithstanding anything contained</p>	In section 144C of the Income-tax Act, in sub-section (14C), the proviso shall be omitted.	Locking period of 31.03.2025 has been omitted.

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			<p>in section 153 or section 153B, pass the assessment order under sub-section (3) within one month from the end of the month in which,—</p> <p>(a) the acceptance is received; or</p> <p>(b) the period of filing of objections under sub-section (2) expires.</p> <p>(5) The Dispute Resolution Panel shall, in a case where any objection is received under sub-section (2), issue such directions, as it thinks fit, for the guidance of the Assessing Officer to enable him to complete the assessment.</p> <p>(6) The Dispute Resolution Panel shall issue the directions referred to in sub-section (5), after considering the following, namely:—</p> <p>(a) draft order;</p> <p>(b) objections filed by the assessee;</p> <p>(c) evidence furnished by the assessee;</p> <p>(d) report, if any, of the Assessing Officer, Valuation Officer or Transfer Pricing Officer or any other authority;</p> <p>(e) records relating to the draft order;</p> <p>(f) evidence collected by, or caused to be collected by, it; and</p> <p>(g) result of any enquiry made by, or caused to be made by, it.</p> <p>(7) The Dispute Resolution Panel may, before issuing any directions referred to in sub-section (5),—</p>		
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			<p>(a) make such further enquiry, as it thinks fit; or</p> <p>(b) cause any further enquiry to be made by any income-tax authority and report the result of the same to it.</p> <p>(8) The Dispute Resolution Panel may confirm, reduce or enhance the variations proposed in the draft order so, however, that it shall not set aside any proposed variation or issue any direction under subsection (5) for further enquiry and passing of the assessment order.</p> <p>Explanation.—For the removal of doubts, it is hereby declared that the power of the Dispute Resolution Panel to enhance the variation shall include and shall be deemed always to have included the power to consider any matter arising out of the assessment proceedings relating to the draft order, notwithstanding that such matter was raised or not by the eligible assessee.</p> <p>(9) If the members of the Dispute Resolution Panel differ in opinion on any point, the point shall be decided according to the opinion of the majority of the members.</p> <p>(10) Every direction issued by the Dispute Resolution Panel shall be binding on the Assessing Officer.</p>		
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			<p>(11) No direction under sub-section (5) shall be issued unless an opportunity of being heard is given to the assessee and the Assessing Officer on such directions which are prejudicial to the interest of the assessee or the interest of the revenue, respectively.</p> <p>(12) No direction under sub-section (5) shall be issued after nine months from the end of the month in which the draft order is forwarded to the eligible assessee.</p> <p>(13) Upon receipt of the directions issued under sub-section (5), the Assessing Officer shall, in conformity with the directions, complete, notwithstanding anything to the contrary contained in section 153 or section 153B, the assessment without providing any further opportunity of being heard to the assessee, within one month from the end of the month in which such direction is received.</p> <p>(14) The Board may make rules for the purposes of the efficient functioning of the Dispute Resolution Panel and expeditious disposal of the objections filed under sub-section (2) by the eligible assessee.</p> <p>(14A) The provisions of this section shall not apply to any assessment or reassessment order passed by the Assessing Officer with the prior approval of the Principal Commissioner or</p>		
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			<p>Commissioner as provided in sub-section (12) of section 144BA.</p> <p>(14B) The Central Government may make a scheme, by notification in the Official Gazette, for the purposes of issuance of directions by the dispute resolution panel, so as to impart greater efficiency, transparency and accountability by—</p> <p>(a) eliminating the interface between the dispute resolution panel and the eligible assessee or any other person to the extent technologically feasible;</p> <p>(b) optimising utilisation of the resources through economies of scale and functional specialisation;</p> <p>(c) introducing a mechanism with dynamic jurisdiction for issuance of directions by dispute resolution panel.</p> <p>(14C) The Central Government may, for the purpose of giving effect to the scheme made under sub-section (14B), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification: <i>Provided</i> that no direction shall be issued after the 31st day of March, ²⁵[2025].</p> <p>(14D) Every notification issued under sub-section (14B) and sub-section (14C) shall, as soon as may be after the notification is</p>		
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			<p>issued, be laid before each House of Parliament.</p> <p>(15) For the purposes of this section,—</p> <p>(a) "Dispute Resolution Panel" means a collegium comprising of three Principal Commissioners or Commissioners of Income-tax constituted by the Board for this purpose;</p> <p>(b) "eligible assessee" means,—</p> <p>(i) any person in whose case the variation referred to in sub-section (1) arises as a consequence of the order of the Transfer Pricing Officer passed under sub-section (3) of section 92CA; and</p> <p>(ii) any non-resident not being a company, or any foreign company:</p> <p>²⁶<i>[Provided that such eligible assessee shall not include person referred to in sub-section (1) of section 158BA or other person referred to in section 158BD.]</i></p> <p>²⁶<i>[(16) The provisions of this section shall not apply to any proceedings under Chapter XIV-B.]</i></p>		
153	AY 2025-26 (1st day of April 2025)	Time limit for completion of assessment, reassessment and recomputation.	<p>(1) No order of assessment shall be made under section 143 or section 144 at any time after the expiry of twenty-one months from the end of the assessment year in which the income was first assessable:</p> <p><i>Provided</i> that in respect of an order of assessment relating to the assessment year commencing on the 1st day of April,</p>	In section 153 of the Income-tax Act, in Explanation 1, for clause (ii), the following clause shall be substituted, namely:— Amendment of	Provision has been amended to to exclude the period commencing on the date on which stay was granted by an order or

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			<p>2018, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "eighteen months" had been substituted: ³²[<i>Provided further</i> that in respect of an order of assessment relating to the assessment year commencing on— <i>(i)</i> the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "twelve months" had been substituted; <i>(ii)</i> the 1st day of April, 2020, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "eighteen months" had been substituted:] <i>Provided also</i> that in respect of an order of assessment relating to the assessment year commencing on ³³[***] the 1st day of April, 2021, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "nine months" had been substituted: ³⁴[<i>Provided also</i> that in respect of an order of assessment relating to the assessment year commencing on or after the 1st day of April, 2022, the provisions of this sub-section shall have effect, as if for the words "twenty-one months", the words "twelve months" had been substituted.]</p>	<p>section 153. “(ii) the period commencing on the date on which stay on the assessment proceeding was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner;</p>	<p>injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner</p>
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			<p>³⁵[(1A) Notwithstanding anything contained in sub-section (1), where a return under sub-section (8A) of section 139 is furnished, an order of assessment under section 143 or section 144 may be made at any time before the expiry of ³⁶[twelve] months from the end of the financial year in which such return was furnished.]</p> <p>³⁷[(1B) <i>Notwithstanding anything in sub-section (1), where a return is furnished in consequence of an order under clause (b) of sub-section (2) of section 119, an order of assessment under section 143 or section 144 may be made at any time before the expiry of twelve months from the end of the financial year in which such return was furnished.</i>]</p> <p>(2) No order of assessment, reassessment or recomputation shall be made under section 147 after the expiry of nine months from the end of the financial year in which the notice under section 148 was served:</p> <p><i>Provided that where the notice under section 148 is served on or after the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words "nine months", the words "twelve months" had been substituted.</i></p>		
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(3) Notwithstanding anything contained in sub-sections (1) ³⁸[, (1A)] and (2), an order of fresh assessment ³⁹[or fresh order under [section 92CA](#), as the case may be,] in pursuance of an order under ³⁷[[section 250](#) or] [section 254](#) or [section 263](#) or [section 264](#), setting aside or cancelling an assessment, ³⁹[or an order under [section 92CA](#), as the case may be], may be made at any time before the expiry of nine months from the end of the financial year in which the order under ³⁷[[section 250](#) or] [section 254](#) is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under [section 263](#) or [section 264](#) is passed by the ^{39a}[Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be] :

Provided that where the order under ⁴⁰[[section 250](#) or] [section 254](#) is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner or, as the case may be, the order under [section 263](#) or [section 264](#) is passed by the ⁴¹[Principal Chief Commissioner or Chief Commissioner or Principal

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			<p>Commissioner or Commissioner, as the case may be,] on or after the 1st day of April, 2019, the provisions of this sub-section shall have effect, as if for the words "nine months", the words "twelve months" had been substituted.</p> <p>⁴²[(3A) Notwithstanding anything contained in sub-sections (1), (1A), (2) and (3), where an assessment or reassessment is pending on the date of initiation of search under section 132 or making of requisition under section 132A, the period available for completion of assessment or reassessment, as the case may be, under the said sub-sections shall,—</p> <p>(a) in a case where such search is initiated under section 132 or such requisition is made under section 132A;</p> <p>(b) in the case of an assessee, to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to;</p> <p>(c) in the case of an assessee, to whom any books of account or documents seized or requisitioned pertains or pertain to, or any information contained therein, relates to, be extended by twelve months.]</p> <p>(4) Notwithstanding anything contained in ⁴³[sub-sections (1), (1A), (2), (3) and (3A)], where a reference under sub-section (1) of section 92CA is made during the</p>		
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			<p>course of the proceeding for the assessment or reassessment, the period available for completion of assessment or reassessment, as the case may be, under the said ⁴³[sub-sections (1), (1A), (2), (3) and (3A)], shall be extended by twelve months.</p> <p>(5) Where effect to an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 is to be given by the Assessing Officer ⁴⁴[or the Transfer Pricing Officer, as the case may be,] wholly or partly, otherwise than by making a fresh assessment or reassessment ⁴⁴[or fresh order under section 92CA, as the case may be], such effect shall be given within a period of three months from the end of the month in which order under section 250 or section 254 or section 260 or section 262 is received by the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be, the order under section 263 or section 264 is passed by the ⁴⁵[Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner, as the case may be] :</p> <p><i>Provided</i> that where it is not possible for the Assessing Officer ⁴⁴[or the Transfer</p>		
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			<p>Pricing Officer, as the case may be,] to give effect to such order within the aforesaid period, for reasons beyond his control, the Principal Commissioner or Commissioner on receipt of such request in writing from the Assessing Officer ⁴⁶[or the Transfer Pricing Officer, as the case may be], if satisfied, may allow an additional period of six months to give effect to the order: <i>Provided further</i> that where an order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 requires verification of any issue by way of submission of any document by the assessee or any other person or where an opportunity of being heard is to be provided to the assessee, the order giving effect to the said order under section 250 or section 254 or section 260 or section 262 or section 263 or section 264 shall be made within the time specified in sub-section (3). ⁴⁶[(5A) Where the Transfer Pricing Officer gives effect to an order or direction under section 263 by an order under section 92CA and forwards such order to the Assessing Officer, the Assessing Officer shall proceed to modify the order of assessment or reassessment or recomputation, in conformity with such</p>		
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			<p>order of the Transfer Pricing Officer, within two months from the end of the month in which such order of the Transfer Pricing Officer is received by him.]</p> <p>(6) Nothing contained in sub-sections (1) ⁴⁷[, (1A)] and (2) shall apply to the following classes of assessments, reassessments and recomputation which may, subject to the provisions of ⁴⁸[sub-sections (3), (5) and (5A)], be completed—</p> <p>(i) where the assessment, reassessment or recomputation is made on the assessee or any person in consequence of or to give effect to any finding or direction contained in an order under section 250, section 254, section 260, section 262, section 263, or section 264 or in an order of any court in a proceeding otherwise than by way of appeal or reference under this Act, on or before the expiry of twelve months from the end of the month in which such order is received or passed by the ⁴⁹[Principal Chief Commissioner or Chief Commissioner or] Principal Commissioner or Commissioner, as the case may be; or</p> <p>(ii) where, in the case of a firm, an assessment is made on a partner of the firm in consequence of an assessment made on the firm under section 147, on or before the expiry of twelve months from the end of the month in which the</p>		
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			<p>assessment order in the case of the firm is passed.</p> <p>(7) Where effect to any order, finding or direction referred to in sub-section (5) or sub-section (6) is to be given by the Assessing Officer, within the time specified in the said sub-sections, and such order has been received or passed, as the case may be, by the income-tax authority specified therein before the 1st day of June, 2016, the Assessing Officer shall give effect to such order, finding or direction, or assess, reassess or recompute the income of the assessee, on or before the 31st day of March, 2017.</p> <p>(8) Notwithstanding anything contained in the foregoing provisions of this section, sub-section (2) of section 153A or sub-section (1) of section 153B⁵⁰[or section 158BE], the order of assessment or reassessment, relating to any assessment year, which stands revived under sub-section (2) of section 153A⁵⁰[or sub-section (5) of section 158BA], shall be made within a period of one year from the end of the month of such revival or within the period specified in this section or sub-section (1) of section 153B⁵⁰[or section 158BE], whichever is later.</p> <p>(9) The provisions of this section as they stood immediately before the</p>		
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			<p>commencement of the Finance Act, 2016, shall apply to and in relation to any order of assessment, reassessment or recomputation made before the 1st day of June, 2016:</p> <p><i>Provided</i> that where a notice under sub-section (1) of section 142 or sub-section (2) of section 143 or section 148 has been issued prior to the 1st day of June, 2016 and the assessment or reassessment has not been completed by such date due to exclusion of time referred to in <i>Explanation 1</i>, such assessment or reassessment shall be completed in accordance with the provisions of this section as it stood immediately before its substitution by the Finance Act, 2016 (28 of 2016).</p> <p>Explanation 1.—For the purposes of this section, in computing the period of limitation—</p> <p>(i) the time taken in reopening the whole or any part of the proceeding or in giving an opportunity to the assessee to be reheard under the proviso to section 129; or</p> <p>(ii) the period during which the assessment proceeding is stayed by an order or injunction of any court; or</p> <p>(iii) the period commencing from the date on which the Assessing Officer intimates the Central Government or the prescribed authority, the contravention of the</p>		
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			<p>provisions of clause (21) or clause (22B) or clause (23A) or clause (23B) ⁵¹, under clause (i) of the first proviso] to sub-section (3) of section 143 and ending with the date on which the copy of the order withdrawing the approval or rescinding the notification, as the case may be, under those clauses is received by the Assessing Officer; or</p> <p>(iv) the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited ⁵²[or inventory valued] under sub-section (2A) of section 142 and—</p> <p>(a) ending with the last date on which the assessee is required to furnish a report of such audit ⁵²[or inventory valuation] under that sub-section; or</p> <p>(b) where such direction is challenged before a court, ending with the date on which the order setting aside such direction is received by the Principal Commissioner or Commissioner; or</p> <p>(v) the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A and ending with the date on which the report of the Valuation Officer is received by the Assessing Officer; or</p>		
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			<p>(vi) the period (not exceeding sixty days) commencing from the date on which the Assessing Officer received the declaration under sub-section (1) of section 158A and ending with the date on which the order under sub-section (3) of that section is made by him; or</p> <p>(vii) in a case where an application made before the Income-tax Settlement Commission is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which an application is made before the Settlement Commission under section 245C and ending with the date on which the order under sub-section (1) of section 245D is received by the Principal Commissioner or Commissioner under sub-section (2) of that section; or</p> <p>(viii) the period commencing from the date on which an application is made before the Authority for Advance Rulings or before the Board for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Principal Commissioner or Commissioner under sub-section (3) of section 245R; or</p> <p>(ix) the period commencing from the date on which an application is made before the Authority for Advance Rulings or before</p>		
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			<p>the Board for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Principal Commissioner or Commissioner under sub-section (7) of section 245R; or</p> <p>(x) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information requested is last received by the Principal Commissioner or Commissioner or a period of one year, whichever is less; or</p> <p>(xi) the period commencing from the date on which a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the Principal Commissioner or Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under sub-section (3) or sub-section (6) or an order under sub-section (5) of the said section is received by the ⁵³[Assessing Officer; or</p> <p>(xii) the period (not exceeding one hundred and eighty days) commencing from the date on which a search is initiated under section 132 or a requisition is made</p>		
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			<p>under section 132A and ending on the date on which the books of account or other documents, or any money, bullion, jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee,—</p> <p>(a) in whose case such search is initiated under section 132 or such requisition is made under section 132A; or</p> <p>(b) to whom any money, bullion, jewellery or other valuable article or thing seized or requisitioned belongs to; or</p> <p>(c) to whom any books of account or documents seized or requisitioned pertains or pertain to, or any information contained therein, relates to; or]</p> <p>⁵⁴[(xiii) the period commencing from the date on which the Assessing Officer makes a reference to the Principal Commissioner or Commissioner under the second proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order under clause (ii) or clause (iii) of the fifteenth proviso to clause (23C) of section 10 or clause (ii) or clause (iii) of sub-section (4) of section 12AB, as the case may be, is received by the Assessing Officer,]</p> <p>shall be excluded:</p>		
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			<p><i>Provided</i> that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in sub-sections (1), ⁵⁵[(1A),] (2), (3) and sub-section (8) available to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:</p> <p><i>Provided further</i> that where the period available to the Transfer Pricing Officer is extended to sixty days in accordance with the proviso to sub-section (3A) of section 92CA and the period of limitation available to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:</p> <p><i>Provided also</i> that where a proceeding before the Settlement Commission abates under section 245HA, the period of limitation available under this section to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, shall,</p>		
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			<p>after the exclusion of the period under sub-section (4) of section 245HA, be not less than one year; and where such period of limitation is less than one year, it shall be deemed to have been extended to one year; and for the purposes of determining the period of limitation under sections 149, 154, 155 and 158BE and for the purposes of payment of interest under section 244A, this proviso shall also apply accordingly:</p> <p><i>Provided also</i> that where the assessee exercises the option to withdraw the application under sub-section (1) of section 245M, the period of limitation available under this section to the Assessing Officer for making an order of assessment, reassessment or recomputation, as the case may be, shall, after the exclusion of the period under sub-section (5) of the said section, be not less than one year; and where such period of limitation is less than one year, it shall be deemed to have been extended to one year:</p> <p><i>Provided also</i> that for the purposes of determining the period of limitation under sections 149, 154 and 155, and for the purposes of payment of interest under section 244A, the provisions of the fourth proviso shall apply accordingly:</p>		
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⁵⁶[Provided also that where after exclusion of the period referred to in clause (xii), the period of limitation for making an order of assessment, reassessment or recomputation, as the case may be, ends before the end of the month, such period shall be extended to the end of such month.]

Explanation 2.—For the purposes of this section, where, by an order referred to in clause (i) of sub-section (6),—

(a) any income is excluded from the total income of the assessee for an assessment year, then, an assessment of such income for another assessment year shall, for the purposes of [section 150](#) and this section, be deemed to be one made in consequence of or to give effect to any finding or direction contained in the said order; or

(b) any income is excluded from the total income of one person and held to be the income of another person, then, an assessment of such income on such other person shall, for the purposes of [section 150](#) and this section, be deemed to be one made in consequence of or to give effect to any finding or direction contained in the said order, if such other person was given an opportunity of being heard before the said order was passed.

