HAPPY INTERNATIONAL WOMEN'S DAY

MARCH 08

HERE'S TO
Strong women
MAY WE KNOW THEM
MAY WE BE THEM
MAY WE RAISE THEM

Understanding Capital Gains Taxes

A COMPREHENSIVE OVERVIEW

BY CA NISHA ELIZABETH SHAJAN

INCOME HEADS OF SHARE TRADING/ INVESTMENT

Holding not more than 12 months – Short term [Sec 2(42A)]

Holding more than 12 months - Long Term [Sec 2(29B)]

Futures and Options – Normal Business Income

Intraday Trading- Speculative Business Income

Dividend

TAX RATE

- Long Term Capital Gain U/s 112A -12.5%
- Short Term Capital Gain U/s 111A – 20%
- Business Income –FNO & Intraday at slab rate Rate
- Dividend – at Slab Rate

111A & 112A- STCG & LTCG

- Listed Equity shares, Equity oriented fund, Unit of Business Trust
- Chargeable to Securities Transaction Tax (STT)

SEC 111A –SHORT TERM

- Holding period
  Not more than 12 months
- Tax Rate- 20%
- Basic Exemption **available** to **Resident**
- **Chapter VIA** deduction **not** Available. No deduction for STT
- F&O Loss can be set off with SCTG
- **No rebate** on Short-Term Capital Gains from equity (u/s 111A)

Bombay High Court Ruling & Relevance to Capital Gains

- **The Bombay High Court said: " The facility to raise a claim, which was very much available till 5 July 2024, could not have been abruptly discontinued simply because the revenue official, acting in their administrative capacities, felt that such a claim was untenable."**
- **The Bombay High Court says, "In our opinion, whether a rebate U/s 87A can be granted only from the tax arrived at under Section 115BAC or also from the tax computed under other provisions of Chapter 12 is a highly debatable and arguable issue."**
- **The ruling holds that an ambiguity in the law cannot be resolved by modifying the utility in accordance with the interpretation favoring the tax department.**

Sl.No.	Particulars	Reporting Heads	Amount in ₹ As provided by Taxpayer	Amount in ₹ As Computed u/s 143(1)
01	HEADS OF INCOME	Salaries	3,85,000	3,85,000
02		Income from house property	0	0
03		Capital gains	3,15,865	3,15,865
04		Income from other sources	95,836	95,836
05		Intra head adjustments of current year losses	0	0
06		Total of head wise income [6=(1+2+3+4)]	7,96,701	7,96,701
07		Losses of current year set off against 6	0	0
08		Balance after set off current year losses(6-7)	7,96,701	7,96,701
09		Brought forward losses set off against 8	0	0
10		Gross Total Income [10=(8-9)]	7,96,701	7,96,701
11	SPECIAL INCOME	(I) Income chargeable to tax at special rate u/s 115BBE	0	0
		(II) Income chargeable to tax at special rate other than section 115BBE	3,15,865	3,15,865
12	CHAPTER VI-A	Deductions Under Chapter VI-A	0	0
13		Total Income [13=(10-12)]	7,96,700	7,96,700
14		Income which is included in 13 and chargeable to tax at special rates	3,15,865	3,15,865
15		Net agricultural income/ any other income for rate purpose	0	0
16		Aggregate Income [16=(13-14+15)]	4,80,835	4,80,840
17		Losses of current year to be carried forward	0	0
18		Deemed income under section 115JC	0	0
19	TAX DETAILS U/S 115JC	(a) Tax payable on deemed total income u/s 115JC	0	0
		(b) Surcharge [on (a)]	0	0
		(c) Health and education cess @4% on (a+b) above	0	0
		(d) Total Tax Payable on deemed total income [(a+b+c)]	0	0
20	TAX PAYABLE ON TOTAL INCOME	Tax at normal rates on 16 of Part B-TI	9,042	9,042
21		(I) Tax on 115BBE	0	0
		(II) Other than section 115BBE	27,504	27,504
22		Rebate on agricultural income	0	0
23		Tax Payable on Total Income [23=(20+21(I)+21(II)-22)]	36,546	36,546
24		Rebate u/s 87A	0	9,042
25		Tax Payable after Rebate [25=(23-24)]	36,546	27,504
26		Surcharge		
		Surcharge computed before marginal relief		
		(Ia) 25% of Tax on income chargeable u/s 115BBE	0	0
		(II) 10% or 15% as applicable (Refer Instructions)	0	0
		(III) On [(25) - 15(II) of Schedule SI- tax on incomes referred in 26(II) above]		
		Surcharge after marginal relief		
		(Ia) 25% of Tax on income chargeable u/s 115BBE	0	0
		(IIa) On the components mentioned that (II) and (III) above	0	0
		(IV) Total (Ia + IIa)	0	0
27		Health and Education Cess @ 4% on (25+26IV)	1,462	1,100

