<u>4-1-15/</u> Resolved that the Amendment to Income tax related papers for B. Com (H), B. Com (Prog), and B.A. (Commerce) papers (In the light of the Income Tax Act 2025 duly approved by the Govt of India) be accepted. **Appendix-103**

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		
Income Tax Law and Practice: DSC -5.1	4	3	0	1	Pass in Class XII with Mathematics/ Accountancy	NIL

Income Tax Law and Practice
BCH: DSC-5.1

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

Unit 1: Introduction (9 hours)
Basic concepts: Income; Agricultural income, Person, Assessee, Tax 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 11; 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. *Simplified Approach to Income Tax.* Delhi, India: Flair Publications Pvt. Ltd.
- Mittal, N. *Concept Building Approach to Income Tax Law and Practice*. Delhi, India: Cengage Learning India Pvt.
- Singhania, V. K., & Singhania, M. *Students' Guide to Income Tax | University Edition.* Delhi, India: Taxmann Publications Private Limited.

Latest edition of books is to be followed.

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.

The following guidelines were set in the meeting in order to have uniformity and consistency in teaching thereby facilitating the teaching-learning process: **Meeting on Tuesday, 04-08-26**

Unit 1: Introduction (9 hours)
Basic concepts: Income; Agricultural income, Person, Assessee, Tax 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 11; Learning lessons from Kautilya's Taxation Policy.

Guidelines

- *Agricultural income:*
  Only concept & simple integration need to be covered. Cases of tea, rubber and coffee need not be covered.
- *Exempted income:*
  The following exempted incomes need to be covered:
  Schedule II (Table: Sl. No. 1, 2, 3, 4, 5, 7, 8, 9, 11, 12),
  Schedule III (Table: Sl. No. 1, 8, 9, 11, 12, 13*, 17, 18),
  ** Only children education, hostel and transport allowance for disabled employees need to be covered.*
  Section 19 and Schedule III (Table: Sl. No. 38)
- *Kautilya's Taxation Policy:*
  A brief outline of Kautilya's taxation policy.

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

Guidelines

- *Rent Free Accommodation (RFA):*
  Hotel accommodation & Two accommodations at the same time need not be covered.
- Transport allowance for transport employees, Tribal area allowance, hill area allowance and insurgency area allowance need not be covered.
- Treatment of Compensation received by an employee on Voluntary Retirement and on Retrenchment need not be covered.
- *Sweat equity shares/ ESOPs:*
  Only concept need to be covered. Valuation of Sweat equity shares/ ESOPs need not be covered.

Unit 3: Computation of Income from Business or Profession and Capital Gains (11 hours)
Profits and gains of business or profession; Capital gains.

Guidelines
Profits and Gains from Business or Profession

- Only sections 26, 27, 28, 29, 30, 31, 32, 33*, 34, 35, 36, 37, 38, 44 and 45 need to be covered.
  - *Sec 33*:*
    Depreciation in case of power units and Depreciation in case of amalgamation & business reorganization need not be covered.
- Section 46: Capital expenditure of specified business need not be covered.
- Section 58, 62, and 63 to be covered conceptually.

Capital Gains

- *Capital Gains provisions in the following special cases need not be covered:*
  - Capital Gains in case of conversion of capital asset into stock-in-trade [Section 67(6)]
  - Transfer of capital asset by a partner to a firm [Section 67(9)]
  - Capital Gains on transfer of shares/ debentures of an Indian company by a non-resident [Section 72(6)]
  - Capital Gains arising on transfer of Sweat Equity Shares/ ESOPs
  - Capital Gains in case of Joint Development Agreement [Section 67(14)]
  - Capital Gains in case of distribution of assets by companies in liquidation [Section 68]
  - Special provision for full value of consideration for transfer of share other than quoted share [Section 79]
  - Capital Gains in case of slump sale [Section 77]
- *Capital Gains provisions in the following special cases need to be covered:*
  - Capital Gains on buy back of shares [Section 69]
  - Section 78
- *Exemptions from Capital Gains of following sections need to be covered:*
  - Section 82, 83, 85 and 86.
  - Only simple questions on Section 86 to be covered.

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.

Guidelines

Income from Other Sources

Section 92(2)(k) need not be covered.

Clubbing of Income

Section 99(3) and 99(4) need not be covered.

Set-off and carry forward of losses

Section 116 and 119 need not be covered.

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).

Guidelines

- *Following deductions need to be emphasized for numerical purposes:*
  Section 122, 123 [Read with Schedule XV], 124 [Read with Schedule XV], 125, 126, 127, 128, 129, 133, 134, 135, 137, 153, and 154.
- Rebate under section 155 and 156 need to be covered.
- Relief under section 157 need 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).

Relevant points to be noted

1. Income Tax Act 2025 has been made applicable in India w.e.f. 1 April 2026. So, academic session 2026-27 is an exceptional year. The provisions applicable for the tax year 2026-27 need to be taught to the students studying 'Income Tax Law and Practice' during the academic session 2026-27.
   It is suggested that tax year 2026-27 should be taught in the next academic session 2027-28 too; tax year 2027-28 should be taught in the academic session 2028-29 and so on.

2. ITR-1 will be done in the academic session 2026-27.

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