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153B	AY 2025-26 (1st day of April 2025)	Time limit for completion of assessment under section 153A	<p>(1) Notwithstanding anything contained in section 153, the Assessing Officer shall make an order of assessment or reassessment,—</p> <p>(a) in respect of each assessment year falling within six assessment years and for the relevant assessment year or years referred to in clause (b) of sub-section (1) of section 153A, within a period of twenty-one months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed;</p> <p>(b) in respect of the assessment year relevant to the previous year in which search is conducted under section 132 or requisition is made under section 132A, within a period of twenty-one months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed:</p> <p><i>Provided</i> that in case of other person referred to in section 153C, the period of limitation for making the assessment or reassessment shall be the period as referred to in clause (a) or clause (b) of this sub-section or nine months from the end of the financial year in which books of account or documents or assets seized or</p>	<p>In section 153B of the Income-tax Act, in the Explanation, for clause (i), the following clause shall be substituted, namely:—</p> <p>Amendment of section 153B.</p> <p>“(i) the period commencing on the date on which stay on the assessment proceeding was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner;</p> <p>or”.</p>	<p>Provision has been amended to to exclude the period commencing on the date on which stay was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner</p>
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			<p>requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later: <i>Provided further</i> that in the case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed during the financial year commencing on the 1st day of April, 2018,—</p> <p>(i) the provisions of clause (a) or clause (b) of this sub-section shall have effect, as if for the words "twenty-one months", the words "eighteen months" had been substituted;</p> <p>(ii) the period of limitation for making the assessment or reassessment in case of other person referred to in section 153C, shall be the period of eighteen months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed or twelve months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later:</p>		
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		<p><i>Provided also</i> that in the case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed during the financial year commencing on or after the 1st day of April, 2019,—</p> <p>(i) the provisions of clause (a) or clause (b) of this sub-section shall have effect, as if for the words "twenty-one months", the words "twelve months" had been substituted;</p> <p>(ii) the period of limitation for making the assessment or reassessment in case of other person referred to in section 153C, shall be the period of twelve months from the end of the financial year in which the last of the authorisations for search under section 132 or for requisition under section 132A was executed or twelve months from the end of the financial year in which books of account or documents or assets seized or requisitioned are handed over under section 153C to the Assessing Officer having jurisdiction over such other person, whichever is later:</p> <p><i>Provided also</i> that in case where the last of the authorisations for search under section 132 or for requisition under section 132A was executed and during the course of the proceedings for the assessment or</p>		
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			<p>reassessment of total income, a reference under sub-section (1) of section 92CA is made, the period available for making an order of assessment or reassessment shall be extended by twelve months: <i>Provided also</i> that in case where during the course of the proceedings for the assessment or reassessment of total income in case of other person referred to in section 153C, a reference under sub-section (1) of section 92CA is made, the period available for making an order of assessment or reassessment in case of such other person shall be extended by twelve months: ^{5Z}<i>Provided also</i> that in a case where the last of the authorisations for search under section 132 or requisition under section 132A was executed during the financial year commencing on the 1st day of April, 2020 or in case of other person referred to in section 153C, the books of account or document or assets seized or requisitioned were handed over under section 153C to the Assessing Officer having jurisdiction over such other person during the financial year commencing on the 1st day of April, 2020, the assessment in such cases for the assessment year commencing on the 1st</p>		
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			<p>day of April, 2021 shall be made on or before the 30th day of September, 2022.]</p> <p>(2) The authorisation referred to in clause (a) and clause (b) of sub-section (1) shall be deemed to have been executed,—</p> <p>(a) in the case of search, on the conclusion of search as recorded in the last <i>panchnama</i> drawn in relation to any person in whose case the warrant of authorisation has been issued; or</p> <p>(b) in the case of requisition under section 132A, on the actual receipt of the books of account or other documents or assets by the Authorised Officer.</p> <p>(3) The provisions of this section, as they stood immediately before the commencement of the Finance Act, 2016, shall apply to and in relation to any order of assessment or reassessment made before the 1st day of June, 2016:</p> <p><i>Provided</i> that where a notice under section 153A or section 153C has been issued prior to the 1st day of June, 2016 and the assessment has not been completed by such date due to exclusion of time referred to in the <i>Explanation</i>, such assessment shall be completed in accordance with the provisions of this section as it stood immediately before its substitution by the Finance Act, 2016 (28 of 2016).</p>		
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			<p>⁵⁸[(4) Nothing contained in this section shall apply to any search initiated under section 132 or requisition made under section 132A on or after the 1st day of April, 2021.]</p> <p>Explanation.—In computing the period of limitation under this section—</p> <p>(i) the period during which the assessment proceeding is stayed by an order or injunction of any court; or</p> <p>(ii) the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited under sub-section (2A) of section 142 and—</p> <p>(a) ending with the last date on which the assessee is required to furnish a report of such audit under that sub-section; or</p> <p>(b) where such direction is challenged before a court, ending with the date on which the order setting aside such direction is received by the Principal Commissioner or Commissioner; or</p> <p>(iii) the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A and ending with the date on which the report of the Valuation Officer is received by the Assessing Officer; or</p> <p>(iv) the time taken in re-opening the whole or any part of the proceeding or in giving</p>		
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			<p>an opportunity to the assessee of being re-heard under the proviso to section 129; or</p> <p>(v) in a case where an application made before the Income-tax Settlement Commission is rejected by it or is not allowed to be proceeded with by it, the period commencing from the date on which an application is made before the Settlement Commission under section 245C and ending with the date on which the order under sub-section (1) of section 245D is received by the Principal Commissioner or Commissioner under sub-section (2) of that section; or</p> <p>(vi) the period commencing from the date on which an application is made before the Authority for Advance Rulings or before the Board for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Principal Commissioner or Commissioner under sub-section (3) of section 245R; or</p> <p>(vii) the period commencing from the date on which an application is made before the Authority for Advance Rulings or before the Board for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the</p>		
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			<p>Principal Commissioner or Commissioner under sub-section (7) of section 245R; or (viii) the period commencing from the date of annulment of a proceeding or order of assessment or reassessment referred to in sub-section (2) of section 153A, till the date of the receipt of the order setting aside the order of such annulment, by the Principal Commissioner or Commissioner; or (ix) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information requested is last received by the Principal Commissioner or Commissioner or a period of one year, whichever is less; or (x) the period commencing from the date on which a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the Principal Commissioner or Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under sub-section (3) or sub-section (6) or an order under sub-section (5) of the said section is received by the ⁵⁹[Assessing Officer; or]</p>		
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			<p>⁶⁰[(xi) the period (not exceeding one hundred and eighty days) commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account, or other documents or money or bullion or jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee, in whose case such search is initiated under section 132 or such requisition is made under section 132A, as the case may be,]</p> <p>shall be excluded:</p> <p><i>Provided</i> that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in clause (a) or clause (b) of this sub-section available to the Assessing Officer for making an order of assessment or reassessment, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:</p> <p><i>Provided further</i> that where the period available to the Transfer Pricing Officer is extended to sixty days in accordance with</p>		
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			<p>the proviso to sub-section (3A) of section 92CA and the period of limitation available to the Assessing Officer for making an order of assessment or reassessment, as the case may be, is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:</p> <p><i>Provided also</i> that where a proceeding before the Settlement Commission abates under section 245HA, the period of limitation available under this section to the Assessing Officer for making an order of assessment or reassessment, as the case may be, shall, after the exclusion of the period under sub-section (4) of section 245HA, be not less than one year; and where such period of limitation is less than one year, it shall be deemed to have been extended to one year:</p> <p><i>Provided also</i> that where the assessee exercises the option to withdraw the application under sub-section (1) of section 245M, the period of limitation available under this section to the Assessing Officer for making an order of assessment or reassessment, as the case may be, shall, after the exclusion of the period under sub-section (5) of the said section, be not less than one year; and</p>		
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			where such period of limitation is less than one year, it shall be deemed to have been extended to one year.		
155	AY 2026-27 (1st day of April 2026)	Re- computation of income	<p>(1) Where, in respect of any completed assessment of a partner in a firm for the assessment year commencing on the 1st day of April, 1992, or any earlier assessment year, it is found—</p> <p>(a) on the assessment or reassessment of the firm, or</p> <p>(b) on any reduction or enhancement made in the income of the firm under this section, section 154, section 250, section 254, section 260, section 262, section 263 or section 264, or</p> <p>(c) on any order passed under sub-section (4) of section 245D on the application made by the firm,</p> <p>that the share of the partner in the income of the firm has not been included in the assessment of the partner or, if included, is not correct, the Assessing Officer may amend the order of assessment of the partner with a view to the inclusion of the share in the assessment or the correction thereof, as the case may be; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the</p>	<p>In section 155 of the Income-tax Act, after sub-section (20), the following sub-section shall be inserted with effect from the 1st April, 2026, namely:—</p> <p>“(21) Where the arm's length price is determined in relation to an international transaction or a specified domestic transaction under sub-section (3) of section 92CA for any previous year and the Transfer Pricing Officer has declared that an option exercised by the assessee is valid under sub-section (3B) of the said section in respect of such</p>	<p>A new sub-section has been inserted in section 155, so that where the ALP determined for an international transaction or a specified domestic transaction for any previous year and the TPO has declared an option exercised by the assessee as valid option in respect of such transaction for two consecutive previous years immediately following such previous year then AO can recompute total income of the assessee for such consecutive previous years</p>

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			<p>financial year in which the final order was passed in the case of the firm.</p> <p>(1A) Where in respect of any completed assessment of a firm it is found—</p> <p>(a) on the assessment or reassessment of the firm, or</p> <p>(b) on any reduction or enhancement made in the income of the firm under this section, section 154, section 250, section 254, section 260, section 262, section 263 or section 264, or</p> <p>(c) on any order passed under sub-section (4) of section 245D on the application made by the firm,</p> <p>that any remuneration to any partner is not deductible under clause (b) of section 40, the Assessing Officer may amend the order of assessment of the partner with a view to adjusting the income of the partner to the extent of the amount not so deductible ; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the financial year in which the final order was passed in the case of the firm.</p> <p>(2) Where in respect of any completed assessment of a member of an association of persons or of a body of individuals it is found—</p>	<p>transaction for two consecutive previous years immediately following such previous year, the Assessing Officer shall proceed to recompute the total income of the assessee for the said two consecutive previous years, by amending the order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, as the case may be,—</p> <p>(a) in conformity with the arm’s length price so determined by the Transfer Pricing Officer under subsection (4A) of the said section in respect of such transaction; and</p> <p>(b) taking into account the directions issued under subsection</p>	
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			<p>(a) on the assessment or reassessment of the association or body, or (b) on any reduction or enhancement made in the income of the association or body under this section, section 154, section 250, section 254, section 260, section 262, section 263 or section 264, or (c) on any order passed under sub-section (4) of section 245D on the application made by the association or body, that the share of the member in the income of the association or body, as the case may be, has not been included in the assessment of the member or, if included, is not correct, the Assessing Officer may amend the order of assessment of the member with a view to the inclusion of the share in the assessment or the correction thereof, as the case may be ; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the financial year in which the final order was passed in the case of the association or body, as the case may be. (3) [***] (4) Where as a result of proceedings initiated under section 147, a loss or depreciation has been recomputed and in</p>	<p>(5) of section 144C, if any, for such previous year, within three months from the end of the month in which the assessment is completed in the case of the assessee for such previous year, and the first and second provisos to subsection (4) of section 92C shall apply thereto: Provided that where the order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, for the said two consecutive previous years is not made within the said three months, such recomputation shall be made within three months from the end of the month</p>	
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			<p>consequence thereof it is necessary to recompute the total income of the assessee for the succeeding year or years to which the loss or depreciation allowance has been carried forward and set off under the provisions of sub-section (1) of section 72, or sub-section (2) of section 73, or sub-section (1) or sub-section (3) of section 74, or sub-section (3) of section 74A, the Assessing Officer may proceed to recompute the total income in respect of such year or years and make the necessary amendment ; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the financial year in which the order was passed under section 147.</p> <p>(4A) Where an allowance by way of investment allowance has been made wholly or partly to an assessee in respect of a ship or an aircraft or any machinery or plant in any assessment year under section 32A and subsequently—</p> <p>(a) at any time before the expiry of eight years from the end of the previous year in which the ship or aircraft was acquired or the machinery or plant was installed, the ship, aircraft, machinery or plant is sold or otherwise transferred by the assessee to any person other than the Government, a</p>	<p>in which such order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, as the case may be, is made.”.</p>	
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			<p>local authority, a corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956), or in connection with any amalgamation or succession referred to in sub-section (6) or sub-section (7) of section 32A ; or</p> <p>(b) at any time before the expiry of ten years from the end of the previous year in which the ship or aircraft was acquired or the machinery or plant was installed, the assessee does not utilise the amount credited to the reserve account under sub-section (4) of section 32A for the purposes of acquiring a new ship or a new aircraft or new machinery or plant (other than machinery or plant of the nature referred to in clauses (a), (b) and (d) of the second proviso to sub-section (1) of section 32A) for the purposes of the business of the undertaking ; or</p> <p>(c) at any time before the expiry of ten years referred to in clause (b) the assessee utilises the amount credited to the reserve account under sub-section (4) of section 32A—</p> <p>(i) for distribution by way of dividends or profits ; or</p>		
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			<p>(ii) for remittance outside India as profits or for the creation of any asset outside India ; or (iii) for any other purpose which is not a purpose of the business of the undertaking, the investment allowance originally allowed shall be deemed to have been wrongly allowed, and the Assessing Officer may, notwithstanding anything contained in this Act, recompute the total income of the assessee for the relevant previous year and make the necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned,— (i) in a case referred to in clause (a), from the end of the previous year in which the sale or other transfer took place ; (ii) in a case referred to in clause (b), from the end of the ten years referred to in that clause ; (iii) in a case referred to in clause (c), from the end of the previous year in which the amount was utilised. Explanation.—For the purposes of clause (b), "new ship" or "new aircraft" or "new machinery or plant" shall have the same meanings as in the <i>Explanation</i> below sub-section (2) of section 32A.</p>		
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			<p>(5) Where an allowance by way of development rebate has been made wholly or partly to an assessee in respect of a ship, machinery or plant installed after the 31st day of December, 1957, in any assessment year under section 33 or under the corresponding provisions of the Indian Income-tax Act, 1922 (11 of 1922), and subsequently—</p> <p>(i) at any time before the expiry of eight years from the end of the previous year in which the ship was acquired or the machinery or plant was installed, the ship, machinery or plant is sold or otherwise transferred by the assessee to any person other than the Government, a local authority, a corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956), or in connection with any amalgamation or succession referred to in sub-section (3) or sub-section (4) of section 33 ; or</p> <p>(ii) at any time before the expiry of the eight years referred to in sub-section (3) of section 34, the assessee utilises the amount credited to the reserve account under clause (a) of that sub-section—</p> <p>(a) for distribution by way of dividends or profits ; or</p>		
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			<p>(b) for remittance outside India as profits or for the creation of any asset outside India ; or</p> <p>(c) for any other purpose which is not a purpose of the business of the undertaking,</p> <p>the development rebate originally allowed shall be deemed to have been wrongly allowed, and the Assessing Officer may, notwithstanding anything contained in this Act, recompute the total income of the assessee for the relevant previous year and make the necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the sale or transfer took place or the money was so utilised.</p> <p>(5A) Where an allowance by way of development allowance has been made wholly or partly to an assessee in respect of the cost of planting in any area in any assessment year under section 33A and subsequently—</p> <p>(i) at any time before the expiry of eight years from the end of the previous year in which such allowance was made, the land is sold or otherwise transferred by the assessee to any person other than the Government, a local authority, a</p>		
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			<p>corporation established by a Central, State or Provincial Act or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956), or in connection with any amalgamation or succession referred to in sub-section (5) or sub-section (6) of section 33A ; or</p> <p>(ii) at any time before the expiry of the eight years referred to in sub-section (3) of section 33A, the assessee utilises the amount credited to the reserve account under clause (ii) of that sub-section—</p> <p>(a) for distribution by way of dividends or profits ; or</p> <p>(b) for remittance outside India as profits or for the creation of any asset outside India ; or</p> <p>(c) for any other purpose which is not a purpose of the business of the undertaking ;</p> <p>the development allowance originally allowed shall be deemed to have been wrongly allowed, and the Assessing Officer may, notwithstanding anything contained in this Act, recompute the total income of the assessee for the relevant previous year and make the necessary amendment ; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the</p>		
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			<p>previous year in which the sale or transfer took place or the money was so utilised.</p> <p>Explanation.—For the purposes of this sub-section, where an assessee having any leasehold or other right of occupancy in any land transfers such right, he shall be deemed to have sold or otherwise transferred such land.</p> <p>(5B) Where any deduction in respect of any expenditure on scientific research has been made in any assessment year under sub-section (2B) of section 35 and the assessee fails to furnish a certificate of completion of the programme obtained from the prescribed authority within one year of the period allowed for its completion by such authority, the deduction originally made in excess of the expenditure actually incurred shall be deemed to have been wrongly made, and the Assessing Officer may, notwithstanding anything contained in this Act, recompute the total income of the assessee for the relevant previous year and make the necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the period allowed for the</p>		
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			<p>completion of the programme by the prescribed authority expired.</p> <p>(6) <i>[Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</i></p> <p>(7) Where as a result of any proceeding under this Act, in the assessment for any year of a company in whose case an order under section 104 has been made for that year, it is necessary to recompute the distributable income of that company, the Assessing Officer may proceed to recompute the distributable income and determine the tax payable on the basis of such recomputation and make the necessary amendment ; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the financial year in which the final order was passed in the case of the company in respect of that proceeding.</p> <p>(7A) <i>[Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</i></p> <p>(7B) Where in the assessment for any year, the capital gain arising from the transfer of a capital asset is not charged under section 45 by virtue of the provisions of clause (iv) or, as the case may be, clause (v) of section 47, but is deemed under section 47A to be income chargeable under the head "Capital</p>		
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			<p>gains" of the previous year in which the transfer took place by reason of—</p> <p>(i) such capital asset being converted by the transferee company into, or being treated by it, as stock-in-trade of its business ; or</p> <p>(ii) the parent company or its nominees or, as the case may be, the holding company ceasing to hold the whole of the share capital of the subsidiary company, at any time before the expiry of the period of eight years from the date of such transfer, the Assessing Officer may, notwithstanding anything contained in this Act, recompute the total income of the transferor company for the relevant previous year and make the necessary amendment ; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which the capital asset was so converted or treated or in which the parent company or its nominees or, as the case may be, the holding company ceased to hold the whole of the share capital of the subsidiary company.</p> <p>(8) [Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</p>		
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			<p>(8A) [Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</p> <p>(9) [Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</p> <p>(9A) [Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</p> <p>(10) [Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</p> <p>(10A) Where in the assessment for any year, a capital gain arising from the transfer of a long-term capital asset, is charged to tax and within a period of six months after the date of such transfer, the assessee has made any investment or deposit in any specified asset within the meaning of <i>Explanation 1</i> to sub-section (1) of section 54E, the Assessing Officer shall amend the order of assessment so as to exclude the amount of the capital gain not chargeable to tax under the provisions of sub-section (1) of section 54E; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the financial year in which the assessment was made.</p> <p>(10B) [Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</p> <p>(10C) [Omitted by the Direct Tax Laws (Amendment) Act, 1987, w.e.f. 1-4-1992.]</p>		
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			<p>(11) Where in the assessment for any year, a capital gain arising from the transfer of any original asset as is referred to in section 54H is charged to tax and within the period extended under that section the assessee acquires the new asset referred to in that section or, as the case may be, deposits or invests the amount of such capital gain within the period so extended, the Assessing Officer shall amend the order of assessment so as to exclude the amount of the capital gain not chargeable to tax under any of the sections referred to in section 54H; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of section 154 being reckoned from the end of the previous year in which the compensation was received by the assessee.</p> <p>(11A) Where in the assessment for any year, the deduction under section 10A or ⁶²section 10AA or section 10B or section 10BA has not been allowed on the ground that such income has not been received in convertible foreign exchange in India, or having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, has not been brought into India, by or on</p>		
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			<p>behalf of the assessee with the approval of the Reserve Bank of India or such other authority as is authorised under any law for the time being in force for regulating payments and dealings in foreign exchange and subsequently such income or part thereof has been or is received in, or brought into, India in the manner aforesaid, the Assessing Officer shall amend the order of assessment so as to allow deduction under section 10A or ⁶²[section 10AA or] section 10B or section 10BA, as the case may be, in respect of such income or part thereof as is so received in, or brought into, India, and the provisions of section 154 shall, so far as may be, apply thereto, and the period of four years shall be reckoned from the end of the previous year in which such income is so received in, or brought into, India.</p> <p>(12) Where in the assessment for any year commencing before the 1st day of April, 1988, the deduction under section 80-O in respect of any income, being the whole or any part of income by way of royalty, commission, fees or any similar payment as is referred to in that section, has not been allowed on the ground that such income has not been received in convertible foreign exchange in India, or having been received in convertible foreign exchange</p>		
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			<p>outside India, or having been converted into convertible foreign exchange outside India, has not been brought into India, by or on behalf of the assessee in accordance with any law for the time being in force for regulating payments and dealings in foreign exchange and subsequently such income or part thereof has been or is received in, or brought into, India in the manner aforesaid, the Assessing Officer shall amend the order of assessment so as to allow deduction under section 80-O in respect of such income or part thereof as is so received in, or brought into, India; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which such income is so received in, or brought into, India; so, however, that the period from the 1st day of April, 1988 to the 30th day of September, 1991 shall be excluded in computing the period of four years.</p> <p>(13) Where in the assessment for any year, the deduction under section 80HHB or section 80HHC or section 80HHD or section 80HHE or section 80-O or section 80R or section 80RR or section 80RRA has not been allowed on the ground that such income</p>		
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			<p>has not been received in convertible foreign exchange in India, or having been received in convertible foreign exchange outside India, or having been converted into convertible foreign exchange outside India, has not been brought into India, by or on behalf of the assessee with the approval of the Reserve Bank of India or such other authority as is authorised under any law for the time being in force for regulating payments and dealings in foreign exchange and subsequently such income or part thereof has been or is received in, or brought into, India in the manner aforesaid, the Assessing Officer shall amend the order of assessment so as to allow deduction under section 80HHB or section 80HHC or section 80HHD or section 80HHE or section 80-O or section 80R or section 80RR or section 80RRA, as the case may be, in respect of such income or part thereof as is so received in, or brought into, India; and the provisions of section 154 shall, so far as may be, apply thereto, and the period of four years shall be reckoned from the end of the previous year in which such income is so received in, or brought into, India.</p> <p>(14) Where in the assessment for any previous year or in any intimation or deemed intimation under sub-section (1)</p>		
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			<p>of section 143 for any previous year, credit for tax deducted or collected in accordance with the provisions of section 199 or, as the case may be, section 206C has not been given on the ground that the certificate furnished under section 203 or section 206C was not filed with the return and subsequently such certificate is produced before the Assessing Officer within two years from the end of the assessment year in which such income is assessable, the Assessing Officer shall amend the order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, as the case may be, and the provisions of section 154 shall, so far as may be, apply thereto : <i>Provided</i> that nothing contained in this sub-section shall apply unless the income from which the tax has been deducted or income on which the tax has been collected has been disclosed in the return of income filed by the assessee for the relevant assessment year.</p> <p>(14A) Where in the assessment for any previous year or in any intimation or deemed intimation under sub-section (1) of section 143 for any previous year, credit for income-tax paid in any country outside India or a specified territory outside India referred to in section 90, section</p>		
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			<p>90A or section 91 has not been given on the ground that the payment of such tax was under dispute, and if subsequently such dispute is settled; and the assessee, within six months from the end of the month in which the dispute is settled, furnishes to the Assessing Officer evidence of settlement of dispute and evidence of payment of such tax along with an undertaking that no credit in respect of such amount has directly or indirectly been claimed or shall be claimed for any other assessment year, the Assessing Officer shall amend the order of assessment or any intimation or deemed intimation under sub-section (1) of section 143, as the case may be, and the provisions of section 154 shall, so far as may be, apply thereto: <i>Provided</i> that the credit of tax which was under dispute shall be allowed for the year in which such income is offered to tax or assessed to tax in India.</p> <p>(15) Where in the assessment for any year, a capital gain arising from the transfer of a capital asset, being land or building or both, is computed by taking the full value of the consideration received or accruing as a result of the transfer to be the value adopted or assessed by any authority of a State Government for the purpose of payment of stamp duty in accordance with</p>		
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			<p>sub-section (1) of section 50C, and subsequently such value is revised in any appeal or revision or reference referred to in clause (b) of sub-section (2) of that section, the Assessing Officer shall amend the order of assessment so as to compute the capital gain by taking the full value of the consideration to be the value as so revised in such appeal or revision or reference; and the provisions of section 154 shall, so far as may be, apply thereto, and the period of four years shall be reckoned from the end of the previous year in which the order revising the value was passed in that appeal or revision or reference.</p> <p>(16)Where in the assessment for any year, a capital gain arising from the transfer of a capital asset, being a transfer by way of compulsory acquisition under any law, or a transfer, the consideration for which was determined or approved by the Central Government or the Reserve Bank of India, is computed by taking the compensation or consideration as referred to in clause (a) or, as the case may be, the compensation or consideration enhanced or further enhanced as referred to in clause (b) of sub-section (5) of section 45, to be the full value of consideration deemed to be received or accruing as a result of the</p>		
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			<p>transfer of the asset and subsequently such compensation or consideration is reduced by any court, Tribunal or other authority, the Assessing Officer shall amend the order of assessment so as to compute the capital gain by taking the compensation or consideration as so reduced by the court, Tribunal or any other authority to be the full value of consideration; and the provisions of section 154 shall, so far as may be, apply thereto, and the period of four years shall be reckoned from the end of the previous year in which the order reducing the compensation was passed by the court, Tribunal or other authority.</p> <p>(17)Where a deduction has been allowed to an assessee in any assessment year under section 80RRB in respect of any patent, and subsequently by an order of the Controller or the High Court under the Patents Act, 1970 (39 of 1970),—</p> <p>(i) the patent was revoked, or</p> <p>(ii) the name of the assessee was excluded from the patents register as patentee in respect of that patent,</p> <p>the deduction from the income by way of royalty attributable to the period during which the patent had been revoked or the period for which the assessee's name was excluded as patentee in respect of that patent, shall be deemed to have been</p>		
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			<p>wrongly allowed and the Assessing Officer may, notwithstanding anything contained in this Act, recompute the total income of the assessee for the relevant previous year and make necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four years specified in sub-section (7) of that section being reckoned from the end of the previous year in which such order of the Controller referred to in clause (b) of sub-section (1), or the High Court referred to in clause (i) of sub-section (1) of section 2, of the Patents Act, 1970 (39 of 1970), as the case may be, was passed.</p> <p>⁶³(18) Where any deduction in respect of any surcharge or cess, which is not allowable as deduction under section 40, has been claimed and allowed in the case of an assessee in any previous year, such claim shall be deemed to be under-reported income of the assessee for such previous year for the purposes of sub-section (3) of section 270A, notwithstanding anything contained in sub-section (6) of section 270A, and the Assessing Officer shall recompute the total income of the assessee for such previous year and make necessary amendment; and the provisions of section 154 shall, so far as may be, apply thereto, the period of four</p>		
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			<p>years specified in sub-section (7) of section 154 being reckoned from the end of the previous year commencing on the 1st day of April, 2021:</p> <p><i>Provided</i> that in a case where the assessee makes an application to the Assessing Officer in the prescribed form and within the prescribed time, requesting for recomputation of the total income of the previous year without allowing the claim for deduction of surcharge or cess and pays the amount due thereon within the specified time, such claim shall not be deemed to be under-reported income for the purposes of sub-section (3) of section 270A.]</p> <p>⁶⁴[(19) Where any deduction in respect of any expenditure incurred for the purchase of sugarcane has been claimed by an assessee, being a co-operative society engaged in the business of manufacture of sugar, and such deduction has been disallowed wholly or partly in any previous year commencing on or before the 1st day of April, 2014, the Assessing Officer shall, on the basis of an application made by such assessee in this regard, recompute the total income of the assessee for such previous year after allowing deduction to the extent such expenditure is incurred at a price which is equal to or less than the</p>		
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			<p>price fixed or approved by the Government for that previous year, and the provisions of section 154 shall, so far as may be, apply thereto, and the period of four years specified in sub-section (7) of that section shall be reckoned from the end of previous year commencing on the 1st day of April, 2022.]</p> <p>⁶⁵[(20) Where any income has been included in the return of income furnished by an assessee under section 139 for any assessment year (herein referred to as the relevant assessment year) and tax on such income has been deducted at source and paid to the credit of the Central Government in accordance with the provisions of Chapter XVII-B in a subsequent financial year, the Assessing Officer shall, on an application made by the assessee in such form, as may be prescribed, within a period of two years from the end of the financial year in which such tax was deducted at source, amend the order of assessment or any intimation allowing credit of such tax deducted at source in the relevant assessment year, and the provisions of section 154 shall, so far as may be, apply thereto and the period of four years specified in sub-section (7) of that section shall be reckoned from the end</p>		
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			<p>of the financial year in which such tax has been deducted: <i>Provided</i> that the credit of such tax deducted at source shall not be allowed in any other assessment year.] Explanation.—For the purposes of this section,— (a) "additional compensation" shall have the meaning assigned to it in clause (1) of the <i>Explanation</i> to sub-section (2) of section 54; (b) "additional consideration", in relation to the transfer of any capital asset the consideration for which was determined or approved by the Central Government or the Reserve Bank of India, means the difference between the amount of consideration for such transfer as enhanced by any court, tribunal or other authority and the amount of consideration which would have been payable if such enhancement had not been made.</p>		
158B	AY 2025-26 (1st day of February, 2026)	Definitions.	<p><i>In this Chapter, unless the context otherwise requires,—</i> (a) "block period" means the period comprising previous years relevant to six assessment years preceding the previous year in which the search was initiated under section 132 or any requisition was made under section 132A and also includes the period starting from the 1st day of April</p>	In section 158B of the Income-tax Act, in clause (b), after the words "money, bullion, jewellery" at both the places	Addition of words "virtual digital asset" in the definition of Undisclosed income.