Sl.No.	Particulars	Reporting Heads	Amount in ₹ As provided by Taxpayer	Amount in ₹ As Computed u/s 143(1)
01	HEADS OF INCOME	Salaries	1,60,249	1,60,249
02		Income from house property	0	0
03		Profit and gains from business or profession	0	0
04		Capital gains	7,82,568	7,82,568
05		Income from other sources	12,701	12,701
06		Intra head adjustments of current year losses	0	0
07		Total (after intra head adjustments) [7=(1+2+3+4+5)]	9,55,518	9,55,518
08		Losses of current year set off against 7	2,07,110	2,07,110
09		Balance after set off of current year losses (7 - 8)	7,48,408	7,48,408
10		Brought forward losses to be set off against 9	95,948	95,948
11		Gross total income (including special income) [11=(9-10)]	6,52,460	6,52,460
12	SPECIAL INCOME	(I) Income chargeable to tax at special rate u/s 115BBE	0	0
		(II) Income chargeable to tax at special rate other than section 115BBE	4,92,211	4,92,211
13	DEDUCTIONS UNDER CHAPTER VIA	(a) Part-B, CA and D of Chapter VI-A	0	0
		(b) Part-C of Chapter VI-A	0	0
		(c) Total (13a + 13b)	0	0
14		Deduction u/s 10AA	0	0
15		Total income [11-13(c)-14]	6,52,460	6,52,460
16		Income which is included in 15 and chargeable to tax at special rates	4,92,211	4,92,211
17		Net agricultural income/ any other income for rate purpose	0	0
18		Aggregate income [18=(15-16+17)]	0	1,60,250
19		Losses of current year to be carried forward	26,201	2,27,606
20		Deemed income u/s 115JC	0	0
21	TAX DETAILS U/S 115JC	(a) Tax payable on deemed total income u/s 115JC	0	0
		(b) Surcharge [on (a)]	0	0
		(c) Health and education cess, @4% on (21a+21b) above	0	0
		(d) Total Tax Payable on deemed total income (21a+21b+21c)	0	0
22	TAX PAYABLE ON TOTAL INCOME	(a) Tax at normal rates on 18 above	0	0
		(b) Tax at special rates	52,869	52,869
		(c) Rebate on agricultural income	0	0
		(d) Tax Payable on Total income (22a+22b-22c)	52,869	52,869
		(e) Rebate u/s 87A	0	0
		(f) Tax Payable after Rebate (22d-22e)	52,869	52,869
		(g) Surcharge		
		Surcharge computed before marginal relief		
		(I) 25% of Tax on income offered u/s 115BBE	0	0
		(II) 10% or 15% as applicable (refer instruction)	0	0
		(III) On [(22f) - (17II) of Schedule SI - tax on income referred in 22g(II) above)]		
		Surcharge after marginal relief (if any)		

Budget 2025 Clarification on Sec 87A Tax Rebate

- Rebate Exclusion –Sec 87A Tax Rebate **Not Applicable to Capital Gains** (STCG/LTCG).
- Current Update- Budget 2025 Proposes A Maximum Rebate Of Rs 60,000 For Income Upto Rs 12 Lakhs (New Regime), But Excludes Capital Gains And Lotteries.
- Effective Date – Applicable From Financial Year 2025-26 **(Not Retrospective)**

SEC 112 A-LONG TERM

- Holding period 1 year or more
- Tax Rate – 12.5%
- Basic Exemption available to resident
- 87A Rebate NOT available
- Chapter VI A Deductions not available. No deduction on STT
- Rs.1.25 lakh exemption available to all
- Exemption U/S 54F available

PART-VIII-Details of Tax Deducted at Source u/s 194IA/ 194IB /194M/194S (For Buyer/Tenant of Property /Person making payment to contractors or Professionals / Buyer of Virtual Digital Asset)

Sr. No.	Acknowledgement Number	Name Of Deductee		PAN of Deductee	Transaction Date	Total Transaction Amount	Total TDS Deposited***	Total Amount ### Deposited other than TDS
1		SAS HOTELS AND ENTERPRISES LIMITED		AAECS1194C	26-Aug-2023	2969506.00	29695.00	0.00
Sr. No.	TDS Certificate Number	Section 1	Date of Deposit	Status of Booking*	Date of Booking	Demand Payment	TDS Deposited***	Total Amount ### Deposited other than TDS
1		194IA	06-Sep-2023	F	07-Sep-2023	No	29695.00	0.00
Sr. No.	Acknowledgement Number	Name Of Deductee		PAN of Deductee	Transaction Date	Total Transaction Amount	Total TDS Deposited***	Total Amount ### Deposited other than TDS
2		SAS HOTELS AND ENTERPRISES LIMITED		AAECS1194C	13-Oct-2023	4950000.00	49500.00	0.00
Sr. No.	TDS Certificate Number	Section 1	Date of Deposit	Status of Booking*	Date of Booking	Demand Payment	TDS Deposited***	Total Amount ### Deposited other than TDS
1		194IA	15-Nov-2023	F	18-Nov-2023	No	49500.00	0.00

THE TAX RATES UNDER THE CAPITAL GAINS HEAD HAVE ALSO BEEN AMENDED

SECTION	Particulars	Transfers before 23rd July 2024	Transfers on or after 23rd July 2024
111A	Short term capital gain on listed equity, Equity Oriented Fund and units of business trust	15%	20%
112A	Long term capital gain on listed equity, Equity Oriented Fund and Units of Business Trust	10% Exempt up to Rs. 1 lakh	12.5% Exempt up to Rs. 1.25 lakhs
112	Long term capital gain on any asset other than those covered under 112A	20%/10% as the case maybe	12.5%(without indexation)

