SEMESTSER-V
B.Com (Hons.)

Discipline Specific Core Course- 5.1(DSC-5.1): Income Tax Law and Practice

CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
DSC -5.1: Income Tax Law and Practice	4	3	0	1	Pass in Class XII with Mathematics/Accountancy	NIL

Learning Objectives

The course aims to impart knowledge of law pertaining to levy of income tax in India.

Learning outcomes

After completion of the course, learners will be able to:

1. Analyse the basic concepts of income tax and determine the residential status of different persons.
2. Compute income under the heads ‘salaries’ and ‘income from house property’.
3. Compute income under the heads ‘profits and gains of business or profession’ and ‘capital gains’.
4. Compute income under the head ‘income from other sources’ and understand the provisions relating to clubbing of income and set-off losses.
5. Analyse various deductions and computation of total income and tax liability of individuals.

SYLLABUS OF DSC-5.1

Unit 1: Introduction (9 hours)

Basic concepts: Income; Agricultural income, Person, Assessee, Assessment year, Previous year, Gross Total Income, Total income, Maximum marginal rate of tax and Permanent

Account Number (PAN); Residential status: Scope of total income on the basis of residential status; Exempted incomes under section 10; Learning lessons from Kautilya's Taxation Policy.

Unit 2: Computation of Income from Salaries and House Property (11 hours)

Income from Salaries; Income from House Property.

Unit 3: Computation of Income from Business or Profession and Capital Gains (11 hours)

Profits and gains of business or profession; Capital gains.

Unit 4: Income from Other Sources, Clubbing of Income and Set-off (7 hours)

Income from other sources; Income of other persons included in assessee's total income; Aggregation of income and set-off and carry forward of losses.

Unit 5: Deductions and Computation of Total Income and Tax Liability (7 hours)

Deductions from gross total income; Rebates and reliefs; Computation of total income and tax liability of individuals (On-line filing of Returns of Income & TDS).

Practical Exercises:

The learners are required to:

1. Prepare a case study for a person resident but not ordinarily resident in India having income under the head other sources of income.

2. Prepare a presentation indicating the impact of alternative tax regime structure on the tax liability of an assessee.

3. Present a hypothetical case wherein the impact of change in the capital gains taxes are reflected as per the relevant Financial Act.

4. Learn about various tax services available on the official website of Government of India.

5. Prepare a list of tax deductions available in case of a senior citizen.

6. Explore and attempt on-line filing of Returns of Income & TDS on Income tax e-filing website under ITR-1 and ITR-2.

Suggested Readings:

- Ahuja, G., & Gupta, R. (2022). *Simplified Approach to Income Tax.* Delhi, India: Flair Publications Pvt. Ltd.

- Bandypoadhyay, S. B., & Das, C. (2019). *TAXATION II* (1st ed., Vol. II). Delhi, India: Oxford University Press.

- Mittal, N. (2019). *Concept Building Approach to Income Tax Law and Practice* (1st ed.,

Vol. 1). Delhi, India: Cengage Learning India Pvt.

- Singhania, V. K., & Singhania, M. (2021). *Students' Guide to Income Tax | University Edition*. Delhi, India: Taxmann Publications Private Limited.

Additional Readings:

- Current Tax Reporter. Jodhpur, India: Current Tax Reporter.
- Income Tax Reports. Chennai, India: Company Law Institute of India Pvt. Ltd.

Note: Suggested readings will be updated by the Department of Commerce and uploaded on the Department's website.

Downloading ITR-1 (Excel Utility) for FY 2024-25 (AY 2025-26)

- **https://incometax.gov.in**
- System Requirements: Microsoft -Windows 7 or Later
- Click on Download Tab **Select Assessment Year 2025-26 (by Default)**
- **Ignore** Common Offline Utility (ITR 1 to ITR 4)
- **Click ITR 1**
- **For individuals being a resident (other than not ordinarily resident) having total income upto Rs. 50 lakh and having Income from Salaries, one house property, other sources (Interest etc.), long-term capital gains under section 112A up to Rs. 1.25 lakh, and agricultural income up to Rs. 5 thousand**
- **Utility Excel Based (3.33 MBs) and Download**
- Save Zip Folder **ITR1_AY 25-26_V 1.4 (Released on 16-09-25)** on your system (Desktop)
- Right Click the Folder and click Extract ITR1_AY_25-26_V1.4 xlms
- Microsoft Excel Macro-Enabled Worksheet will be opened on your system (Desktop) instantly.
- Advised to Rename the worksheet by right Clicking.
  - If on the Top: **Protected View** – Click on Enable Editing
  - Then **Security Risk** : Microsoft has blocked macros from running
  - Close the Worksheet; Click Right and Select Properties
  - **Bottom – Security – Click Unblock – Apply – OK**
  - Now Again open the Downloaded Worksheet
- Do not Control + Copy; Control + Paste; Do not delete any Row / Column / Sheet
- Green Cells are for Data Entry; Red Levels mandatory
- **Total 4 Sheets (By Default); If opted Out New Regime then there will be 12 Sheets**