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		<p>of the previous year in which search was initiated or requisition was made and ending on the date of the execution of the last of the authorizations for such search or such requisition;</p> <p>(b) "undisclosed income" includes any money, bullion, jewellery or other valuable article or thing or any expenditure or any income based on any entry in the books of account or other documents or transactions, where such money, bullion, jewellery, valuable article, thing, entry in the books of account or other document or transaction represents wholly or partly income or property which has not been or would not have been disclosed for the purposes of this Act, or any expense, exemption, deduction or allowance claimed under this Act which is found to be incorrect, in respect of the block period.</p> <p><i>Explanation.—For the purposes of this Chapter, the last of the authorisations shall be deemed to have been executed,—</i></p> <p>(a) in the case of search, on the conclusion of search as recorded in the last panchnama drawn in relation to any person in whose case the warrant of authorisation has been issued;</p> <p>(b) in the case of requisition under section 132A, on the actual receipt of the books of</p>	<p>where they occur, the words “, virtual digital asset” shall be inserted and shall be deemed to have been inserted with effect from the 1st February, 2025.</p>	
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			account or other documents or assets by the Authorised Officer.		
158BA	AY 2025-26 (1st day of February, 2026)	Assessment of total income as a result of search	<p>(1) Notwithstanding anything in any other provisions of this Act, where on or after the 1st day of September, 2024, a search is initiated under section 132, or books of account, other documents or any assets are requisitioned under section 132A, in the case of any person, then, the Assessing Officer shall proceed to assess or reassess the total income of the block period in accordance with the provisions of this Chapter.</p> <p>(2) The assessment or reassessment or recomputation under the provisions of this Act (other than this Chapter), if any, pertaining to any assessment year falling in the block period, pending on the date of initiation of the search under section 132, or making of requisition under section 132A, as the case may be, shall abate and shall be deemed to have abated on the date of initiation of search or making of requisition.</p> <p>(3) Where during the course of any pending proceeding for the assessment or reassessment or recomputation under the provisions of this Act (other than this Chapter), a reference under sub-section (1) of section 92CA has been made, or an order</p>	<p>(a) in sub-section (4), for the word “pending”, the words “required to be made” shall be substituted and shall be deemed to have been substituted;</p> <p>(b) in sub-section (5), for the words “the assessment or reassessment relating to any assessment year”, the words “the assessment or reassessment or recomputation or reference or order relating to any assessment year” shall be substituted and shall be deemed to have been substituted</p>	<p>(1) In the sub-section (4) of section 132 the word substituted from “pending”, to “required to be made assessment”.</p> <p>(2) In the sub-section (5) of section 132 the word substituted from “the assessment or reassessment relating to any assessment year”, to “the assessment or reassessment or recomputation or reference or order relating to any assessment year”</p>

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			<p>under sub-section (3) of section 92CA has been passed, such assessment or reassessment or recomputation, along with such reference made or order passed, as the case may be, shall also abate and shall be deemed to have abated on the date of initiation of search or making of requisition.</p> <p>(4) Where any assessment under the provisions of this Chapter is pending in the case of an assessee in whose case a subsequent search is initiated, or a requisition is made, such assessment shall be duly completed, and thereafter, the assessment in respect of such subsequent search or requisition shall be made under the provisions of this Chapter:</p> <p>Provided that in a case where the period of completing the assessment in respect of subsequent search is less than three months such period shall be extended to three months from the end of the month in which the assessment in respect of the earlier search was completed.</p> <p>(5) If any proceeding initiated under this Chapter or any order of assessment or reassessment made under clause (c) of sub-section (1) of section 158BC has been annulled in appeal or any other legal proceeding, then, notwithstanding anything in this Chapter or section 153, the</p>		
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			<p>assessment or reassessment relating to any assessment year which has abated under sub-section (2) or sub-section (3), shall revive with effect from the date of receipt of the order of such annulment by the Principal Commissioner or Commissioner: Provided that such revival shall cease to have effect, if such order of annulment is set aside.</p> <p>(6) The total income (other than undisclosed income) of the assessment year relevant to the previous year in which the last of the authorisations for a search is executed or a requisition is made, shall be assessed separately in accordance with the other provisions of this Act.</p> <p>(7) The total income relating to the block period shall be charged to tax, at the rate specified in section 113, as income of the block period irrespective of the previous year or years to which such income relates.</p>		
158BB	AY 2025-26 (1st day of February, 2026)	Computation of total income of block period	<p>(1) The total income referred to in sub-section (1) of section 158BA of the block period shall be the aggregate of the following, namely:--</p> <p>(i) total income disclosed in the return furnished under section 158BC;</p>	<p><i>Sub-section (1) of the said section provides the methodology for computation of total income of block period. Clause (i) of the said sub-section provides that total income of the block period shall</i></p>	<p>Amended to provide that the income pertaining to any international transaction or specified domestic transaction shall not be considered in the</p>

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			<p>(ii) total income assessed under sub-section (3) of section 143 or section 144 or section 147 or section 153A or section 153C prior to the date of initiation of the search or the date of requisition, as the case may be;</p> <p>(iii) total income declared in the return of income filed under section 139 or in response to a notice under sub-section (1) of section 142 or section 148 and not covered under clause (i) or clause (ii);</p> <p>(iv) total income determined where the previous year has not ended, on the basis of entries relating to such income or transactions as recorded in the books of account and other documents maintained in the normal course on or before the date of last of the authorisations for the search or requisition relating to such previous year;</p> <p>(v) undisclosed income determined by the Assessing Officer under sub-section (2).</p> <p>(2) The undisclosed income falling within the block period, forming part of the total income referred to in sub-section (1) of section 158BA, shall be computed in accordance with the provisions of this Act,</p>	<p><i>include total income disclosed in the return furnished under section 158BC. Clause (iii) of the said sub-section provides that total income of the block period shall include total income declared in the return of income filed under section 139 or in response to a notice under sub-section (1) of section 142 or section 148 and not covered under clause (i) or clause (ii). Clause (iv) of the said sub-section provides that where the previous year has not ended, total income of the block period shall include total income determined, on the basis of entries relating to such income or transactions as recorded in the books of account and other documents maintained</i></p>	<p>income of the block period.</p>
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			<p>on the basis of evidence found as a result of search or survey or requisition of books of account or other documents and any other material or information as are either available with the Assessing Officer or come to his notice during the course of proceedings under this Chapter.</p> <p>(3) Where any evidence found as a result of search or requisition of books of account or other documents and any other material or information as are either available with the Assessing Officer or come to his notice during the course of proceedings under this Chapter, or determined on the basis of entries relating to such income or transactions as recorded in books of account and other documents maintained in the normal course on or before the date of the search or requisition, relates to any international transaction or specified domestic transaction referred to in section 92CA, pertaining to the period beginning from the 1st day of April of the previous year in which last of the authorisations was executed and ending with the date on which last of the authorisations was executed, such evidence shall not be considered for the purposes of determining the total income of the block period and such income shall be</p>	<p><i>in the normal course on or before the date of last of the authorisations for the search or requisition relating to such previous year. It is proposed to substitute sub-section (1),—</i></p> <p><i>(a) in clause (i) of the said sub-section to clarify that undisclosed income is required to be declared in the block return;</i></p> <p><i>(b) in clauses (ii) and (iii) of the said sub-section to omit the word “total” from “total income”;</i></p> <p><i>(c) in clause (iii) of the said sub-section to insert the words “prior to the date of initiation of search or requisition”;</i></p> <p><i>(d) in clause (iv) of the said sub-section so as to provide that the income as recorded in the books of account and other documents maintained</i></p>	
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			<p>considered in the assessment made under the other provisions of this Act.</p> <p>(4) For the purposes of determination of undisclosed income,--</p> <p>(a) of a firm, such income assessed for each of the previous years falling within the block period shall be the income determined before allowing deduction of salary, interest, commission, bonus or remuneration by whatever name called to any partner not being a working partner;</p> <p>(b) the provisions of sections 68, 69, 69A, 69B and 69C shall, so far as may be, apply and references to "financial year" in those sections shall be construed as references to the relevant previous year falling in the block period;</p> <p>(c) the provisions of section 92CA shall, so far as may be, apply and references to "previous year" in that section shall be construed as reference to the relevant previous year falling in the block period excluding the period referred to in sub-section (3).</p> <p>(5) The tax referred to in sub-section (7) of section 158BA shall be charged on the total</p>	<p><i>in the normal course on or before the 31st day of March of the previous year which has ended but the due date for furnishing the return for such year has not expired prior to the date of initiation of the search or requisition, shall form part of total income. Further, the income in respect of period commencing from 1st day of April of the previous year in which the search is initiated or requisition is made and ending on the day immediately preceding the date of initiation of search or requisition, shall be computed on the basis of entries relating to such income or transactions as recorded in the books of account and other documents maintained in the normal course for</i></p>	
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			<p>income determined in the manner specified in sub-section (1) as reduced by the total income referred to in clause (ii), clause (iii) and clause (iv) of sub-section (1).</p> <p>(6) For the purposes of sub-section (1) and sub-section (5), if the disclosed income under clause (i) of sub-section (1) or where the income disclosed in respect of any previous year comprising the block period, or the returned income or assessed income under clause (ii) or clause (iii) of sub-section (1) or where the income as determined under clause (iv), is a loss, it shall be ignored.</p> <p>(7) For the purposes of assessment under this Chapter, losses brought forward from the previous year (prior to the first previous year comprising the block period) under Chapter VI or unabsorbed depreciation under sub-section (2) of section 32 shall not be set off against the undisclosed income determined in the block assessment under this Chapter but may be carried forward for being set off in the previous year subsequent to the assessment year in which the block period ends, for the remaining period, taking into account the block period and such</p>	<p><i>such period on or before the day immediately preceding the date of initiation of search or the date of requisition. Also, the income in respect of period commencing from the date of initiation of the search or the date of requisition and ending on the date of the execution of the last of the authorisations for search or requisition, shall be computed on the basis of entries relating to such income or transactions as 154 recorded in the books of account and other documents maintained in the normal course for such period on or before the date of the execution of the last of the authorisations.</i></p> <p><i>Sub-section (3) of the said section proposes to tax under the normal</i></p>	
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			assessment year, and in accordance with the provisions of this Act.	<p><i>provisions any income which relates to any international transaction or specified domestic transaction, pertaining to the period beginning from the 1st day of April of the previous year in which last of the authorisations was executed and ending with the date on which last of the authorisations was executed. To appropriately provide for this intention of the legislature, sub-section (3) of the said section is proposed to be substituted.</i></p> <p><i>It is also proposed to amend sub-section (6) to substitute the words, "undisclosed income declared" in the place of "disclosed income"</i></p>	
158BE	AY 2025-26	Time-limit for completion of block assessment	(1)Notwithstanding the provisions of section 153 , the order under section 158BC shall be passed within twelve	(a) in sub-section (1), for the words "from the end of the month", the	Provision has been amended to to exclude the period