TAX IMPLICATION IN CASE OF SALE OF IMMOVABLE PROPERTY

- "short-term capital asset" means a capital asset held by an assessee for not more than *twenty-four* months immediately preceding the date of its transfer.
- "long-term capital asset" means a capital asset which is not a short-term capital asset
- **Immovable property:** The indexation benefit which adjusted the cost of assets for inflation has now been withdrawn except for **land and/or building acquired before 23 July 2024**, by an individual resident or Hindu Undivided Family (HUF). On transfer of land and / or building on or after 23 July 2024 and acquired before 23 July 2024, taxpayers shall have an option to pay tax at the lower of
- (i) 20% on capital gains with indexation, or
- (ii) 12.5% on capital gains without indexation.

TAX IMPLICATION IN CASE OF SALE OF IMMOVABLE PROPERTY

- If a person sells immovable property and it result in Short Term Capital Gain (STCG) i.e. sold within 24 months, then it is taxable at the rate of slab rate.
- If a person sells immovable property and it result in Long Term Capital Gain (LTCG) i.e. sold after 24 months, then assessee has two option for this which are as follows-:

Particulars	Option 1 (With Indexation)	Option 2 (Without Indexation)
Indexation Benefit	Yes	No
Tax Rate	20%	12.5%

TAXABILITY OF FUTURES AND OPTIONS (F&O)

- Treated as business income
- Taxable at slab rate
- Not a speculative transaction even if squared off same day
- Carry forward of loss up to 8 years
- Tax audit applicable if turnover exceeds 10 crore.

Income Tax Audit Under Section 44AB

Turnover includes:

1. The total of favourable and unfavourable differences shall be taken as turnover.
2. Premium received on sale of options is also to be included in turnover. However, where the premium received is included for determining net profit for transactions, the same should not be separately included.
3. In respect of any reverse trades entered, the difference thereon, should also form part of the turnover.

Guidance Note on Tax Audit under Section 44AB of the Income-tax Act, 1961

Taxpnl Statement for F&O from 2023-04-01 to 2024-03-31

Realized Profit Breakdown

Options Realized Profi	-9940.5
Futures Realized Profi	0

Turnover Breakdown

Options Turnover	19990.5
Futures Turnover	0

Charges

Account Head	Amount
State GST - Z	0
Securities Transactior	112
SEBI Turnover Fees -	0.3657
Stamp Duty - Z	6
IPFT	1.8285
Brokerage - Z	400
Central GST - Z	0
Integrated GST - Z	104.9927
Exchange Transactior	182.8498
Clearing Charges - Z	0

Other Charges

Other Credits & Debits 0

Options

Symbol	Quantity	Buy Value	Sell Value	Realized P&l	Turnov	Formula
ASHOKLEY23JUL180(	5000	26000	20000	-6000	6000	=ABS(F48)
BALRAMCHIN23JUL4	1600	10240	8080	-2160	2160	=ABS(F49)
BANKNIFTY23JUL448	15	23250	19770.75	-3479.25	3479.25	=ABS(F50)
BANKNIFTY23NOV43	30	7545	7950	405	405	=ABS(F51)
DLF23JUL510CE	1650	18150	15180	-2970	2970	=ABS(F52)
MCDOWELL-N23JUL1	2100	87815.0007	92435.0007	4620	4620	=ABS(F53)
TATAMOTORS23JUL	2850	14820	14463.75	-356.25	356.25	=ABS(F54)
				-9940.5	**19991**	=SUM(G48:G54)

Treated as Speculative Business Income

If loss, shall carry forward to – 4 years

Turnover same as FNO

- The aggregate of both positive and negative differences is to be considered as the turnover of such transactions for determining the liability to audit vide section 44 AB

INTRADAY TRADING

Taxpnl Statement for Equity from 2023-04-01 to 2024-03-31

Realized Profit Breakdown

Intraday/Speculative profit	-780
Short Term profit	11969.03
Long Term profit	7755
Turnover Breakdown	
Intraday/Speculative turnover	780
Charges	
Account Head	**Amount**
Clearing Charges - Z	0
State GST - Z	0
Integrated GST - Z	26.6439
Stamp Duty - Z	178
IPFT	0.9022
Brokerage - Z	11.72
Exchange Transaction Charges -	134.071
Central GST - Z	0
Securities Transaction Tax - Z	1618
SEBI Turnover Fees - Z	1.6535
Other Charges	
Other Credits & Debits	-877.9082