23-09-2025 Advocate Dr. SB Rathore *Associate Professor of Commerce (1977 to 2019)* ***Shyam Lal College (Univ. of Delhi)***
9811116835 www.taxclasses.in rathore_incometax@yahoo.co.in **YouTube Tax Doctor**

Downloading ITR-2 (Excel Utility) for FY 2024-25 (AY 2025-26)

- **h t t p s : / / i n c o m e t a x . g o v . i n**
- System Requirements: Microsoft -Windows 7 or Later
- Click on Download Tab **Select Assessment Year 2025-26 (by Default)**
- **Ignore** Common Offline Utility (ITR 1 to ITR 4) and ITR 1
- **C l i c k I T R 2**
- **For Individuals and HUFs not having income from profits and gains of business or profession**
- **Utility Excel Based (8.42 MBs) and Download**
- Save Zip Folder **ITR2_AY 25-26_V 1.2 (Released on 16-09-25)** on your system
- Right Click the Folder and click Extract ITR2_AY_25-26_V1.2 xlms
- Microsoft Excel Macro-Enabled Worksheet will be opened on your system (Desktop) instantly.
- Advised to Rename the worksheet by right Clicking.
  - If on the Top: **P r o t e c t e d V i e w** – Click on Enable Editing
  - Then **S e c u r i t y R i s k** : Microsoft has blocked macros from running
  - Close the Worksheet; Click Right and Select Properties
  - **B o t t o m – S e c u r i t y – C l i c k U n b l o c k – A p p l y – O K**
  - Now Again open the Downloaded Worksheet
- Do not Control + Copy; Control + Paste; Do not delete any Row / Column / Sheet
- Green Cells are for Data Entry; Red Levels mandatory
- **T o t a l 3 3 S h e e t s i n c l u d i n g H o m e .**

23-09-25 Advocate Dr. SB Rathore *Associate Professor of Commerce (1977 to 2019)* ***Shyam Lal College (University of Delhi)*** ***9811116835*** ***www.taxclasses.in*** ***rathore_incometax@yahoo.co.in*** ***YouTube*** **Tax Doctor**

Guidelines for the Paper Titled "Income Tax Law and Practice" of B.Com.(Hons.) Paper No. DSC 5.1, Semester-V

JOINTLY ORGANISED

By

Department of Commerce, Delhi School of Economics, University of Delhi

And

Department of Commerce, Shaheed Bhagat Singh College, University of Delhi

Date: 30th September 2024

MINUTES OF THE MEETING

An online meeting of the paper Titled "Income Tax Law and Practice" of B. Com. (Hons.) Semester-V, Paper No. DSC 5.1, was jointly organized by the Department of Commerce, Delhi School of Economics, University of Delhi and the Department of Commerce, Shaheed Bhagat Singh College, University of Delhi. The meeting was held through Google Meet Platform (Meeting ID: https://meet.google.com/szf-ghmh-ryb) on 30th September 2024 at 11.00 AM. Following faculty members of the different colleges of University of Delhi associated with the teaching of this paper were present in the meeting:

S.No	Name of the Faculty	Department/ Affiliated College
1	Dr. Pooja Goel, Representative	Department of Commerce, Delhi School of Economics
2	Prof. Shikha Gupta 1, Convener	Teacher-In-Charge, Department of Commerce, Shaheed Bhagat Singh College
3	Dr.Shalini Gupta	Shaheed Bhagat Singh College
4	Dr.Vandana Dahiya	Shaheed Bhagat Singh College
5	Mr.Aashish Jain	Sri Venkateswara College
6	Dr.Abha Wadhwa	Deen Dayal Upadhyaya
7	Ms.Aiman	Satyawati college
8	Dr.Aishwarya Nagpal	Kirori Mal College
9	Dr.Amrita Kaur	Shaheed Bhagat Singh College
10	Mr.Ankush Kumar Jindal	College of Vocational Studies
11	Dr.Anuradha Tyagi	Dr. Bhim Rao Ambedkar College
12	Ms.Bhupinder Kaur Aneja	Sri Guru Gobind Singh College of Commerce
13	Dr.Chandan Karki	Motilal Nehru College (Day)
14	Mr.Deepak Verma	Deshbandhu College
15	Ms.Deepshikha Yadav	Hansraj College