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	<p>(1st day of February, 2026)</p>		<p>months from the end of the month in which the last of the authorisations for search under section 132, or requisition under section 132A, was executed or made, as the case may be: <i>Provided that in a case where search under section 132 was initiated, or requisition under section 132A was made, and during the course of the proceedings for the assessment or reassessment of the total income of the relevant block period, any reference under sub-section (1) of section 92CA is made, the period available for making an order of assessment or reassessment in respect of the block period shall be extended by twelve months.</i> <i>(2) In computing the period of limitation under sub-section (1), the period (not exceeding one hundred and eighty days) commencing from the date on which a search is initiated under section 132 or a requisition is made under section 132A and ending on the date on which the books of account, or other documents or money or bullion or jewellery or other valuable article or thing seized under section 132 or requisitioned under section 132A, as the case may be, are handed over to the Assessing Officer having jurisdiction over the assessee, in whose case such search is</i></p>	<p>words “from the end of the quarter” shall be substituted and shall be deemed to have been substituted with effect from the 1st February, 2025; <i>(b) in sub-section (3), for the words “from the end of the month”, the words “from the end of the quarter” shall be substituted and shall be deemed to have been substituted with effect from the 1st February, 2025;</i> <i>(c) in sub-section (4), for clause (i), the following clause shall be substituted, namely: —</i> <i>“(i) the period commencing on the date on which stay on assessment proceedings was granted by an order or injunction of any court</i></p>	<p>commencing on the date on which stay was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner .</p>
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			<p>initiated under section 132 or such requisition is made under section 132A, as the case may be, shall be excluded: Provided that where after exclusion of the period referred to in this sub-section, the period of limitation for making an order of assessment or reassessment, as the case may be, expires before the end of a month, such period shall be extended to the end of such month.</p> <p>(3) The period of limitation for completion of assessment or reassessment for the block period in the case of the other person referred to in section 158BD shall be twelve months from the end of the month in which the notice under section 158BC in pursuance of section 158BD, was issued to such other person: Provided that in case where during the course of the proceedings for the assessment of undisclosed income of the block period in case of other person referred to in section 158BD, a reference under sub-section (1) of section 92CA is made, the period available for making an order of assessment in respect of the block period in case of such other person shall be extended by twelve months.</p> <p>(4) In computing the period of limitation under this section, the following period shall be excluded,—</p>	<p>and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner; or”.</p>	
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			<p>(i) the period during which the assessment proceeding is stayed by an order or injunction of any court; or</p> <p>(ii) the period commencing from the date on which a reference or first of the references for exchange of information is made by an authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information requested is last received by the Principal Commissioner or Commissioner or a period of one year, whichever is less; or</p> <p>(iii) the time taken in reopening the whole or any part of the proceeding or giving an opportunity to the assessee to be re-heard under the proviso to section 129; or</p> <p>(iv) the period commencing from the date on which the Assessing Officer directs the assessee to get his accounts audited or inventory valued under sub-section (2A) of section 142 and—</p> <p>(a) ending with the last date on which the assessee is required to furnish a report of such audit or inventory valuation under that sub-section; or</p> <p>(b) where such direction is challenged before a court, ending with the date on which the order setting aside such direction is received by the Principal Commissioner or Commissioner; or</p>		
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			<p>(v) the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A and ending with the date on which the report of the Valuation Officer is received by the Assessing Officer; or</p> <p>(vi) the period commencing from the date on which the Assessing Officer intimates the Central Government or the prescribed authority, the contravention of the provisions of clause (21) or clause (22B) or clause (23A) or clause (23B) of section 10, under sub-clause (i) of the first proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order withdrawing the approval or rescinding the notification, as the case may be, under those clauses is received by the Assessing Officer; or</p> <p>(vii) the period commencing from the date on which the Assessing Officer makes a reference to the Principal Commissioner or Commissioner under the second proviso to sub-section (3) of section 143 and ending with the date on which the copy of the order under clause (ii) or clause (iii) of the fifteenth proviso to clause (23C) of section 10 or clause (ii) or clause (iii) of sub-section (4) of section 12AB, as the case may be, is received by the Assessing Officer; or</p>		
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			<p>(viii) the period commencing from the date on which a reference for declaration of an arrangement to be an impermissible avoidance arrangement is received by the Principal Commissioner or Commissioner under sub-section (1) of section 144BA and ending on the date on which a direction under sub-section (3) or sub-section (6) or an order under sub-section (5) of the said section is received by the Assessing Officer; or</p> <p>(ix) the period commencing from the date on which an application is made before the Authority for Advance Rulings or before the Board for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the order rejecting the application is received by the Principal Commissioner or Commissioner under sub-section (3) of section 245R; or</p> <p>(x) the period commencing from the date on which an application is made before the Authority for Advance Rulings or before the Board for Advance Rulings under sub-section (1) of section 245Q and ending with the date on which the advance ruling pronounced by it is received by the Principal Commissioner or Commissioner under sub-section (7) of section 245R:</p> <p>Provided that where immediately after the exclusion of the aforesaid period, the</p>		
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			<p>period of limitation referred to in sub-section (1) or sub-section (3) available to the Assessing Officer for making an order under clause (c) of sub-section (1) of section 158BC is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:</p> <p>Provided further that where after extension of the period referred to in the first proviso, the period of limitation for making an order of assessment or reassessment, as the case may be, expires before the end of a month, such period shall be extended to the end of such month.</p>		
158BFA	AY 2026-27 (1st day of April, 2026)	Levy of interest and penalty in certain cases	<p>(1) Where the return of total income including undisclosed income for the block period, in respect of search initiated under section 132, or books of account, other documents or any assets requisitioned under section 132A, on or after the 1st day of September, 2024, as required by a notice under clause (a) of sub-section (1) of section 158BC, is not furnished within the time specified in such notice, or is not furnished, the assessee shall be liable to pay simple interest at the rate of one and one-half per cent of the tax on undisclosed income determined under clause (c) of sub-section (1) of section</p>	<p>in sub section (4), for clause (ii), the following clause shall be substituted, namely: -</p> <p>“(ii) the period commencing on the date on which stay on the proceeding under sub-section (2) was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating</p>	<p>Provision has been amended to to exclude the period commencing on the date on which stay was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional</p>

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		<p><u>158BC</u>, for every month or part of a month comprised in the period commencing on the day immediately following the expiry of the time specified in the notice, and ending on the date of completion of assessment under clause (c) of sub-section (1) of <u>section 158BC</u>.</p> <p>(2) The Assessing Officer or the Commissioner (Appeals) in the course of any proceedings under this Chapter, may direct that the person shall pay by way of penalty a sum which shall be equal to fifty per cent of tax so leviable in respect of the undisclosed income determined by the Assessing Officer under clause (c) of sub-section (1) of <u>section 158BC</u>:</p> <p>Provided that no order imposing penalty under this section or sub-section (1) of <u>section 271AAD</u> or <u>section 271D</u> or <u>section 271DA</u> or <u>section 271E</u> shall be made for the block period in respect of a person if—</p> <p>(i) such person has furnished a return under clause (a) of sub-section (1) of <u>section 158BC</u>;</p> <p>(ii) the tax payable on the basis of such return has been paid or, if the assets seized consist of money, the assessee offers the money so seized to be adjusted against the tax payable;</p>	<p>the stay was received by the jurisdictional Principal Commissioner or Commissioner;”.</p>	<p>Principal Commissioner or Commissioner</p>
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			<p>(iii) evidence of tax paid is furnished along with the return; and (iv) an appeal is not filed against the assessment of that part of income which is shown in the return: Provided further that the provisions of the first proviso shall not apply where the undisclosed income determined by the Assessing Officer is in excess of the income shown in the return and in such cases the penalty shall be imposed on that portion of undisclosed income determined which is in excess of the amount of income shown in the return. (3) No order imposing a penalty under subsection (2) shall be made,— (a) unless an assessee has been given a reasonable opportunity of being heard; (b) by the Deputy Commissioner or Assistant Commissioner or the Deputy Director or Assistant Director, as the case may be, where the amount of penalty exceeds two lakh rupees except with the previous approval of the Additional Commissioner or the Additional Director or the Joint Commissioner or the Joint Director, as the case may be; (c) in a case where the assessment is the subject-matter of an appeal to the Commissioner (Appeals) under section 246A or an appeal to the Appellate</p>		
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			<p><i>Tribunal under section 253, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the financial year in which the order of the Commissioner (Appeals) or, as the case may be, the Appellate Tribunal is received by the Principal Commissioner or Commissioner, whichever period expires later;</i></p> <p><i>(d) in a case where the assessment is the subject-matter of revision under section 263, after the expiry of six months from the end of the financial year in which such order of revision is passed;</i></p> <p><i>(e) in any case other than those mentioned in clause (c) and clause (d), after the expiry of the financial year in which the proceedings, in the course of which notice for the imposition of penalty has been issued, are completed, or six months from the end of the financial year in which notice for imposition of penalty is issued, whichever period expires later.</i></p> <p><i>(4) In computing the period of limitation under this section, the following period shall be excluded--</i></p> <p><i>(i) the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 129; or</i></p>	
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			<p>(ii) the period during which the proceedings under sub-section (2) are stayed by an order or injunction of any court:</p> <p>Provided that where immediately after the exclusion of the aforesaid period, the period of limitation referred to in sub-section (3) available to the Assessing Officer for making an order under sub-section (2) of this section is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of limitation shall be deemed to be extended accordingly:</p> <p>Provided further that where after exclusion of the period referred to in the first proviso, the period of limitation for making of an order for imposition of penalty expires before the end of a month, such period shall be extended to the end of such month.</p> <p>(5) An income-tax authority on making an order under sub-section (2) imposing a penalty, unless he is himself an Assessing Officer, shall forthwith send a copy of such order to the Assessing Officer.</p>		
144BA	1st day of April, 2026.	Reference to Principal Commissioner or Commissioner in certain cases.	(1) If, the Assessing Officer, at any stage of the assessment or reassessment proceedings before him having regard to the material and evidence available, considers that it is necessary to declare an arrangement as an impermissible avoidance arrangement and to determine	In section 144BA of the Income-tax Act, in the Explanation, for clause (ii), the following clause shall be substituted, namely:—	Provision has been amended to to exclude the period commencing on the date on which stay was granted by an order or

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			<p>the consequence of such an arrangement within the meaning of Chapter X-A, then, he may make a reference to the Principal Commissioner or Commissioner in this regard.</p> <p>(2) The Principal Commissioner or Commissioner shall, on receipt of a reference under sub-section (1), if he is of the opinion that the provisions of Chapter X-A are required to be invoked, issue a notice to the assessee, setting out the reasons and basis of such opinion, for submitting objections, if any, and providing an opportunity of being heard to the assessee within such period, not exceeding sixty days, as may be specified in the notice.</p> <p>(3) If the assessee does not furnish any objection to the notice within the time specified in the notice issued under sub-section (2), the Principal Commissioner or Commissioner shall issue such directions as he deems fit in respect of declaration of the arrangement to be an impermissible avoidance arrangement.</p> <p>(4) In case the assessee objects to the proposed action, and the Principal Commissioner or Commissioner after hearing the assessee in the matter is not satisfied by the explanation of the assessee, then, he shall make a reference</p>	<p>“(ii) the period commencing on the date on which stay on the proceeding of the Approving Panel was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the Approving Panel:”.</p>	<p>injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner</p>
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			<p>in the matter to the Approving Panel for the purpose of declaration of the arrangement as an impermissible avoidance arrangement.</p> <p>(5) If the Principal Commissioner or Commissioner is satisfied, after having heard the assessee that the provisions of Chapter X-A are not to be invoked, he shall by an order in writing, communicate the same to the Assessing Officer with a copy to the assessee.</p> <p>(6) The Approving Panel, on receipt of a reference from the Principal Commissioner or Commissioner under sub-section (4), shall issue such directions, as it deems fit, in respect of the declaration of the arrangement as an impermissible avoidance arrangement in accordance with the provisions of Chapter X-A including specifying of the previous year or years to which such declaration of an arrangement as an impermissible avoidance arrangement shall apply.</p> <p>(7) No direction under sub-section (6) shall be issued unless an opportunity of being heard is given to the assessee and the Assessing Officer on such directions which are prejudicial to the interest of the assessee or the interests of the revenue, as the case may be.</p>		
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			<p>(8) The Approving Panel may, before issuing any direction under sub-section (6),—</p> <p>(i) if it is of the opinion that any further inquiry in the matter is necessary, direct the Principal Commissioner or Commissioner to make such inquiry or cause the inquiry to be made by any other income-tax authority and furnish a report containing the result of such inquiry to it; or</p> <p>(ii) call for and examine such records relating to the matter as it deems fit; or</p> <p>(iii) require the assessee to furnish such documents and evidence as it may direct.</p> <p>(9) If the members of the Approving Panel differ in opinion on any point, such point shall be decided according to the opinion of the majority of the members.</p> <p>(10) The Assessing Officer, on receipt of directions of the Principal Commissioner or Commissioner under sub-section (3) or of the Approving Panel under sub-section (6), shall proceed to complete the proceedings referred to in sub-section (1) in accordance with such directions and the provisions of Chapter X-A.</p> <p>(11) If any direction issued under sub-section (6) specifies that declaration of the arrangement as impermissible avoidance arrangement is applicable for any previous</p>		
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			<p>year other than the previous year to which the proceedings referred to in sub-section (1) pertains, then, the Assessing Officer while completing any assessment or reassessment proceedings of the assessment year relevant to such other previous year shall do so in accordance with such directions and the provisions of Chapter X-A and it shall not be necessary for him to seek fresh direction on the issue for the relevant assessment year.</p> <p>(12) No order of assessment or reassessment shall be passed by the Assessing Officer without the prior approval of the Principal Commissioner or Commissioner, if any tax consequences have been determined in the order under the provisions of Chapter X-A.</p> <p>(13) The Approving Panel shall issue directions under sub-section (6) within a period of six months from the end of the month in which the reference under sub-section (4) was received.</p> <p>(14)The directions issued by the Approving Panel under sub-section (6) shall be binding on—</p> <p>(i) the assessee; and</p> <p>(ii) the Principal Commissioner or Commissioner and the income-tax authorities subordinate to him,</p>		
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			<p>and notwithstanding anything contained in any other provision of the Act, no appeal under the Act shall lie against such directions.</p> <p>(15) The Central Government shall, for the purposes of this section, constitute one or more Approving Panels as may be necessary and each panel shall consist of three members including a Chairperson.</p> <p>(16) The Chairperson of the Approving Panel shall be a person who is or has been a judge of a High Court, and—</p> <p>(i) one member shall be a member of Indian Revenue Service not below the rank of Principal Chief Commissioner or Chief Commissioner of Income-tax; and</p> <p>(ii) one member shall be an academic or scholar having special knowledge of matters, such as direct taxes, business accounts and international trade practices.</p> <p>(17) The term of the Approving Panel shall ordinarily be for one year and may be extended from time to time up to a period of three years.</p> <p>(18) The Chairperson and members of the Approving Panel shall meet, as and when required, to consider the references made to the panel and shall be paid such remuneration as may be prescribed.</p> <p>(19) In addition to the powers conferred on the Approving Panel under this section, it</p>		
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			<p>shall have the powers which are vested in the Authority for Advance Rulings under section 245U.</p> <p>(20) The Board shall provide to the Approving Panel such officials as may be necessary for the efficient exercise of powers and discharge of functions of the Approving Panel under the Act.</p> <p>(21) The Board may make rules for the purposes of the constitution and efficient functioning of the Approving Panel and expeditious disposal of the references received under sub-section (4).</p> <p>Explanation.—In computing the period referred to in sub-section (13), the following shall be excluded—</p> <p>(i) the period commencing from the date on which the first direction is issued by the Approving Panel to the Principal Commissioner or Commissioner for getting the inquiries conducted through the authority competent under an agreement referred to in section 90 or section 90A and ending with the date on which the information so requested is last received by the Approving Panel or one year, whichever is less;</p> <p>(ii) the period during which the proceeding of the Approving Panel is stayed by an order or injunction of any court:</p>		
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			<p><i>Provided</i> that where immediately after the exclusion of the aforesaid time or period, the period available to the Approving Panel for issue of directions is less than sixty days, such remaining period shall be extended to sixty days and the aforesaid period of six months shall be deemed to have been extended accordingly.</p>		
193	AY 2025-26 (1st day of April 2025)	TDS on Interest on securities	<p>Interest on securities. 193. The person responsible for paying to a resident any income by way of interest on securities shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax at the rates in force on the amount of the interest payable : Provided that no tax shall be deducted from— (i) any interest payable on 4¼ per cent National Defence Bonds, 1972, where the bonds are held by an individual, not being a non-resident; or (ia) any interest payable to an individual on 4¼ per cent National Defence Loan, 1968, or 4¾ per cent National Defence Loan, 1972; or (ib) any interest payable on National Development Bonds; or (ii) [***] (iia) any interest payable on 7-Year National Savings Certificates (IV Issue); or (iib) any interest payable on such</p>	<p>In section 193 of the Income-tax Act,— Amendment of section 193. (a) after the words “whichever is earlier,”, the words “being the amount or the aggregate of amounts exceeding ten thousand rupees during the financial year,” shall be inserted; (b) in the proviso, in clause (v), in sub-clause (a), for the words “five thousand rupees”, the words “ten thousand rupees” shall be substituted.</p>	<p>Proposed to increase this threshold amount exceeded from 5,000/- to 10,000/- w.e.f. 1st April 2025.</p>

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			<p>debentures, issued by any institution or authority, or any public sector company, or any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank), as the Central Government may, by notification in the Official Gazette, specify in this behalf; (iii) any interest payable on 6½ per cent Gold Bonds, 1977, or 7 per cent Gold Bonds, 1980, where the Bonds are held by an individual not being a non-resident, and the holder thereof makes a declaration in writing before the person responsible for paying the interest that the total nominal value of the 6½ per cent Gold Bonds, 1977, or, as the case may be, the 7 per cent Gold Bonds, 1980, held by him (including such bonds, if any, held on his behalf by any other person) did not in either case exceed ten thousand rupees at any time during the period to which the interest relates; (iiia) [***] (iv) any interest payable on any security of the Central Government or a State Government: 84[Provided that nothing in this clause shall apply to the interest exceeding ten thousand rupees payable during the financial year on 8% Savings (Taxable) Bonds, 2003 or 7.75% Savings (Taxable) Bonds, 2018 or Floating Rate Savings Bonds, 2020 (Taxable) or any other security of the Central Government</p>		
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			<p>or State Government as the Central Government may, by notification in the Official Gazette, specify in this behalf;] (v) any interest payable to an individual or a Hindu undivided family, who is resident in India, on any debenture issued by a company in which the public are substantially interested, if— (a) the amount of interest or, as the case may be, the aggregate amount of such interest paid or likely to be paid on such debenture during the financial year by the company to such individual or Hindu undivided family does not exceed five thousand rupees; and (b) such interest is paid by the company by an account payee cheque; (vi) any interest payable to the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), in respect of any securities owned by it or in which it has full beneficial interest; or (vii) any interest payable to the General Insurance Corporation of India (hereafter in this clause referred to as the Corporation) or to any of the four companies (hereafter in this clause referred to as such company), formed by virtue of the schemes framed under subsection (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), in respect of any</p>		
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			securities owned by the Corporation or such company or in which the Corporation or such company has full beneficial interest; or (viii) any interest payable to any other insurer in respect of any securities owned by it or in which it has full beneficial interest; 85[(ix) any interest payable to a "business trust", as defined in clause (13A) of section 2, in respect of any securities, by a special purpose vehicle referred to in the Explanation to clause (23FC) of section 10.]		
194	AY 2025-26 (1st day of April 2025)	Dividend	Dividends. 194. The principal officer of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends (including dividends on preference shares) within India, shall, before making any payment by any mode in respect of any dividend or before making any distribution or payment to a shareholder, who is resident in India, of any dividend within the meaning of sub-clause (a) or sub-clause (b) or sub-clause (c) or sub-clause (d) or sub-clause (e) ⁸⁶ [or sub-clause (f)] of clause (22) of section 2 , deduct from the amount of such dividend, income-tax at the rate of ten per cent :	In section 194 of the Income-tax Act, in the first proviso, in clause (b), for the words "five thousand rupees", the words "ten thousand rupees" shall be substituted.	Proposed to increase this threshold amount exceeded from 5,000/- to 10,000/- w.e.f. 1 st April 2025.