Intraday

Symbol	Quantity	Buy Value	Sell Value	Realized P&L
ZENTEC	30	19290	18510	-780

Short Term Trades

Symbol	Quantity	Buy Value	Sell Value	Realized P&L
SUZLON	1950	53015.5	77512.5	24497
BASANTGL	200	4280	4282.03	2.03
SOUTHBANK	350	9257.5	8918	-339.5
J&KBANK	100	10890	11520	630
FACORALL	1000	8780	8250	-530
ALOKINDS	500	9450	9960	510
TTFL	600	47340	38658	-8682
ASHAPURMIN	50	15000	15600	600
PMCFIN	5600	13410	15680	2270
LLOYDS-RE	29	0	725	725
JIOFIN	200	51560	44610	-6950
GPTINFRA	92	14857.9	14094.4	-763.5

Long Term Trades

Symbol	Quantity	Buy Value	Sell Value	Realized P&L
CONCOR	100	62370	67925	5555
SHIVACEM	1000	48100	48500	400
VIPCLOTHNG	1000	31300	45250	13950
ANSALAPI	1000	21750	9600	-12150

Set Off and Carry Forward of Losses

Nature of loss	Set off only against
Speculation business loss	Any other speculation business income
Long term capital loss	Long term capital gain
Short term capital loss	Short term or Long-term capital gain
Loss under the head 'profit and gain from business or profession'	Any other head of income other than 'salaries'

CARRY FORWARD OF LOSS

Carried Forward Losses	Timeline for carrying forward
Normal Business Loss	8 years
Speculative Business Loss	4 years
Short term capital loss	8 years
Long term capital loss	8 years

CRYPTOCURRENCIES ARE TREATED AS VDAs.

SEC 115BBH: Tax on Gains from Transfer of VDA

Applies to all income from VDA(Virtual Digital Assets) Transfers, irrespective of the holding period.

Losses from VDAs cannot be setoff against Gains from VDAs / any other heads of income

Only the cost of acquisition is deductible: no other expenses are allowed.

Tax rate: Flat 30% on gains from VDA Transfers

TDS U/S 194S

SECTION 115BBJ- TAX ON WINNINGS FROM ONLINE GAMES

- *The amount of income-tax calculated on **net winnings** from such online games during the previous year, computed in the manner as may be prescribed, at the rate of **30%**.*
- TDS U/S: 194BA
- Section 115BBJ has been inserted after section 115BBI by the Finance Act, 2023, w.e.f. 1-4-2024

Taxpayer Information Summary (TIS)

(All amount values are in INR)

SR. NO.	INFORMATION CATEGORY	PROCESSED BY SYSTEM	ACCEPTED BY TAXPAYER
1	Salary	10,01,451	10,01,451
2	Dividend	31	31
3	Interest from savings bank	14,931	14,931
4	Interest from deposit	12,960	12,960
5	Winnings from lottery or crossword puzzle u/s 115BB	70	70

Sr. No.	Name of Deductor				TAN of Deductor	Total Amount Paid/ Credited	Total Tax Deducted #	Total TDS Deposited
3	SPORTA TECHNOLOGIES PRIVATE LIMITED				MUMD22277D	70.00	21.00	21.00
Sr. No.	Section 1	Transaction Date	Status of Booking*	Date of Booking	Remarks**	Amount Paid / Credited	Tax Deducted ##	TDS Deposited
1	194B	03-Apr-2023	F	07-Oct-2023	-	70.00	21.00	21.00

- ITR 2 has to be filed

DEDUCTIONS

- If resident – Basic Exemption limit for capital gains
- If Business Income- Basic Exemptions available to all
- LTCG- 1.25 Lakhs Exemption to all
- Chapter VI A Deductions not available against LTCG
- Chapter VI A Deductions not available against STCG
- Sec 87 A rebate not available STCG & LTCG

US SECURITIES REPORTING

Schedule FA (FY2023 for

Sr No	Country Name	Name of entity	Address	Zip code	Nature of entity	Date of acquiring the interest/stake	Initial value of the investment (INR)	Peak value of the investment during the period	Closing value	To amou the ho
1	USA	Amazon.com Inc (AMZN)	410 Terry Avenue North, Seattle, WA, United States, 98109-5210	99999999	Company	19-07-2023	11096.21	24920.89	24631.63	
2	USA	Apple Inc (AAPL)	One Apple Park Way, Cupertino, CA, United States, 95014	95014	Company	19-07-2023	15970.66	21383.83	20766.28	
3	USA	Invesco QQQ Trust (QQQ)	USA	99999999	ETF	19-07-2023	8210.29	8922.85	8883.54	

Disclaimer:
- The report is prepared based on the trades and information available with us, at the time of report generation
- We recommend that you consult your tax, legal or accounting advisors while filing your tax returns
- Initial value of investment has been assumed to be the first investment in a share, ETF or security
- RBI reference rates have been used for conversion of USD to INR in line with the Income tax rules. Note that there is ambiguity in the said rules in terms of use of RBI reference rates vis-à-vis SBI TT Buying rates. For practical purposes, we
- Schedule FA is prepared as per the calendar year. So, the numbers presented in this statement may not be equal to other statements which are prepared as per Indian fiscal year.
- Vested does not make any warranty, express or implied, or assume any legal/consequential liability, or responsibility for the authenticity, and completeness of the data presented in this report/data
- Any tax advice herein is based on current tax law including judicial and administrative interpretation. Tax law is subject to continual change, at times on a retroactive basis and may result in incremental taxes, interest or penalties. Should the
- The information contained in this report is provided for informational purposes only.
- Note that investors whose total income exceeds INR 50 lakh are required to fill Schedule AL (Asset Liability) in addition to Schedule FA. The aforesaid securities must be reported in both schedules. Please contact your tax advisor for assistan