16	Dr.Diksha	Shyam Lal College
17	Mr.Dilip Kumar Gupta	Atma Ram Sanatan Dharma College
18	Ms.Divya Gupta	Hindu College
19	Dr.Dr Raghuveer Singh Rajpurohit	Keshav Mahavidyalaya
20	Mr.Gaurav Sharma	Rajdhani College University of Delhi
21	Mr.Gopal Arora	SGND Khalsa College
22	Mr.Gulshan Kumar	DDUC
23	Dr.Gurcharan Sachdeva	PGDAV College
24	Dr.Gurminder Kaur Arora	Sri Guru Gobind Singh College of Commerce
25	Ms.Harmanpreet Kaur	Shivaji College
26	Ms.Hersheen Kaur	Sri Guru Gobind Singh College of Commerce
27	Dr.Indu	Aditi Mahavidyalaya
28	Mr.Jitender Chawla	Dyal Singh College
29	Ms.Kalyani Rajan	A.R.S.D College
30	Prof. Kamal Mohan Bansal	Dr. Bhim Rao Ambedkar College
31	Mr.Krishan Kant	Shri Ram College of Commerce
32	Ms.Kritika Khurana	Maitreyi college
33	Mr.Kundan Kumar	Rajdhani College
34	Dr.Laxman Ram Paliwal	Swami Shraddhanand college
35	Mr.Mahesh Kumar	Motilal Nehru College
36	Dr.Manish Kumar	Shyam Lal College
37	Ms.Manisha	Shivaji College
38	Dr.Manpreet Kaur	Mata Sundri College for Women
39	Ms.Maya Rani	Moti Lal Nehru College (Eve)
40	Dr.Meenakshi Yadav	PGDAV college (Eve)
41	Dr.Meera Nangia	College of Vocational Studies
42	Dr.Meetakshi Pant	Shaheed Bhagat Singh College
43	Dr.Mohd. Tariq Azizy	Keshav Mahavidyalaya
44	Dr.Mohit Kumar	Shaheed Bhagat Singh College
45	Dr.Neera Pal	Ram Lal Anand College
46	Prof. Neeta Bareja	Lakshmi Bai College
47	Dr.Neha Kashyap	Lakshmi Bai College
48	Dr.Neha Singhal	Sri Venkateswara College
49	Ms.Neyati Ahuja	Shaheed Bhagat Singh College

50	Dr.Nirmal Jain	Maharaja Agrasen College
51	Dr.Nishi Sharma	Dr. Bhim Rao Ambedkar College
52	Ms.Parvinder Kaur	Mata Sundri College for Women
53	Mr.Pawan Kumar	Kalindi College
54	Ms.Pinkey Pandey	Sri Aurobindo College (Eve)
55	Ms.Pooja Rani	Ramjas College
56	Ms.Priya Aggarwal	Lady Shri Ram College for Women
57	Dr.Priya Harjai	Swami Shraddhanand College
58	Dr.Promila Bhardwaj	Dyal Singh College (Eve)
59	Ms.Purnima Meena	Lakshmibai College
60	Dr.Raghvendra Bochaliya	Atma Ram Sanatan Dharma College
61	Mr.Raj Kumar Aggarwal	Shaheed Bhagat Singh College
62	Dr.Rajender Singh	Ram Lal Anand College
63	Dr.Rashi Paliwal	Aditi Mahavidyalaya
64	Ms.Rasleen Kaur	Sri Guru Gobind Singh College of Commerce
65	Dr.Renu Aggarwal	Deen Dayal Upadhyaya College
66	Dr.Ritu Rani	Daulat Ram College
67	Dr.Ritu Dagar	Daulat Ram College
68	Mr.Riyaz Ali	Swami Shraddhanand College
69	Dr.Ruchi Goyal	Keshav Mahavidyalaya
70	Dr.Saba Abid	Indraprastha College for Women
71	Ms.Sakshi Meena	Vivekananda College
72	Ms.Saloni Arora	Jesus and Mary College
73	Dr.Sameer Lama	Kirori Mal College
74	Dr.Sandeep Sehrawat	Satyawati College (Eve)
75	Dr.Sangeeta Arora	Hindu College
76	Dr.Saumya Sharma	Vivekanand College
77	Dr.Shaista Sami	Rajdhani College
78	Dr.Shalini Aggarwal	Dyal Singh College
79	Dr.Shamsher Singh	PGDAV College (M)
80	Dr.Shasta Gupta	Sri Aurobindo College
81	Dr.Shikha Gupta	Kamala Nehru College
82	Dr.Shilpi Sahi	Bharati College
83	Ms.Shivani Kalra	Vivekananda College