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			<p><i>Provided</i> that no such deduction shall be made in the case of a shareholder, being an individual, if—</p> <p>(a) the dividend is paid by the company by any mode other than cash; and</p> <p>(b) the amount of such dividend or, as the case may be, the aggregate of the amounts of such dividend distributed or paid or likely to be distributed or paid during the financial year by the company to the shareholder, does not exceed five thousand rupees:</p> <p><i>Provided further</i> that the provisions of this section shall not apply to such income credited or paid to—</p> <p>(a) the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), in respect of any shares owned by it or in which it has full beneficial interest;</p> <p>(b) the General Insurance Corporation of India (hereafter in this proviso referred to as the Corporation) or to any of the four companies (hereafter in this proviso referred to as such company), formed by virtue of the schemes framed under subsection (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), in respect of any shares owned by the Corporation or such</p>		
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			<p>company or in which the Corporation or such company has full beneficial interest;</p> <p>(c) any other insurer in respect of any shares owned by it or in which it has full beneficial interest;</p> <p>(d) a "business trust", as defined in clause (13A) of section 2, by a special purpose vehicle referred to in the <i>Explanation</i> to clause (23FC) of section 10;</p> <p>(e) any other person as may be notified by the Central Government in the Official Gazette in this behalf.</p>		
194A	AY 2025-26 (1st day of April 2025)	Interest other than interest on securities	<p>nterest other than "Interest on securities".</p> <p>194A. (1) Any person, not being an individual or a Hindu undivided family, who is responsible for paying to a resident any income by way of interest other than income by way of interest on securities, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rates in force :</p> <p><i>Provided</i> that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed one crore rupees in case of business or fifty lakh</p>	<p>In section 194A of the Income-tax Act, in sub-section (3),—</p> <p>Amendment of section 194A. (a) in clause (i), –</p> <p>– (i) for the words, “forty thousand rupees”, wherever they occur, the words “fifty thousand rupees” shall be substituted; (ii) in sub-clause (d), for the words “five thousand rupees”, the words “ten thousand rupees” shall be substituted;</p> <p>(iii) in the third proviso, — (A) for the words</p>	<p>Threshold limit has been revised as follows:</p> <p>Banking, Cooperative society, Post Office thresholds to deduct TDS increased from Rs. 40,000 to 50,000/- for any person and Rs. 1,00,000 for Senior Citizen.</p> <p>In any other case thresholds to deduct TDS from Rs. 5,000</p>

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			<p>rupees in case of profession during the financial year immediately preceding the financial year in which such interest is credited or paid, shall be liable to deduct income-tax under this section.</p> <p>Explanation.—For the purposes of this section, where any income by way of interest as aforesaid is credited to any account, whether called "Interest payable account" or "Suspense account" or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be credit of such income to the account of the payee and the provisions of this section shall apply accordingly.</p> <p>(2) [Omitted by the Finance Act, 1992, w.e.f. 1-6-1992.]</p> <p>(3) The provisions of sub-section (1) shall not apply—</p> <p>(i) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person referred to in sub-section (1) to the account of, or to, the payee, does not exceed—</p> <p>(a) forty thousand rupees, where the payer is a banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies</p>	<p>“forty thousand rupees”, the words “fifty thousand rupees” shall be substituted; (B) for the words “fifty thousand rupees”, the words “one lakh rupees” shall be substituted; (b) in the proviso occurring after clause (xi), in clause (b),— (i) for the words, “fifty thousand rupees”, the words “one lakh rupees” shall be substituted; 48 (ii) for the words “forty thousand rupees”, the words “fifty thousand rupees” shall be substituted.</p>	<p>to 10,000/- for any person and Senior Citizen.</p>
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			<p>(including any bank or banking institution, referred to in section 51 of that Act); (b) forty thousand rupees, where the payer is a co-operative society engaged in carrying on the business of banking; (c) forty thousand rupees, on any deposit with post office under any scheme framed by the Central Government and notified by it in this behalf; and (d) five thousand rupees in any other case: <i>Provided</i> that in respect of the income credited or paid in respect of— (a) time deposits with a banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act); or (b) time deposits with a co-operative society engaged in carrying on the business of banking; (c) deposits with a public company which is formed and registered in India with the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes and which is eligible for deduction under clause (viii) of sub-section (1) of section 36; the aforesaid amount shall be computed with reference to the income credited or paid by a branch of the banking company</p>		
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			<p>or the co-operative society or the public company, as the case may be :</p> <p><i>Provided further</i> that the amount referred to in the first proviso shall be computed with reference to the income credited or paid by the banking company or the co-operative society or the public company, as the case may be, where such banking company or the co-operative society or the public company has adopted core banking solutions:</p> <p><i>Provided also</i> that in case of payee being a senior citizen, the provisions of sub-clause (a), sub-clause (b), and sub-clause (c) shall have effect as if for the words "forty thousand rupees", the words "fifty thousand rupees" had been substituted.</p> <p>Explanation.—[***]</p> <p>(ii) [***]</p> <p>(iii) to such income credited or paid to—</p> <p>(a) any banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies, or any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank), or</p> <p>(b) any financial corporation established by or under a Central, State or Provincial Act, or</p>		
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			<p>(c) the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), or</p> <p>(d) the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963), or</p> <p>(e) any company or co-operative society carrying on the business of insurance, or</p> <p>(f) such other institution, association or body or class of institutions, associations or bodies which the Central Government may, for reasons to be recorded in writing, notify in this behalf in the Official Gazette: <i>Provided</i> that no notification under this sub-clause shall be issued on or after the 1st day of April, 2020;</p> <p>(iv) to such income credited or paid by a firm to a partner of the firm;</p> <p>(v) to such income credited or paid by a co-operative society (other than a co-operative bank) to a member thereof or to such income credited or paid by a co-operative society to any other co-operative society.</p> <p>Explanation.—For the purposes of this clause, "co-operative bank" shall have the same meaning as assigned to it in Part V of the Banking Regulation Act, 1949 (10 of 1949);</p> <p>(vi) to such income credited or paid in respect of deposits under any scheme</p>		
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			<p>framed by the Central Government and notified by it in this behalf in the Official Gazette;</p> <p>(vii) to such income credited or paid in respect of deposits (other than time deposits made on or after the 1st day of July, 1995) with a banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act);</p> <p>(viii) to such income credited or paid in respect of,—</p> <p>(a) deposits with a primary agricultural credit society or a primary credit society or a co-operative land mortgage bank or a co-operative land development bank;</p> <p>(b) deposits (other than time deposits made on or after the 1st day of July, 1995) with a co-operative society, other than a co-operative society or bank referred to in sub-clause (a), engaged in carrying on the business of banking;</p> <p>(ix) to such income credited or paid by the Central Government under any provision of this Act or the Indian Income-tax Act, 1922 (11 of 1922), or the Estate Duty Act, 1953 (34 of 1953), or the Wealth-tax Act, 1957 (27 of 1957), or the Gift-tax Act, 1958 (18 of 1958), or the Super Profits Tax Act, 1963 (14 of 1963), or the Companies</p>		
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			<p>(Profits) Surtax Act, 1964 (7 of 1964), or the Interest-tax Act, 1974 (45 of 1974);</p> <p>(ix) to such income credited by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal;</p> <p>(ixa) to such income paid by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal where the amount of such income or, as the case may be, the aggregate of the amounts of such income paid during the financial year does not exceed fifty thousand rupees;</p> <p>(x) to such income which is paid or payable by an infrastructure capital company or infrastructure capital fund or infrastructure debt fund or a public sector company or scheduled bank in relation to a zero coupon bond issued on or after the 1st day of June, 2005 by such company or fund or public sector company or scheduled bank;</p> <p>(xi) to any income by way of interest referred to in clause (23FC) of section 10: <i>Provided</i> that a co-operative society referred to in clause (v) or clause (vii) shall be liable to deduct income-tax in accordance with the provisions of sub-section (1), if—</p> <p>(a) the total sales, gross receipts or turnover of the co-operative society</p>		
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			<p>exceeds fifty crore rupees during the financial year immediately preceding the financial year in which the interest referred to in sub-section (1) is credited or paid; and</p> <p>(b) the amount of interest, or the aggregate of the amounts of such interest, credited or paid, or is likely to be credited or paid, during the financial year is more than fifty thousand rupees in case of payee being a senior citizen and forty thousand rupees in any other case.</p> <p>Explanation 1.—For the purposes of clauses (i), (vii) and (viii), "time deposits" means deposits (including recurring deposits) repayable on the expiry of fixed periods.</p> <p>Explanation 2.—For the purposes of this sub-section, "senior citizen" means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year.</p> <p>(4) The person responsible for making the payment referred to in sub-section (1) may, at the time of making any deduction, increase or reduce the amount to be deducted under this section for the purpose of adjusting any excess or deficiency arising out of any previous deduction or failure to deduct during the financial year.</p>		
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			<p>(5) The Central Government may, by notification in the Official Gazette, provide that the deduction of tax shall not be made or shall be made at such lower rate, from such payment to such person or class of persons, as may be specified in the said notification.</p> <p><i>Explanation.</i>—[Omitted by the Finance Act, 1992, w.e.f. 1-6-1992.]</p>		
194B	AY 2025-26 (1st day of April 2025)	Winnings from lottery or crossword puzzle	<p>Winnings from lottery or crossword puzzle ⁸⁷[, etc.].</p> <p>194B. The person responsible for paying to any person any income by way of winnings from any lottery or crossword puzzle or card game and other game of any sort ^{87a}[or from gambling or betting of any form or nature whatsoever, being the amount or the aggregate of amounts exceeding ten thousand rupees during the financial year] shall, at the time of payment thereof, deduct income-tax thereon at the rates in force :</p> <p><i>Provided</i> that in a case where the winnings are wholly in kind or partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of the winnings, the person responsible for paying shall, before releasing the winnings, ensure that</p>	In section 194B of the Income-tax Act,— Amendment of section 194B. (a) for the words “or the aggregate of amounts”, the words “in respect of a single transaction” shall be substituted; (b) the words “during the financial year” shall be omitted.	Proposed to remove the condition of threshold applying on aggregate of amounts exceeding Rs. 10,000/- and to now instead apply in respect of a single transaction.

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			tax has been paid in respect of the winnings: ⁸⁸ [<i>Provided further</i> that nothing contained in this section shall apply to deduction of income-tax on winnings from any online game on or after the 1st day of April, 2023. Explanation.—For the purposes of this section, "online game" shall have the meaning assigned to it in clause (iii) of the <i>Explanation</i> to section 115BBJ .]		
194BB	AY 2025-26 (1st day of April 2025)	Winnings from horse race	Winnings from horse race. 194BB. Any person, being a bookmaker or a person to whom a licence has been granted by the Government under any law for the time being in force for horse racing in any race course or for arranging for wagering or betting in any race course, who is responsible for paying to any person any income by way of winnings from any horse race ^{88b} [, being the amount or aggregate of amounts exceeding ten thousand rupees during the financial year,] shall, at the time of payment thereof, deduct income-tax thereon at the rates in force.	. In section 194BB of the Income-tax Act,— Amendment of section 194BB. (a) for the words “or aggregate of amounts”, the words “in respect of a single transaction” shall be substituted; (b) the words “during the financial year” shall be omitted.	Proposed to remove the condition of threshold applying on aggregate of amounts exceeding Rs. 10,000/- and to now instead apply in respect of a single transaction.
194D	AY 2025-26 (1st day of April 2025)	Insurance commission	Insurance commission. 194D. Any person responsible for paying to a resident any income by way of remuneration or reward, whether by way	In section 194D of the Income-tax Act, in the second proviso, for the words “fifteen	Proposed to increase this threshold amount to exceeded from

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			<p>of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance) shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rates in force :</p> <p><i>Provided</i> that no deduction shall be made under this section from any such income credited or paid before the 1st day of June, 1973:</p> <p><i>Provided further</i> that no deduction shall be made under this section in a case where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee, does not exceed fifteen thousand rupees.</p>	<p>thousand rupees”, the words “twenty thousand rupees” shall be substituted.</p>	<p>15,000/- to 20,000/- w.e.f. 1st April 2025.</p>
194G	AY 2025-26 (1st day of April 2025)	Commission on sale of lottery tickets	<p>Commission, etc., on sale of lottery tickets.</p> <p>194G. (1) Any person who is responsible for paying, on or after the 1st day of October, 1991 to any person, who is or has been stocking, distributing, purchasing or selling lottery tickets, any income by way of commission, remuneration or prize (by</p>	<p>In section 194G of the Income-tax Act, in sub-section (1), for the words “fifteen thousand rupees”, the words “twenty thousand rupees” shall be substituted.</p>	<p>Proposed to increase this threshold amount exceeded from 15,000/- to 20,000/- w.e.f. 1st April 2025.</p>

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			<p>whatever name called) on such tickets in an amount exceeding fifteen thousand rupees shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of <u>91</u>[two] per cent.</p> <p>(2) [***] (3) [***]</p> <p>Explanation.—For the purposes of this section, where any income is credited to any account, whether called "Suspense Account" or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be credit of such income to the account of the payee and the provisions of this section shall apply accordingly.</p>		
194H	AY 2025-26 (1st day of April 2025)	Commission or brokerage	<p>Commission or brokerage. 194H. Any person, not being an individual or a Hindu undivided family, who is responsible for paying, on or after the 1st day of June, 2001, to a resident, any income by way of commission (not being insurance commission referred to in section 194D) or brokerage, shall, at the time of credit of such income to the account of the payee or at the time of</p>	In section 194H of the Income-tax Act, in the first proviso, for the words "fifteen thousand rupees", the words "twenty thousand rupees" shall be substituted.	Proposed to increase this threshold amount exceeded from 15,000/- to 20,000/- w.e.f. 1 st April 2025.

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			<p>payment of such income in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of ⁹²[two] per cent : <i>Provided</i> that no deduction shall be made under this section in a case where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee, does not exceed fifteen thousand rupees : <i>Provided further</i> that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed one crore rupees in case of business or fifty lakh rupees in case of profession during the financial year immediately preceding the financial year in which such commission or brokerage is credited or paid, shall be liable to deduct income-tax under this section: <i>Provided also</i> that no deduction shall be made under this section on any commission or brokerage payable by Bharat Sanchar Nigam Limited or Mahanagar Telephone Nigam Limited to their public call office franchisees. Explanation.—For the purposes of this section,—</p>		
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			<p>(i) "commission or brokerage" includes any payment received or receivable, directly or indirectly, by a person acting on behalf of another person for services rendered (not being professional services) or for any services in the course of buying or selling of goods or in relation to any transaction relating to any asset, valuable article or thing, not being securities;</p> <p>(ii) the expression "professional services" means services rendered by a person in the course of carrying on a legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or such other profession as is notified by the Board for the purposes of section 44AA;</p> <p>(iii) the expression "securities" shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) ;</p> <p>(iv) where any income is credited to any account, whether called "Suspense account" or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be credit of such income to the account of the payee and the provisions of this section shall apply accordingly.</p>		
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194-I	AY 2025-26 (1st day of April 2025)	TDS on Rent	<p>Any person, not being an individual or a Hindu undivided family, who is responsible for paying to a resident any income by way of rent, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of—</p> <p>(a) two per cent for the use of any machinery or plant or equipment; and</p> <p>(b) ten per cent for the use of any land or building (including factory building) or land appurtenant to a building (including factory building) or furniture or fittings:</p> <p><i>Provided</i> that no deduction shall be made under this section where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the aforesaid person to the account of, or to, the payee, does not exceed two hundred and forty thousand rupees :</p> <p><i>Provided further</i> that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed one crore rupees in case of business or fifty lakh rupees in case of profession during the financial year</p>	<p>In section 194-I of the Income-tax Act, for the first proviso, the following proviso shall be substituted, namely:—</p> <p>“Provided that no deduction shall be made under this section, where the income by way of rent credited or paid for a month or part of a month by such person to the account of, or to, the payee, does not exceed fifty thousand rupees:”.</p>	<p>proposed to increase this threshold amount of income by way of rent for requirement of deduction of tax at source under section from Rs. 2,40,000/- in a financial year to Rs. 50,000/- in a month or part of a month.</p>
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			<p>immediately preceding the financial year in which such income by way of rent is credited or paid, shall be liable to deduct income-tax under this section :</p> <p><i>Provided also</i> that no deduction shall be made under this section where the income by way of rent is credited or paid to a business trust, being a real estate investment trust, in respect of any real estate asset, referred to in clause (23FCA) of section 10, owned directly by such business trust.</p> <p>Explanation.—For the purposes of this section,—</p> <p>(j) "rent" means any payment, by whatever name called, under any lease, sub-lease, tenancy or any other agreement or arrangement for the use of (either separately or together) any,—</p> <p>(a) land; or</p> <p>(b) building (including factory building); or</p> <p>(c) land appurtenant to a building (including factory building); or</p> <p>(d) machinery; or</p> <p>(e) plant; or</p> <p>(f) equipment; or</p> <p>(g) furniture; or</p> <p>(h) fittings,</p> <p>whether or not any or all of the above are owned by the payee;</p>		
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			(ii) where any income is credited to any account, whether called "Suspense account" or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be credit of such income to the account of the payee and the provisions of this section shall apply accordingly.		
194-J	AY 2025-26 (1st day of April 2025)	TDS on Fees for professional or technical services	<p>(1) Any person, not being an individual or a Hindu undivided family, who is responsible for paying to a resident any sum by way of—</p> <p>(a) fees for professional services, or</p> <p>(b) fees for technical services, or</p> <p>(ba) any remuneration or fees or commission by whatever name called, other than those on which tax is deductible under section 192, to a director of a company, or</p> <p>(c) royalty, or</p> <p>(d) any sum referred to in clause (va) of section 28,</p> <p>shall, at the time of credit of such sum to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to two per cent of such sum in case of fees for technical services (not being a professional services), or royalty where</p>	In section 194J of the Income-tax Act, in sub-section (1), in the first proviso, in clause (B), for the words "thirty thousand rupees" wherever they occur, the words "fifty thousand rupees" shall be substituted.	Proposed to increase this threshold amount exceeded from 30,000/- to 50,000/- w.e.f. 1 st April 2025.