Country Name	Details of Entity				Date of	Value of Investment (Rs.)			Gross Income	Proceeds from
	Name	Address	Zip code	Nature	acquiring interest	Initial value	Peak value	Closing value	received	Sale/Redemption
United States of Americ	Amazon.com Inc (AM	410 Terry Avenue No	99999999	Company	19-Jul-2023	11,096	24,921	24,632	0	0
United States of Americ	Apple Inc (AAPL)	One Apple Park Way,	95014	Company	19-Jul-2023	15,971	21,384	20,766	52	0
United States of Americ	Invesco QQQ Trust (	USA	99999999	ETF	19-Jul-2023	8,210	8,923	8,884	12	0

To be filled only if Foreign Tax Credit is to be claim

Sr No	Name of the country	Source of income	Income from outside India	Tax paid outside India		Tax payable on such income under normal provisions in India	Tax payable on such income under section 115JB/JC	Credit claimed under section 90/90A		
				Amount	Rate			Article No. of Double Taxation Avoidance Agreements	Rate of tax as per Double Taxation Avoidance Agreements	Amount
1	USA	Dividend	111.19	29.04	26%	"This is calculated based on your effective tax rate. Please contact your tax advisor for determining the effective tax rate"	"Not applicable for salaried individuals: Enter 0 (zero). For business owners, please contact your tax advisor."	"10, 25"	25%	"Lower of 1. Tax payable under normal provisions in I or 2. Tax paid outside India"
2	USA	Securities Lending Program	0.83	0.00	0%	"This is calculated based on your effective tax rate. Please contact your tax advisor for determining the effective tax rate"	"Not applicable for salaried individuals: Enter 0 (zero). For business owners, please contact your tax advisor."	"10, 25"	25%	"Lower of 1. Tax payable under normal provisions in I or 2. Tax paid outside India"

Disclaimer:

- Please note that the TDS amount reflects the Indian Financial Year (Apr-Mar) numbers
- 1042-S can act as the proof of taxes paid outside India. The statement is for the US Financial Year (Jan-Dec). You can submit this along with your Form 67.
- We recommend that you consult your tax, legal or accounting advisors while filing the Form 67
- The report is prepared based on the trades and information available with us, at the time of report generation
- RBI reference rates have been used for conversion of USD to INR in line with the Income tax rules. Note that there is ambiguity in the said rules in terms of use of RBI reference rates vis-à-vis SBI TT Buying rates. For practical purposes, we have used RB
- Vested does not make any warranty, express or implied, or assume any legal/consequential liability, or responsibility for the authenticity, and completeness of the data presented in this report/data
- Any tax advice herein is based on current tax law including judicial and administrative interpretation. tax law is subject to continual change, at times on a retroactive basis and may result in incremental taxes, interest or penalties. Should the facts provided to
- The information contained in this document is provided for informational purposes only

	A	B	C	D	E	F	G	H	I	
1	Schedule FSI		Details of Income from outside India and tax relief (applicable for resident Indians only)							
2	Sl. No.	Country Code	Taxpayer Identification Number	Sl No	Head of Income (a)	Income from outside India (included in PART B-TI) (b)	Tax paid outside India (c)	Tax payable on such income under normal provisions in India (d)	Tax relief available in India (e) = (c) or (d) whichever is lower	Relevant artic claimed
3	1	"United States of America"	"Your TIN in USA (if available) or your Passport Number. In case you have neither, please reach out to your tax advisor"	i	Salary					
4				ii	House Property					
5				iii	Capital Gains	0.00	0	"Long Term Capital Gains: Calculate tax payable in India at 20% (plus surcharge and cess) Short Term Capital Gains: Calculate tax payable in India at your effective rate of tax. Please contact your tax advisor if you need assistance with	-	
6				iv	Other Sources	112.02	29.04	"This is calculated based on your effective tax rate. Please contact your tax advisor if you need assistance with this."	"Lower of (c) or (d)"	"1
7				Total		112.02	29.04			
8										