84	Dr.Shoeba	Zakir Husain Delhi College (Day)
85	Dr.Shweta kalra	Satyawati College
86	Ms.Simarpreet Kaur	Sri Guru Nanak Dev Khalsa College
87	Dr.Sonal Babbar	Maitreyi College
88	Dr.Sonal Jain	Janki Devi Memorial College
89	Ms.Soumya Sharma	Vivekananda College
90	Mr.Sumit Kumar	Ramanujan College
91	Dr.Sunil Kumar	Deen Dayal Upadhyaya College
92	Ms.Sushma Aggarwal	Vivekananda College
93	Ms.T. Jeya Christy	Indraprastha College for Women
94	Ms.Timsy Gupta	Sri Guru Nanak Dev Khalsa College
95	Dr.Tonika Rana	Daulat Ram College
96	Ms.Trishala Chauhan	Kamala Nehru College
97	Mr.Tusher Kanti Debbarma	Dyal Singh College
98	Dr.Vandana Bansal	Bharati College
99	Dr.Yask Sain	Acharya Narender Dev College

The following guidelines were set in the meeting with the consent of the teachers present in the meeting and the Representative of the Department of Commerce, Delhi School of Economics, University of Delhi, in order to have uniformity and consistency in teaching thereby facilitating the teaching-learning process.

<u>Unit 1: Introduction</u>

Basic concepts: Income, agricultural income, person, assessee, assessment year, previous year, gross total income, total income, maximum marginal rate of tax, Permanent Account Number (PAN); Residential status; Scope of total income on the basis of residential status, Exempted income under section 10, Learning lessons from Kautilya's Taxation Policy.

<u>Guidelines</u>

- Agricultural income: Only concept & simple integration need to be covered. Cases of rubber, tea, and coffee need not be covered.
- Residential Status: Sec 9(1)(viii) need to be emphasized.
- Exempted income: The following exempted incomes need to be covered- Section 10(1), 10(2), 10(5), 10(7), 10(10), 10(10A), 10(10AA), 10(10D), 10(11), 10(12), 10(11A), 10(12C), 10(13), 10(13A), 10(14)*, 10(15), 10(16), 10(32)(Important), 10(36), 10(37).
- All six allowances under section 10(14)(i) need to be covered. Only education, hostel, and transport allowance need to be covered in special allowances under section 10(14)(ii).
- Kautilya's Taxation Policy- A brief outline of Kautilya's taxation policy.

Unit 2: Computation of Income from Salaries and House Property

Income from Salaries; Income from house property.

Guidelines

- ESOP- only concept need to be covered. Valuation of ESOP need not to be covered.
- Rent Free Accommodation (RFA): Hotel accommodation & 2 accommodations at the same time need not to be covered.
- Transport allowance for transport employees need not be covered. Tribal area, hill area, insurgency area allowance need not to be covered.
- Voluntary Retirement Scheme [Section 10(10C)] and Retrenchment Compensation need not be covered.
- Sweat equity shares only concept, valuation need not be emphasized.

Unit 3: Computation of Income from Business or Profession and Capital Gains

Profits and gains of business or profession; Capital gains.