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			<p>such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic films and ten per cent of such sum in other cases, as income-tax on income comprised therein : <i>Provided</i> that no deduction shall be made under this section—</p> <p>(A) from any sums as aforesaid credited or paid before the 1st day of July, 1995; or</p> <p>(B) where the amount of such sum or, as the case may be, the aggregate of the amounts of such sums credited or paid or likely to be credited or paid during the financial year by the aforesaid person to the account of, or to, the payee, does not exceed—</p> <p>(i) thirty thousand rupees, in the case of fees for professional services referred to in clause (a), or</p> <p>(ii) thirty thousand rupees, in the case of fees for technical services referred to in clause (b), or</p> <p>(iii) thirty thousand rupees, in the case of royalty referred to in clause (c), or</p> <p>(iv) thirty thousand rupees, in the case of sum referred to in clause (d) :</p> <p><i>Provided further</i> that an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business or profession carried on by him exceed one crore rupees in case of</p>		
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			<p>business or fifty lakh rupees in case of profession during the financial year immediately preceding the financial year in which such sum by way of fees for professional services or technical services is credited or paid, shall be liable to deduct income-tax under this section :</p> <p><i>Provided also</i> that no individual or a Hindu undivided family referred to in the second proviso shall be liable to deduct income-tax on the sum by way of fees for professional services in case such sum is credited or paid exclusively for personal purposes of such individual or any member of Hindu undivided family:</p> <p><i>Provided also</i> that the provisions of this section shall have effect, as if for the words "ten per cent", the words "two per cent" had been substituted in the case of a payee, engaged only in the business of operation of call centre.</p> <p>(2) [***] (3) [***]</p> <p>Explanation.—For the purposes of this section,—</p> <p>(a) "professional services" means services rendered by a person in the course of carrying on legal, medical, engineering or architectural profession or the profession of accountancy or technical consultancy or interior decoration or advertising or such</p>		
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			<p>other profession as is notified by the Board for the purposes of section 44AA or of this section;</p> <p>(b) "fees for technical services" shall have the same meaning as in <i>Explanation 2</i> to clause (vii) of sub-section (1) of section 9;</p> <p>(ba) "royalty" shall have the same meaning as in <i>Explanation 2</i> to clause (vi) of sub-section (1) of section 9;</p> <p>(c) where any sum referred to in sub-section (1) is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such sum, such crediting shall be deemed to be credit of such sum to the account of the payee and the provisions of this section shall apply accordingly.</p>		
194K	AY 2025-26 (1st day of April 2025)	TDS on Income in respect of units	<p>Any person responsible for paying to a resident any income in respect of—</p> <p>(a) units of a Mutual Fund specified under clause (23D) of section 10; or</p> <p>(b) units from the Administrator of the specified undertaking; or</p> <p>(c) units from the specified company, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent:</p>	<p>In section 194K of the Income-tax Act, in the proviso, in clause (i), for the words "five thousand rupees", the words "ten thousand rupees" shall be substituted.</p>	<p>Proposed to increase this threshold amount exceeded from 5,000/- to 10,000/- w.e.f. 1st April 2025.</p>

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			<p><i>Provided</i> that the provisions of this section shall not apply—</p> <p>(i) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person responsible for making the payment to the account of, or to, the payee does not exceed five thousand rupees; or</p> <p>(ii) if the income is of the nature of capital gains.</p> <p>Explanation 1.—For the purposes of this section,—</p> <p>(a) "Administrator" means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002);</p> <p>(b) "specified company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002);</p> <p>(c) "specified undertaking" shall have the meaning assigned to it in clause (i) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002).</p> <p>Explanation 2.—For the removal of doubts, it is hereby clarified that where any income</p>		
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			referred to in this section is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.		
194LA	AY 2025-26 (1st day of April 2025)	TDS on Payment of compensation on acquisition of certain immovable property	Any person responsible for paying to a resident any sum, being in the nature of compensation or the enhanced consideration or the enhanced consideration on account of compulsory acquisition, under any law for the time being in force, of any immovable property (other than agricultural land), shall, at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to ten per cent of such sum as income-tax thereon: <i>Provided</i> that no deduction shall be made under this section where the amount of such payment or, as the case may be, the aggregate amount of such payments to a resident during the financial year does not exceed two lakh and fifty thousand rupees: <i>Provided further</i> that no deduction shall be made under this section where such	In section 194LA of the Income-tax Act, in the first proviso, for the words "two lakh and fifty thousand rupees", the words "five lakh rupees" shall be substituted.	Proposed to increase this threshold amount exceeded from 2,50,000/- to 5,00,000/- w.e.f. 1 st April 2025.

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			<p>payment is made in respect of any award or agreement which has been exempted from levy of income-tax under section 96 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (30 of 2013).</p> <p>Explanation.—For the purposes of this section,—</p> <p>(i) "agricultural land" means agricultural land in India including land situate in any area referred to in items (a) and (b) of sub-clause (iii) of clause (14) of section 2;</p> <p>(ii) "immovable property" means any land (other than agricultural land) or any building or part of a building.</p>		
194LBC	AY 2025-26 (1st day of April 2025)	TDS on Income in respect of investment in securitization trust	<p>(1) Where any income is payable to an investor, being a resident, in respect of an investment in a securitisation trust specified in clause (d) of the <i>Explanation</i> occurring after section 115TCA, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon, at the rate of—</p> <p>(i) twenty-five per cent, if the payee is an individual or a Hindu undivided family;</p>	In section 194LBC of the Income-tax Act, in subsection (1), for the portion beginning with the words “at the rate of” and ending with the words “payee is any other person”, the words “at the rate of ten per cent.” shall be substituted	Proposed that TDS rate under section 194LBC of the Act be reduced from 25% and 30% to 10%.

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			<p>(ii) thirty per cent, if the payee is any other person.</p> <p>(2) Where any income is payable to an investor, being a non-resident (not being a company) or a foreign company, in respect of an investment in a securitisation trust specified in clause (d) of the <i>Explanation</i> occurring after section 115TCA, the person responsible for making the payment shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon, at the rates in force.</p> <p><i>Explanation.</i>—For the purposes of this section,—</p> <p>(a) "investor" shall have the meaning assigned to it in clause (a) of the <i>Explanation</i> occurring after section 115TCA;</p> <p>(b) where any income as aforesaid is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be the credit of such income to the account of the payee, and the provisions of this section shall apply accordingly.</p>		
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194Q	AY 2025-26 (1st day of April 2025)	Deduction of tax at source on payment of certain sum for purchase of goods	<p>(1) Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent of such sum exceeding fifty lakh rupees as income-tax.</p> <p>Explanation.—For the purposes of this sub-section, "buyer" means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.</p> <p>(2) Where any sum referred to in sub-section (1) is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the</p>	In section 194Q of the Income-tax Act, in sub-section (5), in clause (b), the words, brackets, figures and letters "other than a transaction to which sub-section (1H) of section 206C applies" shall be omitted.	It is proposed that provisions of sub-section (1H) of section 206C (TCS on sale of goods) of the Act will not be applicable from the 01.04.2025.
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			<p>payee and the provisions of this section shall apply accordingly.</p> <p>(3) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty.</p> <p>(4) Every guideline issued by the Board under sub-section (3) shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income-tax authorities and the person liable to deduct tax.</p> <p>(5) The provisions of this section shall not apply to a transaction on which—</p> <p>(a) tax is deductible under any of the provisions of this Act; and</p> <p>(b) tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.</p>		
194S	AY 2025-26 (1st day of April 2025)	Payment on transfer of virtual digital asset	<p>(1) Any person responsible for paying to any resident any sum by way of consideration for transfer of a virtual digital asset, shall, at the time of credit of such sum to the account of the resident or at the time of payment of such sum by any mode, whichever is earlier, deduct an amount equal to one per cent of such sum as income-tax thereon:</p>	<p>In section 194S of the Income-tax Act, in sub-section (2), for the words, figures and letters “sections 203A and 206AB”, the word, figures and letter “section 203A” shall be</p>	<p>Section 206AB is omitted and substituted by 203A.</p>

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		<p><i>Provided</i> that in a case where the consideration for transfer of virtual digital asset is—</p> <p>(a) wholly in kind or in exchange of another virtual digital asset, where there is no part in cash; or</p> <p>(b) partly in cash and partly in kind but the part in cash is not sufficient to meet the liability of deduction of tax in respect of whole of such transfer,</p> <p>the person responsible for paying such consideration shall, before releasing the consideration, ensure that tax required to be deducted has been paid in respect of such consideration for the transfer of virtual digital asset.</p> <p>(2)The provisions of sections 203A and 206AB shall not apply to a specified person.</p> <p>(3) Notwithstanding anything contained in sub-section (1), no tax shall be deducted in a case, where—</p> <p>(a) the consideration is payable by a specified person and the value or aggregate value of such consideration does not exceed fifty thousand rupees during the financial year; or</p> <p>(b) the consideration is payable by any person other than a specified person and the value or aggregate value of such</p>	substituted.	
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			<p>consideration does not exceed ten thousand rupees during the financial year.</p> <p>(4) Notwithstanding anything contained in section 194-O, in case of a transaction to which the provisions of the said section are also applicable along with the provisions of this section, then, tax shall be deducted under sub-section (1).</p> <p>(5) Where any sum referred to in sub-section (1) is credited to any account, whether called "Suspense Account" or by any other name, in the books of account of the person liable to pay such sum, such credit of the sum shall be deemed to be the credit of such sum to the account of the payee and the provisions of this section shall apply accordingly.</p> <p>(6) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the prior approval of the Central Government, issue guidelines for the purposes of removing the difficulty.</p> <p>(7) Every guideline issued by the Board under sub-section (6) shall be laid before each House of Parliament, and shall be binding on the income-tax authorities and on the person responsible for paying the consideration on transfer of such virtual digital asset.</p>		
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			<p>Explanation.—For the purposes of this section "specified person" means a person,—</p> <p>(a) being an individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business carried on by him or profession exercised by him does not exceed one crore rupees in case of business or fifty lakh rupees in case of profession, during the financial year immediately preceding the financial year in which such virtual digital asset is transferred;</p> <p>(b) being an individual or a Hindu undivided family, not having any income under the head "Profits and gains of business or profession".]</p>		
206AB	AY 2025-26 (1st day of April 2025)	Special provision for deduction of tax at source for non-filers of income-tax return.	<p>(1) Notwithstanding anything contained in any other provisions of this Act, where tax is required to be deducted at source under the provisions of Chapter XVIIIB, other than section 192, 192A, 194B, 18[194BA,] 194BB, 19[194-IA, 194-IB, 194LBC, 194M or 194N] on any sum or income or amount paid, or payable or credited, by a person ²⁰[***] to a specified person, the tax shall be deducted at the higher of the following rates, namely:—</p>	<p>(1) Notwithstanding anything contained in any other provisions of this Act, where tax is required to be deducted at source under the provisions of Chapter XVIIIB, other than section 192, 192A, 194B, 18[194BA,] 194BB, 19[194-IA, 194-IB, 194LBC, 194M or 194N] on any sum or</p>	<p>Omission of this section 206AB i.e.. non filer of income tax returns w.e.f. 1st April 2025</p>

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			<p>(i) at twice the rate specified in the relevant provision of the Act; or (ii) at twice the rate or rates in force; or (iii) at the rate of five per cent.</p> <p>(2) If the provisions of section 206AA is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA.</p> <p>(3) For the purposes of this section "specified person" means a person who has not ²¹[furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under subsection (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year]: ²²[Provided that the specified person shall not include-- (i) a non-resident who does not have a permanent establishment in India; or (ii) a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and</p>	<p>income or amount paid, or payable or credited, by a person 20[***] to a specified person, the tax shall be deducted at the higher of the following rates, namely:— (i) at twice the rate specified in the relevant provision of the Act; or (ii) at twice the rate or rates in force; or (iii) at the rate of five per cent. (2) If the provisions of section 206AA is applicable to a specified person, in addition to the provision of this section, the tax shall be deducted at higher of the two rates provided in this section and in section 206AA. (3) For the purposes of this section "specified person" means a person who has not</p>	
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			<p>is notified by the Central Government in the Official Gazette in this behalf.] Explanation.—For the purposes of this subsection, the expression "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.</p>	<p>21[furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under subsection (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year]; 22[Provided that the specified person shall not include— (i) a non-resident who does not have a permanent establishment in India; or (ii) a person who is not required to furnish the</p>	
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				<p>return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.]</p> <p>Explanation.—For the purposes of this sub-section, the expression "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.</p>	
206C	AY 2025-26 (1st day of April 2025)	Profits and gains from the business of trading in alcoholic liquor, forest produce, scrap, etc.	(1) Every person, being a seller shall, at the time of debiting of the amount payable by the buyer to the account of the buyer or at the time of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the buyer of any goods of the nature specified in column (2) of the Table below, a sum equal to the percentage, specified in the corresponding entry in column (3) of the said Table, of such amount as income-tax:	In section 206C of the Income-tax Act, — (a) in sub-section (1),— (i) in the Table,— (A) against serial number (iii),— (l) in column (2), for the word "Timber", the words and brackets "Timber or any other forest	Forest produce not to include timber / tendu leaves for applicability of TCS

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			<p>TABLE</p> <p>Sl. No. Nature of goods</p> <p> Percentage</p> <p>(1) (2) (3)</p> <p>(i) Alcoholic Liquor for human consumption One per cent</p> <p>(ii) Tendu leaves Five per cent</p> <p>(iii) Timber obtained under a forest lease Two and one-half per cent</p> <p>(iv) Timber obtained by any mode other than under a forest lease Two and one-half per cent</p> <p>(v) Any other forest produce not being timber or tendu leaves Two and one-half per cent</p> <p>(vi) Scrap One per cent</p> <p>(vii) Minerals, being coal or lignite or iron ore One per cent:</p> <p>Provided that every person, being a seller shall at the time, during the period beginning on the 1st day of June, 2003 and ending on the day immediately preceding the date on which the Taxation Laws (Amendment) Act, 2003 comes into force,</p>	<p>produce (not being tendu leaves)" shall be substituted;</p> <p>(II) in column (3), for the words "two and onehalf per cent.", the words "two per cent." shall be substituted;</p> <p>(B) against serial number (iv), in column (3), for the words "two and one-half per cent.", the words "two per cent." shall be substituted;</p> <p>(C) serial number (v) and the entries relating thereto shall be omitted;</p> <p>(ii) after the proviso, the following Explanation shall be inserted, namely:— 'Explanation.—For the purposes of this sub-section, "forest produce" shall have the same meaning as defined in any State</p>	
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			<p>of debiting of the amount payable by the buyer to the account of the buyer or of receipt of such amount from the said buyer in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the buyer of any goods of the nature specified in column (2) of the Table as it stood immediately before the 1st day of June, 2003, a sum equal to the percentage, specified in the corresponding entry in column (3) of the said Table, of such amount as income-tax in accordance with the provisions of this section as they stood immediately before the 1st day of June, 2003.</p> <p>(1A) Notwithstanding anything contained in sub-section (1), no collection of tax shall be made in the case of a buyer, who is resident in India, if such buyer furnishes to the person responsible for collecting tax, a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that the goods referred to in column (2) of the aforesaid Table are to be utilised for the purposes of manufacturing, processing or producing articles or things or for the purposes of generation of power and not for trading purposes.</p>	<p>Act for the time being in force, or in the Indian Forest Act, 1927.’;</p> <p>(b) in sub-section (1G),—</p> <p>(i) in the first, second and fourth provisos, for the words “seven lakh rupees” wherever they occur, the words “ten lakh rupees” shall be substituted;</p> <p>(ii) for the third proviso, the following proviso shall be substituted, namely:—</p> <p>“Provided also that the authorised dealer shall not collect the sum if the amount being remitted out is a loan obtained from any financial institution as defined in clause (b) of sub-section (3) of section</p>	
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			<p>(1B) The person responsible for collecting tax under this section shall deliver or cause to be delivered to the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner one copy of the declaration referred to in sub-section (1A) on or before the seventh day of the month next following the month in which the declaration is furnished to him.</p> <p>(1C) Every person, who grants a lease or a licence or enters into a contract or otherwise transfers any right or interest either in whole or in part in any parking lot or toll plaza or mine or quarry, to another person, other than a public sector company (hereafter in this section referred to as "licensee or lessee") for the use of such parking lot or toll plaza or mine or quarry for the purpose of business shall, at the time of debiting of the amount payable by the licensee or lessee to the account of the licensee or lessee or at the time of receipt of such amount from the licensee or lessee in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, collect from the licensee or lessee of any such licence, contract or lease of the nature specified in column (2) of the Table below, a sum equal to the percentage,</p>	<p>80E, for the purpose of pursuing any education:";</p> <p>(c) in sub-section (1H), after the second proviso, the following proviso shall be inserted, namely:— "Provided also that nothing contained in the provisions of this sub-section shall apply from the 1st day of April, 2025.";</p> <p>(d) in sub-section (7A), the following proviso shall be inserted, with effect from the 1st April, 2025, namely:— "Provided that the provisions of sub-sections (3), (5) and (6) of section 153 and Explanation 1 thereof shall, so far as may be, apply to the time limit specified in this sub-section.";</p>	
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		<p>specified in the corresponding entry in column (3) of the said Table, of such amount as income-tax:</p> <p>TABLE</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Nature of contract or licence or lease, etc.</th> <th>Percentage</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>Parking lot</td> <td>Two per cent</td> </tr> <tr> <td>(ii)</td> <td>Toll plaza</td> <td>Two per cent</td> </tr> <tr> <td>(iii)</td> <td>Mining and quarrying</td> <td>Two per cent.</td> </tr> </tbody> </table> <p>Explanation 1.—For the purposes of this sub-section, "mining and quarrying" shall not include mining and quarrying of mineral oil.</p> <p>Explanation 2.—For the purposes of Explanation 1, "mineral oil" includes petroleum and natural gas.</p> <p>(1D) [***]</p> <p>(1E) [***]</p> <p>(1F) Every person, being a seller, who receives any amount as consideration for sale of a motor vehicle of the value exceeding ten lakh rupees, shall, at the time of receipt of such amount, collect</p>	Sl. No.	Nature of contract or licence or lease, etc.	Percentage	(1)	(2)	(3)	(i)	Parking lot	Two per cent	(ii)	Toll plaza	Two per cent	(iii)	Mining and quarrying	Two per cent.	<p>(e) in sub-section (9), for the words, brackets, figures and letters “, sub-section (1C) or sub-section (1H)” at both the places where they occur, the words, brackets, figure and letter “or sub-section (1C)” shall be substituted;</p> <p>(f) in sub-section (10A), for the brackets, figures, letters and word “(1C), (1F) or (1H)”, the brackets, figures, letters and word “(1C) or (1F)” shall be substituted.</p>	
Sl. No.	Nature of contract or licence or lease, etc.	Percentage																	
(1)	(2)	(3)																	
(i)	Parking lot	Two per cent																	
(ii)	Toll plaza	Two per cent																	
(iii)	Mining and quarrying	Two per cent.																	