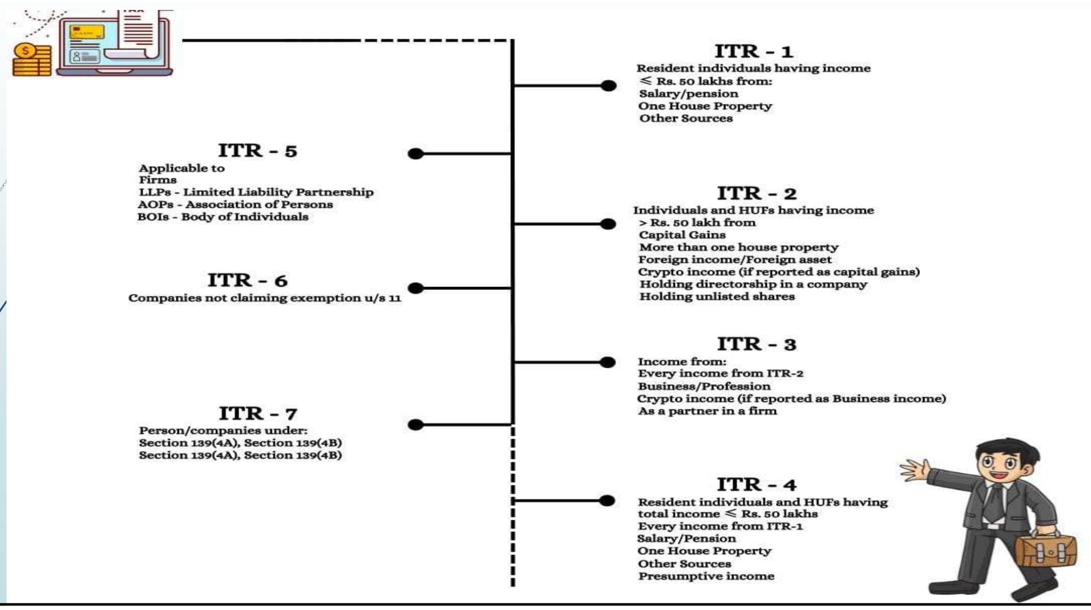
	A	B	C	D	E	F	G	H
1	To be filled only if Foreign Tax Credit is to be claimed (as per Indian FY)							
2								
3	Schedule TR		Summary of tax relief claimed for taxes paid outside India (To be filled only if Foreign Tax Credit is to be claimed)					
4	Sr No		Country Code	Tax Identification Number (b)	Total taxes paid outside India	Total tax relief available	Tax Relief Claimed under section	
5	1		United States of America	"Your TIN in USA (if available) or your Passport Number. In case you have neither, please reach out to your tax advisor"	29.04	"From 'Schedule FSI' sheet: Total of column (e)"	"90"	
6				Total				
7								
8		2	Total Tax relief available in respect of country where DTAA is applicable (section 90/90A) (Part of total of 1(d))					"From 'Schedule FSI' sheet: Total of column (e)"
9		3	Total Tax relief available in respect of country where DTAA is not applicable (section 91) (Part of total of 1(d))					-
10		4	Whether any tax paid outside India, on which tax relief was allowed in India, has been refunded/credited by the foreign tax authority during the year? If yes, provide the details below					No
11		a)	Amount of tax refunded		b) Assessment year in which tax relief allowed in India			
12								
13								

Schedule TR | User Details

NRI & Share Trading

- Allowed: Equity, Mutual funds, ETFs, Derivatives
- Delivery only: No intraday Trading allowed in shares
- Restrictions: No currency/commodity derivatives
- Tax: No Sec 87A Rebate or basic exemption on capital gains
- Dividend Income: Taxed @ 20%

Which ITR to File



FILE RETURN, EVEN IT IS IN LOSS

- Avoid income notice
- You can carry forward your loss
- STCG/LTCG/Business Loss shall carry forward up to 8 years
- Speculation Loss shall carry forward up to 4 years

- Tax loss harvesting is the practice of selling securities at loss to offset capital gains.
- It helps investors minimize their tax liabilities on capital gains
- The strategy is commonly used in taxable investment accounts

HOW IT WORKS

- Identify underperforming assets with unrealized losses
- Sell those assets to realize the loss
- Use the loss to offset capital gains from other investments
- Any unused losses can be carried forward for up to 8 years

RULES & LIMITATIONS

- Losses can only offset gains of the same category(short term against short term, etc.).
- The 'Wash-Sale Rule' prevents repurchasing of same security within 30 days(not applicable in India but relevant internationally).
- Carried-forward losses can be used only against future capital gains.

- Reduces overall tax liability on investment gains.
- Helps in portfolio rebalancing.
- Allows carried forward losses for future tax benefits.
- Enhances after tax investment returns.

UNIT LINKED INSURANCE PLAN (ULIP)

A Unit Link Insurance Plan (ULIP) is an investment product that helps the investor claim an 80C deduction.

The two main pillars of wealth management is having an

•Insurance (medical and term both) whereas

•Investing in equities.

To get a mix of both of these characteristics of financial planning, ULIP is one of the suitable options. In ULIP investment, a small portion of money is invested towards securing your life and rest is invested in equities.

- Proposed changes in the Finance Bill 2025 regarding the taxation of Unit Linked Insurance Policies (ULIPs).
- It explains that under Section 10(10D) of the Income-tax Act, exemptions on life insurance proceeds are conditional, and policies with premiums exceeding ₹2,50,000 annually do not qualify.
- These ULIPs are treated as capital assets, with profits taxed as capital gains. The proposed amendments apply in relation to AY 2026-27 and subsequent Assessment Years.