Guidelines

A. Computation of Income from 'Profits and Gains from Business or Profession'

- Only sections 28, 29, 30, 31, 32*, 35 (Expenditure on scientific research only), 35D, 36, 37, 40, 40(a)**, 40A***, 41, 43B need to be emphasized.
  - Sec 32*- Depreciation in case of Power units, Depreciation in case of amalgamation and business re-organization and Section 32AD not to be covered.
  - Sec 40(a)**- Provisions to be covered - Interest, royalty for technical services paid outside India or to a non-resident [40(a)(i)], amount payable to a resident [40(a)(ia)], salary payable outside India without tax deduction [40(a)(iii)], tax on non-monetary perquisite paid by employer [40(a)(v)].
  - Sec 40A***- Provisions to be covered - Payment to relative [40A(2)], Expenditure exceeding 10,000 [40A(3)], Provision for unapproved Gratuity Fund [40A(7)], Contributions to non- statutory funds [40A(9)] .
- Section 35 AD-Provisions related to specific industries e.g. cold storage, banking etc. not to be covered.
- Sections 44AA, 44AB, 44AD, 44ADA, 44AE need to be covered conceptually.

B. Computation of Income from 'Capital Gains'

- ***Under Capital Gains in Special Cases following need not be covered***
  - Transfer of capital asset by a partner to a firm and by a firm to its partner.
  - Capital Gains on Transfer of shares/ debentures in the hands of a Non-Resident.
  - Capital Gains arising on Transfer of Sweat Equity Shares or ESOP shares.
  - Capital Gains on Buy back of Shares [Sec 10(34A), 46A and 115 QA].
  - Capital Gains in case of Joint Development Agreement [Sec 45(5A) and 49(7)].
  - Capital Gains in the case of transfer of unlisted shares in a company [Sec 50CA].
  - Slump Sale [Sec 50B]
  - Tax incentive for the development of capital of Andhra Pradesh [Sec 10(37A) and 49].
- Section 50C should be covered.

- ***Under Capital Gains Exempt from tax***
  - Section 54, 54B, 54EC and 54F need to be covered.
  - Only simple questions on Section 54F.
- Capital gains provisions related to individuals need to be covered.

<u>Unit 4: Income from Other Sources, Clubbing of Income and Set-off</u>

Income from other sources; Income of other persons included in assessee‘s total income; Aggregation of income and set-off and carry forward of losses.

<u>Guidelines</u>

<u>Income from Other Sources</u>
- Section 56 (2)(viia), 56 (2)(viib), 56(2)(viii) and Section 56(2)(xii) need not be covered.

<u>Clubbing of Income</u>
- Section 60 to section 64(1) to be covered in theory only.
- Section 64(2) need not be covered.

<u>Set-off and carry forward of losses</u>
- Sections to be covered- Section 70, 71, 72,73, 74.
- Sections need not be done- Section 72A, 73A, 74A, 79, 94(8).

<u>Unit 5: Deductions and Computation of Total Income and Tax Liability</u>

Deductions from gross total income; Rebates and reliefs. Computation of total income and tax liability of individuals (On-line filing of Returns of Income & TDS).

<u>Guidelines</u>

- Following deductions need to be emphasized for practical purpose- Section 80A, 80AB, 80AC, 80C, 80CCC, 80CCD, 80CCH, 80D, 80DD, 80DDB, 80E, 80G, 80GG, 80GGA, 80GGC, 80 TTA, 80TTB, and 80U.

- Rebates should be covered. Reliefs may not be covered.

- Only ITR-2 should be done using excel utility available on the official website of the Government of India (www.incometax.gov.in) for practical examination.

- Students to be made familiar with income tax e-filing website, tax services available, tax calculator and filing of return (no specific question on TDS).

<u>Additional Notes</u>
- The question paper should have a wide coverage from all the sections.
- The question paper should mention the New/Old tax regime for solving the question.
- With respect to practical examination, a student is supposed to know both New/Old regime in excel utility (ITR-2).

All the faculty members participated actively in the deliberations and appreciated the timely initiative of Sr. Prof. Ajay Kumar Singh, Dean & Head, Department of Commerce and expressed sincere thanks to Prof. Amit Kumar Singh, Coordinator, Department of Commerce, University of Delhi for the interest shown by him in executing this meeting. Sincere gratitude to Dr. Pooja Goel, Associate Professor and Representative, Department of Commerce, University of Delhi for her inputs throughout the deliberations in the meeting.

The meeting ended with a special vote of thanks to Prof. Shikha Gupta 1, Convener and Teacher-in- Charge, Department of Commerce, Shaheed Bhagat Singh College, for taking the initiative in convening, facilitating and providing valuable inputs in the meeting and Dr. Pooja Goel, Representative, Department of Commerce, Delhi school of Economics, University of Delhi.

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