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			<p>from the buyer, a sum equal to one per cent of the sale consideration as income-tax.</p> <p>Following sub-section (1F) shall be substituted for the existing sub-section (1F) of section 206C by the Finance (No. 2) Act, 2024, w.e.f. 1-1-2025:</p> <p>(1F) Every person, being a seller, who receives any amount as consideration for sale of—</p> <p>(i) a motor vehicle; or</p> <p>(ii) any other goods, as may be specified by the Central Government by notification in the Official Gazette,</p> <p>of the value exceeding ten lakh rupees, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to one per cent of the sale consideration as income-tax.</p> <p>(1G) Every person,—</p> <p>(a) being an authorised dealer, who receives an amount, for remittance 23[***] from a buyer, being a person remitting such amount 23[***] under the</p>		
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			<p>Liberalised Remittance Scheme of the Reserve Bank of India;</p> <p>(b) being a seller of an overseas tour program package, who receives any amount from a buyer, being the person who purchases such package,</p> <p>shall, at the time of debiting the amount payable by the buyer or at the time of receipt of such amount from the said buyer, by any mode, whichever is earlier, collect from the buyer, a sum equal to 24[five] per cent of such amount as income-tax:</p> <p>Provided that the authorised dealer shall not collect the sum, if the amount or aggregate of the amounts being remitted by a buyer is less than seven lakh rupees in a financial year 25[***]:</p> <p>Provided further that the sum to be collected by an authorised dealer from the buyer shall be equal to 26[twenty] per cent of the amount or aggregate of the amounts in excess of seven lakh rupees remitted by the buyer in a financial year, where the amount being remitted 27[28[is for purposes other than] education or medical treatment]:</p>		
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			<p>Provided also that the authorised dealer shall collect a sum equal to one half per cent of the amount or aggregate of the amounts in excess of seven lakh rupees remitted by the buyer in a financial year, if the amount being remitted out is a loan obtained from any financial institution as defined in section 80E, for the purpose of pursuing any education:</p> <p>29[Provided also that the seller of an overseas tour programme package shall collect a sum of twenty per cent of the amount or aggregate of amounts in excess of seven lakh rupees received from the buyer in a financial year:]</p> <p>Provided also that the authorised dealer shall not collect the sum on an amount in respect of which the sum has been collected by the seller:</p> <p>Provided also that the provisions of this sub-section shall not apply, if the buyer is,—</p> <p>(i) liable to deduct tax at source under any other provision of this Act and has deducted such amount;</p>		
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			<p>(ii) the Central Government, a State Government, an embassy, a High Commission, a legation, a commission, a consulate, the trade representation of a foreign State, a local authority as defined in the Explanation to clause (20) of section 10 or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein:</p> <p>30[Provided also that the sum to be collected under this sub-section on or after the 1st day of July, 2023 and before the 1st day of October, 2023, shall be collected in accordance with the provisions of this sub-section as they stood on the 1st day of April, 2023.]</p> <p>Explanation.—For the purposes of this sub-section,—</p> <p>(i) "authorised dealer" means a person authorised by the Reserve Bank of India under sub-section (1) of section 10 of the Foreign Exchange Management Act, 1999 (42 of 1999) to deal in foreign exchange or foreign security;</p>		
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			<p>(ii) "overseas tour programme package" means any tour package which offers visit to a country or countries or territory or territories outside India and includes expenses for travel or hotel stay or boarding or lodging or any other expenditure of similar nature or in relation thereto.</p> <p>(1H) Every person, being a seller, who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, other than the goods being exported out of India or goods covered in sub-section (1) or sub-section (1F) or sub-section (1G) shall, at the time of receipt of such amount, collect from the buyer, a sum equal to 0.1 per cent of the sale consideration exceeding fifty lakh rupees as income-tax:</p> <p>Provided that if the buyer has not provided the Permanent Account Number or the Aadhaar number to the seller, then the provisions of clause (ii) of sub-section (1) of section 206CC shall be read as if for the words "five per cent", the words "one per cent" had been substituted:</p>		
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			<p>Provided further that the provisions of this sub-section shall not apply, if the buyer is liable to deduct tax at source under any other provision of this Act on the goods purchased by him from the seller and has deducted such amount.</p> <p>Explanation.—For the purposes of this sub-section,—</p> <p>(a) "buyer" means a person who purchases any goods, but does not include,—</p> <p>(A) the Central Government, a State Government, an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State; or</p> <p>(B) a local authority as defined in the Explanation to clause (20) of section 10; or</p> <p>(C) a person importing goods into India or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein;</p> <p>(b) "seller" means a person whose total sales, gross receipts or turnover from the</p>		
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			<p>business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the sale of goods is carried out, not being a person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.</p> <p>(1-I) If any difficulty arises in giving effect to the provisions of sub-section (1G) or sub-section (1H), the Board may, with the approval of the Central Government, issue guidelines for the purpose of removing the difficulty.</p> <p>(1J) Every guideline issued by the Board under sub-section (1-I) shall be laid before each House of Parliament, and shall be binding on the income-tax authorities and on the person liable to collect the sum.</p> <p>(2) The power to recover tax by collection under this section shall be without prejudice to any other mode of recovery.</p> <p>(3) Any person collecting any amount under this section shall pay within the prescribed time the amount so collected to the credit of the Central Government or as the Board directs :</p>		
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			<p>Provided that the person collecting tax on or after the 1st day of April, 2005 in accordance with the foregoing provisions of this section shall, after paying the tax collected to the credit of the Central Government within the prescribed time, prepare such statements for such period as may be prescribed and deliver or cause to be delivered to the prescribed income-tax authority, or the person authorised by such authority, such statement in such form and verified in such manner and setting forth such particulars and within such time as may be prescribed.</p> <p>(3A) In case of an office of the Government, where the amount collected under sub-section (1) or sub-section (1C) has been paid to the credit of the Central Government without the production of a challan, the Pay and Accounts Officer or the Treasury Officer or the Cheque Drawing and Disbursing Officer or any other person, by whatever name called, who is responsible for crediting such tax to the credit of the Central Government, shall deliver or cause to be delivered to the prescribed income-tax authority, or to the person authorised by such authority, a statement in such form, verified in such</p>		
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			<p>manner, setting forth such particulars and within such time as may be prescribed.</p> <p>(3B) The person referred to in the proviso to sub-section (3) may also deliver to the prescribed authority under the said proviso, a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under the said proviso in such form and verified in such manner, as may be specified by the authority.</p> <p>Following proviso shall be inserted in sub-section (3B) of section 206C by the Finance (No. 2) Act, 2024, w.e.f. 1-4-2025:</p> <p>Provided that no correction statement shall be delivered after the expiry of six years from the end of the financial year in which the statement referred to in the proviso to sub-section (3) is required to be delivered.</p> <p>(4) Any amount collected in accordance with the provisions of this section and paid to the credit of the Central Government shall be deemed to be a payment of tax on behalf of the person from whom the amount has been collected and credit shall</p>		
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			<p>be given to such person 31[or any other person eligible for credit] for the amount so collected in a particular assessment year in accordance with the rules as may be prescribed by the Board from time to time.</p> <p>(5) Every person collecting tax in accordance with the provisions of this section shall within such period as may be prescribed from the time of debit or receipt of the amount furnish to the buyer or licensee or lessee to whose account such amount is debited or from whom such payment is received, a certificate to the effect that tax has been collected, and specifying the sum so collected, the rate at which the tax has been collected and such other particulars as may be prescribed:</p> <p>Provided that the prescribed income-tax authority or the person authorised by such authority referred to in sub-section (3) shall, within the prescribed time after the end of each financial year beginning on or after the 1st day of April, 2008, prepare and deliver to the buyer referred to in sub-section (1) or, as the case may be, to the licensee or lessee referred to in sub-section (1C), a statement in the prescribed form specifying the amount of tax collected and</p>		
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			<p>such other particulars as may be prescribed.</p> <p>(5A) Every person collecting tax before the 1st day of April, 2005 in accordance with the provisions of this section shall prepare within the prescribed time after the end of each financial year, and deliver or cause to be delivered to the prescribed income-tax authority or such other authority or agency as may be prescribed such returns in such form and verified in such manner and setting forth such particulars and within such time as may be prescribed:</p> <p>Provided that the Board may, if it considers necessary or expedient so to do, frame a scheme for the purposes of filing such returns with such other authority or agency referred to in this sub-section.</p> <p>(5B) Without prejudice to the provisions of sub-section (5A), any person collecting tax, other than in a case where the seller is a company, the Central Government or a State Government, may at his option, deliver or cause to be delivered such return to the prescribed income-tax authority in accordance with such scheme as may be specified by the Board in this behalf, by notification in the Official Gazette, and</p>		
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			<p>subject to such conditions as may be specified therein, on or before the prescribed time after the end of each financial year, on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media (hereinafter referred to as the computer media) and in the manner as may be specified in that scheme:</p> <p>Provided that where the person collecting tax is a company or the Central Government or a State Government, such person shall, in accordance with the provisions of this section, deliver or cause to be delivered, within the prescribed time after the end of each financial year, such returns on computer media under the said scheme.</p> <p>(5C)Notwithstanding anything contained in any other law for the time being in force, a return filed on computer media shall be deemed to be a return for the purposes of sub-section (5A) and the rules made thereunder and shall be admissible in any proceedings made thereunder, without further proof of production of the original, as evidence of any contents of the original or of any facts stated therein.</p>		
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			<p>(5D)Where the Assessing Officer considers that the return delivered or caused to be delivered under sub-section (5B) is defective, he may intimate the defect to the person collecting tax and give him an opportunity of rectifying the defect within a period of fifteen days from the date of such intimation or within such further period which, on an application made in this behalf, the Assessing Officer may, in his discretion, allow; and if the defect is not rectified within the said period of fifteen days or, as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this Act, such return shall be treated as an invalid return and the provisions of this Act shall apply as if such person had failed to deliver the return.</p> <p>(6) Any person responsible for collecting the tax who fails to collect the tax in accordance with the provisions of this section, shall, notwithstanding such failure, be liable to pay the tax to the credit of the Central Government in accordance with the provisions of sub-section (3).</p> <p>(6A) If any person responsible for collecting tax in accordance with the provisions of this section does not collect the whole or</p>		
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			<p>any part of the tax or after collecting, fails to pay the tax as required by or under this Act, he shall, without prejudice to any other consequences which he may incur, be deemed to be an assessee in default in respect of the tax:</p> <p>Provided that any person responsible for collecting tax in accordance with the provisions of sub-section (1) and sub-section (1C), who fails to collect the whole or any part of the tax on the amount received from a buyer or licensee or lessee or on the amount debited to the account of the buyer or licensee or lessee shall not be deemed to be an assessee in default in respect of such tax if such buyer or licensee or lessee—</p> <p>(i) has furnished his return of income under section 139;</p> <p>(ii) has taken into account such amount for computing income in such return of income; and</p> <p>(iii) has paid the tax due on the income declared by him in such return of income,</p>		
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			<p>and the person furnishes a certificate to this effect from an accountant in such form as may be prescribed:</p> <p>Provided further that no penalty shall be charged under section 221 from such person unless the Assessing Officer is satisfied that the person has without good and sufficient reasons failed to collect and pay the tax.</p> <p>(7) Without prejudice to the provisions of sub-section (6), if the person responsible for collecting tax does not collect the tax or after collecting the tax fails to pay it as required under this section, he shall be liable to pay simple 32[interest at the rate of one per cent per month or part thereof on the amount of such tax from the date on which such tax was collectible to the date on which the tax was actually paid and such interest shall be paid] before furnishing the quarterly statement for each quarter in accordance with the provisions of sub-section (3):</p> <p>Provided that in case any person responsible for collecting tax in accordance with the provisions of this section, fails to collect the whole or any part of the tax on the amount received from a buyer or</p>		
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			<p>licensee or lessee or on the amount debited to the account of the buyer or licensee or lessee but is not deemed to be an assessee in default under the first proviso of sub-section (6A), the interest shall be payable from the date on which such tax was collectible to the date of furnishing of return of income by such buyer or licensee or lessee:</p> <p>33[Provided further that where an order is made by the Assessing Officer for the default under sub-section (6A), the interest shall be paid by the person in accordance with such order.]</p> <p>Following sub-section (7A) shall be inserted after sub-section (7) of section 206C by the Finance (No. 2) Act, 2024, w.e.f. 1-4-2025:</p> <p>(7A) No order shall be made under sub-section (6A) deeming a person to be an assessee in default for failure to collect the whole or any part of the tax from any person, at any time after the expiry of six years from the end of the financial year in which tax was collectible or two years from the end of the financial year in which the correction statement is delivered under sub-section (3B), whichever is later.</p>		
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			<p>(8) Where the tax has not been paid as aforesaid, after it is collected, the amount of the tax together with the amount of simple interest thereon referred to in sub-section (7) shall be a charge upon all the assets of the person responsible for collecting tax.</p> <p>(9) Where the Assessing Officer is satisfied that the total income of the buyer or licensee or lessee justifies the collection of the tax at any lower rate than the relevant rate specified in 34[sub-section (1), sub-section (1C) or sub-section (1H)], the Assessing Officer shall, on an application made by the buyer or licensee or lessee in this behalf, give to him a certificate for collection of tax at such lower rate than the relevant rate specified in 35[sub-section (1), sub-section (1C) or sub-section (1H)].</p> <p>(10) Where a certificate under sub-section (9) is given, the person responsible for collecting the tax shall, until such certificate is cancelled by the Assessing Officer, collect the tax at the rates specified in such certificate.</p> <p>(10A) In case the provisions of sub-section (1) [except the goods referred at serial</p>		
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		<p>number (i) in the TABLE], (1C), (1F) or (1H) require collection of tax at source during the period commencing from the 14th day of May, 2020 to the 31st day of March, 2021, then, notwithstanding anything contained in these sub-sections the collection of tax shall be made at the rate being the three-fourth of the rate specified in these sub-sections.</p> <p>(11) The Board may, having regard to the convenience of assesseees and the interests of revenue, by notification in the Official Gazette, make rules specifying the cases in which, and the circumstances under which, an application may be made for the grant of a certificate under sub-section (9) and the conditions subject to which such certificate may be granted and providing for all other matters connected therewith.</p> <p>36[(12) Notwithstanding anything contained in this section, no collection of tax shall be made or collection of tax shall be made at such lower rate in respect of specified transaction, from such person or class of persons, including institution, association or body or class of institutions, associations or bodies, as the Central Government may, by notification in the Official Gazette specify in this behalf.]</p>		
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			<p>Explanation.—For the purposes of this section,—</p> <p>(a) "accountant" shall have the meaning assigned to it in the Explanation to sub-section (2) of section 288;</p> <p>(aa) "buyer" with respect to—</p> <p>(i) sub-section (1) means a person who obtains in any sale, by way of auction, tender or any other mode, goods of the nature specified in the Table in sub-section (1) or the right to receive any such goods but does not include,—</p> <p>(A) a public sector company, the Central Government, a State Government, and an embassy, a High Commission, legation, commission, consulate and the trade representation, of a foreign State and a club; or</p> <p>(B) a buyer in the retail sale of such goods purchased by him for personal consumption;</p> <p>(ii) [***]</p>		
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			<p>(iii) sub-section (1F) means a person who obtains in any sale, goods of the nature specified in the said sub-section, but does not include,—</p> <p>(A) the Central Government, a State Government and an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State; or</p> <p>(B) a local authority as defined in Explanation to clause (20) of section 10; or</p> <p>(C) a public sector company which is engaged in the business of carrying passengers.</p> <p>(ab) [***]</p> <p>(b) "scrap" means waste and scrap from the manufacture or mechanical working of materials which is definitely not usable as such because of breakage, cutting up, wear and other reasons;</p> <p>(c) "seller" with respect to sub-section (1) and sub-section (1F) means the Central Government, a State Government or any local authority or corporation or authority established by or under a Central, State or</p>		
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			Provincial Act, or any company or firm or co-operative society and also includes an individual or a Hindu undivided family whose total sales, gross receipts or turnover from the business or profession carried on by him exceed one crore rupees in case of business or fifty lakh rupees in case of profession during the financial year immediately preceding the financial year in which the goods of the nature specified in the Table in sub-section (1) are sold.		
246A	1 st of April 2026	Appealable orders before Commissioner (Appeals)	<p>(1) Any assessee or any deductor or any collector aggrieved by any of the following orders (whether made before or after the appointed day) may appeal to the Commissioner (Appeals) against-</p> <p>(ja) an order of imposing or enhancing penalty under sub-section (1A) of section 275;</p> <p>(n) an order made by a Deputy Commissioner imposing a penalty under section 271C, section 271CA, section 271D or section 271E;</p>	<p>(1) Any assessee or any deductor or any collector aggrieved by any of the following orders (whether made before or after the appointed day) may appeal to the Commissioner (Appeals) against-</p> <p>(ja) an order of imposing or enhancing penalty under sub-section (2) of section 275;</p> <p>(n) an order made by a Deputy Commissioner imposing a penalty</p>	In line with rationalising the time limit to impose penalty and giving power to assessing officer to levy the penalty on assessment carried by him, corresponding amendments is carried out in this section during filing of appeal.

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				under section 271C, section 271CA, section 271D or section 271E;	
253	1 st of April 2026	Appeals to the Appellate Tribunal	(9)The Central Government may, for the purpose of giving effect to the scheme made under sub-section (8),by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification: Provided that no direction shall be issued after the 31st day of March, 2025	Omitted	As per the power under the section is restricted up to 31 st March 2025, the clause is proposed to be removed.
255	1 st of April 2026	Procedure of Appellate Tribunal	(8) The Central Government may, for the purposes of giving effect to the scheme made under sub-section (7), by notification in the Official Gazette, direct that any of the provisions of this Act shall not apply to such scheme or shall apply with such exceptions, modifications and adaptations as may be specified in the said notification: Provided that no such direction shall be issued after the 31st day of March, 2025.	Omitted	As per the power under the section is restricted up to 31 st March 2025, the clause is proposed to be removed.
263	1 st of April 2026	Revision of orders prejudicial to revenue	(3) Notwithstanding anything contained in sub-section (2), an order in revision under this section may be passed at any time in the case of an order which has been passed in consequence of, or to give effect to, any finding or direction contained in an order	<i>(3) Notwithstanding anything contained in sub-section (2), an order in revision under this section may be passed at any time in</i>	In order to resolve the ambiguity regarding the period to be excluded in case of stayed by an order or injunction

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			<p>of the Appellate Tribunal, the High Court or the Supreme Court. Explanation.—In computing the period of limitation for the purposes of sub-section (2), the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 129 and any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.</p>	<p><i>the case of an order which has been passed in consequence of, or to give effect to, any finding or direction contained in an order of the Appellate Tribunal, the High Court or the Supreme Court.</i> <i>Explanation.—In computing the period of limitation for the purposes of sub-section (2), the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 129 and the period commencing on the date on which stay on any proceeding under this section was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal</i></p>	<p>of any court, the amendment has been made stating clearly the period from date on which stay was granted or injunction of court to date of receipt of certified copy of order of vacating stay by Principal Commissioner / Commissioner</p>
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				<i>Commissioner or Commissioner”of any court shall be excluded.</i>	
264	1 st of April 2026	Revision of other orders	<p>(6) On every application by an assessee for revision under this sub-section, made on or after the 1st day of October, 1998, an order shall be passed within one year from the end of the financial year in which such application is made by the assessee for revision.</p> <p>Explanation.—In computing the period of limitation for the purposes of this sub-section, the time taken in giving an opportunity to the assessee to be re-heard under the proviso to section 129 and any period during which any proceeding under this section is stayed by an order or injunction of any court shall be excluded.</p>	<p>(6) On every application by an assessee for revision under this sub-section, made on or after the 1st day of October, 1998, an order shall be passed within one year from the end of the financial year in which such application is made by the assessee for revision.</p> <p>Explanation.—In computing the period of limitation for the purposes of this sub-section, the time taken in giving an opportunity to the assessee to be re-heard under the proviso to section 129 and the period commencing on the date on which stay on any proceeding under this section was granted by an order or injunction of any court and ending on the date</p>	Amendment has been made in align with amendments to section 263 as above

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				on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner of any court shall be excluded.	
270AA	1 st of April 2026	Immunity from imposition of penalty, etc	(4) The Assessing Officer shall, within a period of one month from the end of the month in which the application under sub-section (1) is received, pass an order accepting or rejecting such application: Provided that no order rejecting the application shall be passed unless the assessee has been given an opportunity of being heard.	(4) The Assessing Officer shall, within a period of three month from the end of the month in which the application under sub-section (1) is received, pass an order accepting or rejecting such application: Provided that no order rejecting the application shall be passed unless the assessee has been given an opportunity of being heard.	In order to provide reasonable time to the taxpayer, the time limit for passing the order to avail immunity from imposition of penalty or prosecution has been extended from one month to three month from end of month in which application for immunity is received by assessing officer. The extended time limit will benefit the taxpayers so that they can fulfill the conditions mentioned in the order.