EXEMPT-EXEMPT-EXEMPT (EEE) IN INCOME TAX IN INDIA

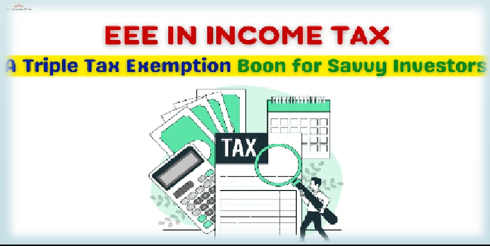
The income tax department of India has given EEE tax benefits to investments such as PPF, EPF, etc. EEE stands for Exempt-Exempt-Exempt. It means the investor will get the tax benefit at the time of contribution, return on investment, and withdrawal time.

There are three times when taxes are due in India:

•**When you invest for tax purposes**: The first E in EEE indicates that your investment is eligible for deduction at the time of contribution. As a result, the portion of the investor's salary that goes toward purchasing an EEE investment instrument is tax-free.

•**When you earn interest or a return on your investment**: The second E in EEE indicates that you are exempt from paying taxes on any returns or interest generated during the accumulation phase.

•**When you withdraw a lump sum amount**: The third E in EEE indicates that even the withdrawal amount from the instrument at maturity will be tax-free.



Tax-Free Investment Options In EEE

Public Provident Fund (PPF)

PPF is an Exempt-Exempt-Exempt (EEE) category investment. All PPF deposits are deductible under Section 80C of the Income-tax Act, 1961. You can invest a minimum of Rs 500 and a maximum of ₹ 1.5 lakh in PPF every financial year. You can invest in a single payment or up to twelve instalments. It comes with a lock-in period of 15 years, and a loan facility is also available against PPF.

Sukanya Samriddhi Yojana

Another option is the Sukanya Samriddhi Yojana (SSY), introduced by PM Narender Modi as a part of the Beti Bachao Beti Padhao campaign. The guardian invests in the scheme for his or her daughter to create a fund for their education and marriage.

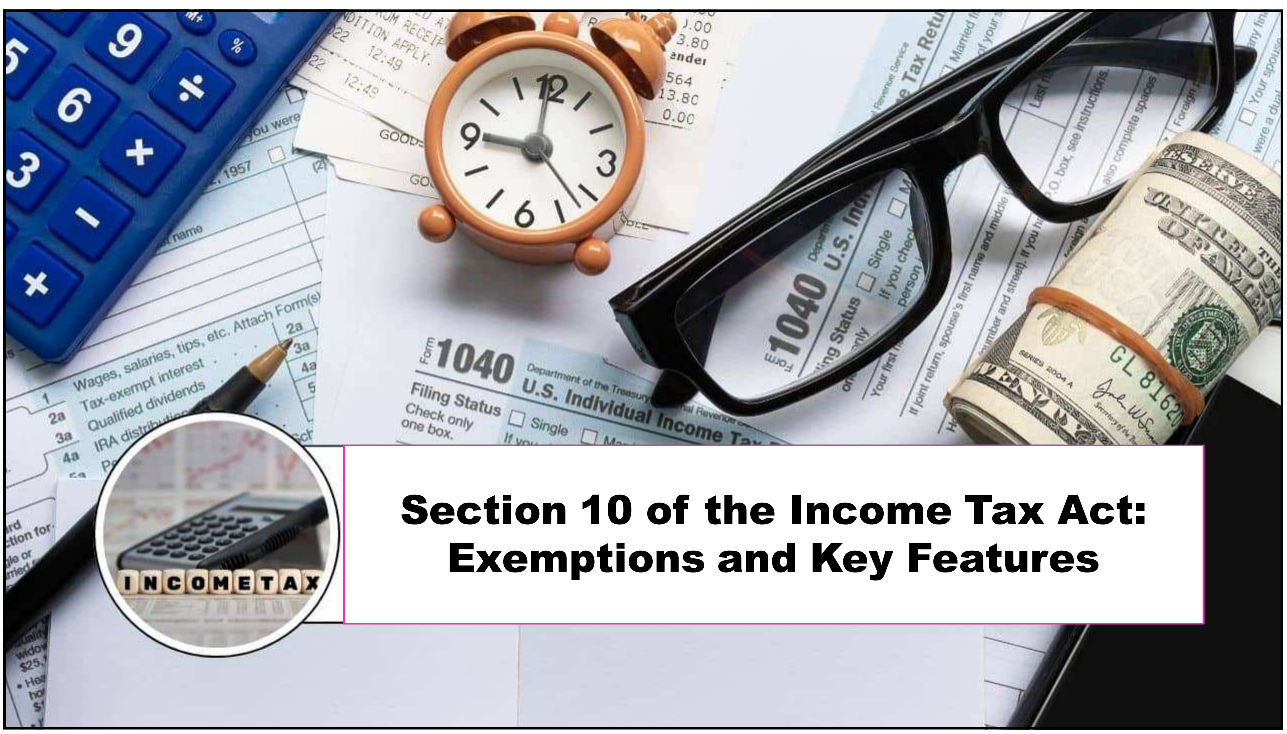
Investors can claim a deduction under Section 80C of the Income Tax Act, 1961 (The Act) for investments up to ₹ 1.5 lakh. The interest earned from SSY is also tax-exempt under section 10 of the act. Moreover, no tax is applied to the funds received upon maturity or withdrawal.