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271AAB	1 st September 2024	Penalty where search has been initiated.	<p>(1A) The Assessing Officer 4[or the Commissioner (Appeals)] may, notwithstanding anything contained in any other provisions of this Act, direct that, in a case where search has been initiated under section 132 on or after the date on which the Taxation Laws (Second Amendment) Bill, 2016 receives the assent of the President, the assessee shall pay by way of penalty, in addition to tax, if any, payable by him – addition to tax, if any, payable by him,—</p> <p>(a) a sum computed at the rate of thirty per cent of the undisclosed income of the specified previous year, if the assessee—</p> <p>(i) in the course of the search, in a statement under sub-section (4) of section 132, admits the undisclosed income and specifies the manner in which such income has been derived;</p> <p>(ii) substantiates the manner in which the undisclosed income was derived; and</p> <p>(iii) on or before the specified date—</p> <p>(A) pays the tax, together with interest, if any, in respect of the undisclosed income; and</p> <p>(B) furnishes the return of income for the specified previous year declaring such undisclosed income therein;</p>	<p>(1A) The Assessing Officer 4[or the Commissioner (Appeals)] may, notwithstanding anything contained in any other provisions of this Act, direct that, in a case where search has been initiated under section 132 on or after the date on which the Taxation Laws (Second Amendment) Bill, 2016 receives the but before the 1st day of September, 2024 assent of the President, the assessee shall pay by way of penalty, in addition to tax, if any, payable by him – addition to tax, if any, payable by him,-</p> <p>(a) a sum computed at the rate of thirty per cent of the undisclosed income of the specified previous year, if the assessee—</p>	<p>In order to provide more clarity, the section has been amended stating the penalties under this section will not be applicable for search under section 132.</p>
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			<p>(b) a sum computed at the rate of sixty per cent of the undisclosed income of the specified previous year, if it is not covered under the provisions of clause (a)</p>	<p>(i) in the course of the search, in a statement under sub-section (4) of section 132, admits the undisclosed income and specifies the manner in which such income has been derived; (ii) substantiates the manner in which the undisclosed income was derived; and (iii) on or before the specified date— (A) pays the tax, together with interest, if any, in respect of the undisclosed income; and (B) furnishes the return of income for the specified previous year declaring such undisclosed income therein; (b) a sum computed at the rate of sixty per cent of the undisclosed income of the specified previous year, if it is not</p>	
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				covered under the provisions of clause (a)	
271BB	1 st April 2026	Failure to subscribe to the eligible issue of capital	Whoever fails to subscribe any amount of subscription to the units issued under any scheme referred to in sub-section (1) of section 88A to the eligible issue of capital under that sub-section within the period of six months specified therein, may be directed by the Joint Commissioner to pay, by way of penalty, a sum equal to twenty per cent of such amount.	Omitted	Since the parent section was omitted earlier, the penalty section has been removed.
271C	1 st April 2026	Penalty for failure to deduct tax at source	(2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner.	following proviso shall be inserted,- “Provided that any penalty under sub-section (1) on or after the 1st day of April, 2025, shall be imposed by the Assessing Officer.”.	Amendment is made to give power to assessing officer to levy the penalty on assessment carried by him, subject to approval of Joint Commissioner for order imposing penalty more than Rs.25,000/- or Rs 10,000/- as the case may be.
271CA`	1 st April 2026	Penalty for failure to collect tax at source	(1) If any person fails to collect the whole or any part of the tax as required by or under the provisions of Chapter XVII-BB, then, such person shall be liable to pay, by way of penalty, a sum equal to the amount	following proviso shall be inserted,- “Provided that any penalty under sub-section (1), on or after	Amendment is made to give power to assessing officer to levy the penalty on assessment

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			of tax which such person failed to collect as aforesaid. (2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner.	<i>the 1st day of April, 2025, shall be imposed by the Assessing Officer.”.</i>	carried by him, subject to approval of Joint Commissioner for order imposing penalty more than Rs.25,000/- or Rs 10,000/- as the case may be.
271D	1 st April 2026	Penalty for failure to comply with the provisions of section 269SS.	(1) If a person takes or accepts any loan or deposit or specified sum in contravention of the provisions of section 269SS, he shall be liable to pay, by way of penalty, a sum equal to the amount of the loan or deposit or specified sum so taken or accepted. (2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner	<i>following proviso shall be inserted- “Provided that any penalty under sub-section (1), on or after the 1st day of April, 2025, shall be imposed by the Assessing Officer.”.</i>	Amendment is made to give power to assessing officer to levy the penalty on assessment carried by him, subject to approval of Joint Commissioner for order imposing penalty more than Rs.25,000/- or Rs 10,000/- as the case may be..
271DA	1 st of April 2026	Penalty for failure to comply with provisions of section 269ST.	(1) If a person receives any sum in contravention of the provisions of section 269ST, he shall be liable to pay, by way of penalty, a sum equal to the amount of such receipt:	<i>following proviso shall be inserted- “Provided that any penalty under sub-section (1) on or after the 1st day of April,</i>	Amendment is made to give power to assessing officer to levy the penalty on assessment carried by him,

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			<p>Provided that no penalty shall be imposable if such person proves that there were good and sufficient reasons for the contravention.</p> <p>(2) Any penalty imposable under subsection (1) shall be imposed by the Joint Commissioner</p>	<p>2025, shall be imposed by the Assessing Officer.”.</p>	<p>subject to approval of Joint Commissioner for order imposing penalty more than Rs.25,000/- or Rs 10,000/- as the case may be..</p>
271DB	1 st of April 2026	Penalty for failure to comply with provisions of section 269SU	<p>(1) If a person who is required to provide facility for accepting payment through the prescribed electronic modes of payment referred to in section 269SU, fails to provide such facility, he shall be liable to pay, by way of penalty, a sum of five thousand rupees, for every day during which such failure continues: Provided that no such penalty shall be imposable if such person proves that there were good and sufficient reasons for such failure.</p> <p>(2) Any penalty imposable under subsection (1) shall be imposed by the Joint Commissioner of Income-tax.</p>	<p>following proviso shall be inserted – Provided that any penalty under subsection (1) on or after the 1st day of April, 2025, shall be imposed by the Assessing Officer</p>	<p>Amendment is made to give power to assessing officer to levy the penalty on assessment carried by him, subject to approval of Joint Commissioner for order imposing penalty more than Rs.25,000/- or Rs 10,000/- as the case may be..</p>
271E	1 st of April 2026	Penalty for failure to comply with the provisions of section 269T	<p>(1) If a person repays any loan or deposit or specified advance referred to in section 269T otherwise than in accordance with the provisions of that section, he shall be liable to pay, by way of penalty, a sum equal to the amount of the loan or deposit or specified advance so repaid.</p>	<p>following proviso shall be inserted – “Provided that any penalty under subsection (1) on or after the 1st day of April,</p>	<p>Amendment is made to give power to assessing officer to levy the penalty on assessment carried by him, subject to approval</p>

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			(2) Any penalty imposable under sub-section (1) shall be imposed by the Joint Commissioner	2025, shall be imposed by the Assessing Officer.”.	of Joint Commissioner for order imposing penalty more than Rs.25,000/- or Rs 10,000/- as the case may be.
275	1 st of April 2026	Bar of limitation for imposing penalties.	(1) No order imposing a penalty under this Chapter shall be passed— (a) in a case where the relevant assessment or other order is the subject-matter of an appeal to the 28-29[Joint Commissioner (Appeals) or to the] Commissioner (Appeals) under section 246 or section 246A or an appeal to the Appellate Tribunal under section 253, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the month in which the order of the 28-29[Joint Commissioner (Appeals) or the] Commissioner (Appeals) or, as the case may be, the Appellate Tribunal is received by the 30[***]Principal commissioner or Commissioner, whichever period expires later : Provided that in a case where the relevant assessment or other order is the subject-	“275. (1) No order imposing a penalty under this Chapter shall be passed after the expiry of six months from the end of the quarter in which,— (a) the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, if the relevant assessment or other order is not the subject matter of an appeal under section 246 or section 246A or section 253 (b) the order of revision under section 263 or section 264 is passed, if	The section has been amended with a view of ease of compliance reducing various time limit for imposing penalties in different scenarios. It is proposed that no order levying penalties shall be imposed after the end of 6 months in various scenarios

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			<p>matter of an appeal to the 31[Joint Commissioner (Appeals) or to the] Commissioner (Appeals) under section 246 or section 246A, and 31[the Joint Commissioner (Appeals) or] the Commissioner (Appeals) passes the order on or after the 1st day of June, 2003 disposing of such appeal, an order imposing penalty shall be passed before the expiry of the financial year in which the proceedings, in the course of which action for Imposition of penalty has been initiated, are completed, or within one year from the end of the financial year in which the order of 31[the Joint Commissioner(Appeals) or] the Commissioner (Appeals) is received by the 32[***] Principal Commissioner or Commissioner, whichever is later;</p> <p>(b) in a case where the relevant assessment or other order is the subject-matter of revision under section 263 or section 264, after the expiry of six months from the end of the month in which such order of revision is passed;</p> <p>(c) in any other case, after the expiry of the financial year in which the proceedings, in the course of which action for the imposition of penalty has been initiated, are completed, or six months from the end of the month in which action for imposition</p>	<p><i>the relevant assessment or other order is the subject matter of revision under the said sections;</i></p> <p><i>(c) the order of appeal under section 246 or section 246A is received by the jurisdictional Principal Commissioner or Commissioner, if the relevant assessment or other order is the subject matter of an appeal under the said sections and no further appeal has been filed under section 253;</i></p> <p><i>(d) the order of appeal under section 253 is received by the jurisdictional Principal Commissioner or Commissioner, if the relevant assessment or other order is the subject matter of an appeal under the said section;</i></p>	
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			<p>of penalty is initiated, whichever period expires later.</p> <p>(1A) In a case where the relevant assessment or other order is the subject-matter of an appeal 33[to the Joint Commissioner (Appeals) or] to the Commissioner (Appeals) under section 246 or section 246A or an appeal to the Appellate Tribunal under section 253 or an appeal to the High Court under section 260A or an appeal to the Supreme Court under section 261 or revision under section 263 or section 264 and an order imposing or enhancing or reducing or cancelling penalty or dropping the proceedings for the imposition of penalty is passed before the order of 33[the Joint Commissioner (Appeals) or] the Commissioner (Appeals) or the Appellate Tribunal or the High Court or the Supreme Court is received by the 34[***] Principal Commissioner or Commissioner or the order of revision under section 263 or section 264 is passed, an order imposing or enhancing or reducing or cancelling penalty or dropping the proceedings for the imposition of penalty may be passed on the basis of assessment as revised by giving effect to such order of 33[the Joint Commissioner (Appeals) or] the Commissioner (Appeals) or, the Appellate Tribunal or the High</p>	<p><i>(e) notice for imposition of penalty is issued, in any other case.</i></p> <p><i>(2) The order imposing or enhancing or reducing or cancelling penalty or dropping the proceedings for the imposition of penalty may be revised on the basis of assessment as revised by giving effect to the order passed under section 246 or section 246A or section 253 or section 260A or section 261 or revision under section 263 or section 264, where the relevant assessment or other order is the subject matter of an appeal or a revision under the said sections.</i></p> <p><i>(3) No order imposing or enhancing or reducing or cancelling penalty or dropping the</i></p>	
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			<p>Court, or the Supreme Court or order of revision under section 263 or section 264: Provided that no order of imposing or enhancing or reducing or cancelling penalty or dropping the proceedings for the imposition of penalty shall be passed—</p> <p>(a) unless the assessee has been heard, or has been given a reasonable opportunity of being heard;</p> <p>(b) after the expiry of six months from the end of the month in which the order of 34a[the Joint Commissioner (Appeals) or] the Commissioner (Appeals) or the Appellate Tribunal or the High Court or the Supreme Court is received by the 34b[***] Principal Commissioner or Commissioner or the order of revision under section 263 or section 264 is passed:</p> <p>Provided further that the provisions of sub-section (2) of section 274 shall apply in respect of the order imposing or enhancing or reducing penalty under this sub-section.</p> <p>(2) The provisions of this section as they stood immediately before their amendment by the Direct Tax Laws (Amendment) Act, 1987 (4 of 1988), shall apply to and in relation to any action initiated for the imposition of penalty on or before the 31st day of March, 1989.</p>	<p><i>proceedings for the imposition of penalty under sub-section (2) shall be passed—</i></p> <p><i>(a) unless the assessee has been heard, or has been given a reasonable opportunity of being heard; (b) after the expiry of six months from the end of the quarter in which the order passed under section 246 or section 246A or section 253 or section 260A or section 261 is received by the jurisdictional Principal Commissioner or Commissioner, or the order of revision under section 263 or section 264 is passed.</i></p> <p><i>(4) The provisions of sub-section (2) of section 274 shall apply to the order imposing or enhancing</i></p>	
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			<p>Explanation.—In computing the period of limitation for the purposes of this section,—</p> <p>(i) the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 129;</p> <p>(ii) any period during which the immunity granted under section 245H remained in force; and</p> <p>(iii) any period during which a proceeding under this Chapter for the levy of penalty is stayed by an order or injunction of any court, shall be excluded.</p>	<p><i>or reducing penalty under sub-section (2).</i></p> <p><i>(5) In computing the period of limitation for the purposes of this section, the following period shall be excluded:—</i></p> <p><i>(a) the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 129;</i></p> <p><i>(b) the period commencing on the date on which stay on proceeding for levy of penalty was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner.”.</i></p>	
276BB	1 st of April 2026	Failure to pay the tax collected at source	If a person fails to pay to the credit of the Central Government, the tax collected by him as required	<p><i>Following proviso shall be inserted –</i></p> <p><i>“Provided that the provisions of this</i></p>	The section has been amended to provide a exemption from prosecution in

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			under the provisions of section 206C, he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine.	<i>section shall not apply if the payment of the tax collected at source has been made to the credit of the Central Government at any time on or before the time prescribed for filing the statement under the proviso to sub-section (3) of section 206C in respect of such payment.”</i>	case of the payment of Tax collected at source is done before the time limit prescribed for filing of quarterly returns of the respective period.
285BAA	1 st April, 2026	Obligation to furnish information on transaction of crypto-asset	-	<i>After section 285BA of the Income-tax Act, the following section shall be inserted with effect from the 1st April, 2026, namely</i> <i>285BAA. (1) Any person, being a reporting entity, as prescribed, in respect of a crypto-asset, shall furnish information in respect of a transaction of such crypto-asset in a statement, for such period, within such</i>	In view to keep a track on crypto-asset transactions, this section has been introduced in this bill wherein the reporting entity (which are to be notified – Mostly Platforms on which transactions of Crypto Currency are executed) will have to furnish all the information in the format, time and

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				<p><i>time, in such form and manner and to such income-tax authority, as prescribed.</i></p> <p><i>(2) Where the prescribed income-tax authority considers that the statement furnished under subsection (1) is defective, he may intimate the defect to the person who has furnished such statement and give him an opportunity of rectifying the defect within thirty days from the date of such intimation or such further period as may be allowed, and if the defect is not rectified within such period, the provisions of this Act shall apply as if such person had furnished inaccurate information in the statement</i></p>	<p>manner as may be prescribed. This will also help in tracking the compliance of section 194S (1% TDS) and 115BBH (30% Tax on profit)</p>
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				<p><i>(3) Where a person who is required to furnish a statement under sub-section (1) has not furnished the same within the specified time, the prescribed income-tax authority may serve upon such person a notice requiring him to furnish such statement within a period not exceeding thirty days from the date of service of such notice and he shall furnish the statement within the time specified in the notice</i></p> <p><i>(4) If any person, having furnished a statement under sub-section (1), or in pursuance of a notice issued under subsection (3), comes to know or discovers any inaccuracy in the information provided</i></p>	
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				<p><i>in the statement, he shall within ten days inform the prescribed income-tax authority, the inaccuracy in such statement and furnish the correct information in such manner as prescribed.</i></p> <p><i>(5) The Central Government may, by rules prescribe—</i></p> <p><i>(a) the persons referred to in sub-section (1) to be registered with the prescribed income-tax authority;</i></p> <p><i>(b) the nature of information and the manner in which such information shall be maintained by the persons referred to in clause (a); and</i></p> <p><i>(c) the due diligence to be carried out by the persons referred to in sub-section (1) for the purpose of identification of any</i></p>	
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				<p><i>crypto-asset user or owner.</i></p> <p><i>(6) In this section, “crypto-asset” shall have the meaning assigned to it in sub-clause (d) of clause (47A) of section 2.’.</i></p>	
<p>Rule 68B of Second Schedule</p>	<p>1st of April 2026</p>	<p>Time limit for sale of attached immovable property.</p>	<p>(2) In computing the period of limitation under sub-rule (1), the period—</p> <p>(i)during which the levy of the aforesaid tax, interest, fine, penalty or any other sum is stayed by an order or injunction of any court; or</p> <p>(ii)during which the proceedings of attachment or sale of the immovable property are stayed by an order or injunction of any court; or</p> <p>(iii) commencing from the date of the presentation of any appeal against the order passed by the Tax Recovery Officer under this Schedule and ending on the day the appeal is decided, shall be excluded :</p> <p>Provided that where immediately after the exclusion of the aforesaid period, the period of limitation for the sale of the</p>	<p><i>(2) In computing the period of limitation under sub-rule (1), the period—</i></p> <p><i>“(i) commencing on the date on which stay on levy of the said tax, interest, fine, penalty or another sum was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner; or</i></p> <p><i>(ii) commencing on the date on which stay on</i></p>	<p>In order to resolve the ambiguity regarding the period to be excluded in case of stayed by an order or injunction of any court, the amendment has been made stating clearly the period from date on which stay was granted or injunction of court to date of receipt of certified copy of order of vacating stay by Principal Commissioner / Commissioner / Approving Panel</p>

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			<p>immovable property is less than 180 days, such remaining period shall be extended to 180 days and the aforesaid period of limitation shall be deemed to be extended accordingly.</p>	<p><i>the proceeding of attachment or sale of the immovable property was granted by an order or injunction of any court and ending on the date on which certified copy of the order vacating the stay was received by the jurisdictional Principal Commissioner or Commissioner; or”.</i></p> <p><i>(iii) commencing from the date of the presentation of any appeal against the order passed by the Tax Recovery Officer under this Schedule and ending on the day the appeal is decided, shall be excluded :</i></p> <p><i>Provided that where immediately after the exclusion of the aforesaid period, the period of limitation for the sale of the</i></p>	
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				<i>immovable property is less than 180 days, such remaining period shall be extended to 180 days and the aforesaid period of limitation shall be deemed to be extended accordingly.</i>	
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