Employee Provident Fund (EPF)

On November 15, 1951, the Employee Provident Fund came into existence under the administration of the Employees Provident Fund Organisation of India (EPFO). Additionally, every company employing more than 20 people must register with the EPFO. Investments made into EPF accounts get a deduction of up to ₹ 1.5 lakh under Section 80C of the Act. EPF interest is tax-free but must be declared on an annual income tax return. Additionally, EPF's maturity amount is also tax-free.

National Pension Scheme (NPS)

- **Tax benefit on lump sum withdrawal**
  Eligible for tax exemption on lumpsum withdrawal of 60% of accumulated pension wealth upon attaining the age of 60 or superannuation under section 10(12A)
- **Tax benefits on annuity purchase**
  The amount is fully exempt from tax, but annuity income that you will receive in the subsequent years will be subject to income tax as per your taxable income slab.



Section 10 of the Income Tax Act: Exemptions and Key Features

- **SECTION 10(4)(ii)** in the case of an individual, any income by way of interest on moneys standing to his credit in a Non-Resident (External) Account in any bank in India in accordance with the Foreign Exchange Management Act, 1999 (42 of 1999), and the rules made thereunder :

Provided that such individual is a person resident outside India as defined in clause (w) of section 2 of the said Act or is a person who has been permitted by the Reserve Bank of India to maintain the aforesaid Account ;

- **SECTION 10(15)(IV) (fa)** Interest payable by the schedule bank on deposits, in foreign currency, approved by the RBI. The exemption is available to non-resident or person who is not ordinarily resident.

- **SECTION 10(15)(IV)(H)**

Interest payable by any public sector company in respect of such bonds or debentures and subject to such conditions, including the condition that the holder of such bonds or debentures registers his name and the holding with that company

Some of the bonds specified here are:

NHAI, NABARD, NTPC, REC, PFC, HUDCO, IREDA, IRFC

- **SECTION 10(15)(IV)(I)**

Interest income from Government on deposits made by an employee of the Central or State Government or public sector company

HOW CAN NRIS INVEST IN GIFT CITY

What is GIFT City?

GIFT City (Gujarat International Finance Tech City) is India's first and only international financial center. It offers numerous tax benefits to businesses and individuals, including those living outside India (NRIs), due to its special economic zone status.

These include:

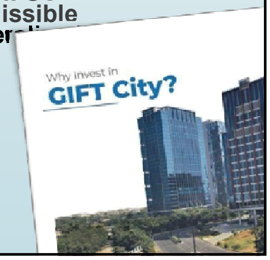
•Transfers of specified securities listed on GIFT IFSC exchanges by non-residents are exempt from capital gains tax

•Units within GIFT IFSC are exempt from FEMA regulations, thereby simplifying financial transactions

- **Who can invest in GIFT City?**
- Both individuals and corporates are eligible to invest in GIFT City, subject to specific requirements and regulations. The eligibility criteria for investing in GIFT City depend on whether you are a resident of India or an NRI.

- Non-Resident Indians (NRIs): NRIs can invest freely in GIFT City, subject to FEMA regulations which restrict investment in certain sectors.

- Residents of India: Resident individuals can invest up to USD 250,000 per financial year in securities listed on IFSC exchanges and other permissible instruments under the **Liber Remittance Scheme (LRS).**



Taxation on investments in GIFT City for NRI

- As an NRI investor, you don't have to file a tax return if your earnings come only from investments in category I or category II AIFs located in an IFSC. If the AIFs have already deducted tax on the distribution they make to you as a non-resident investor, you are eligible for this exemption. It's important to note that you are also exempted from the requirement of obtaining a PAN (Permanent Account Number) in India. This exemption simplifies your tax and administrative obligations as a non-resident investor in these specific circumstances.

- As a non-resident investor in a Category III AIF, you can avail tax exemptions on the following types of income attributable to you:

- You are exempt from tax on income earned from the transfer of any securities, such as derivatives, debt securities, and offshore securities (excluding shares in an Indian resident company).

- Income derived from securities issued by a non-resident (excluding a Permanent Establishment), which does not accrue or arise in India, is also tax-exempt for you.

- If you earn income from a securitization trust that falls under the "profits and gains of business or profession" category, it is exempt from tax.

- Additionally, if you transfer specified securities listed on a recognised stock exchange located in an IFSC, you are not required to pay taxes as long as the consideration for the transaction is in convertible foreign exchange.

CATEGORY 1

- Funds in this category invest in start-ups, early-stage ventures, social venture funds and SME funds, infrastructure funds.

CATEGORY 2

- Funds in this category incorporate private equity funds and debt funds.

CATEGORY 3

- Funds in this category invest in hedge funds, funds that trade to make short-term gains, open-ended funds and funds that don't have any special incentives or discounts.

Tax Benefits in GIFT IFSC

Tax benefits to the IFSC Units setup in GIFT City:

The IFSC units setup in the GIFT City, India offers various tax benefits like exemptions on corporate tax, tax holiday for ten years, reduced Minimum Alternative Tax **("MAT")** etc. increasing the profitability and hence growth of the business houses.

It also offers numerous indirect tax benefits such as no Goods and Service Tax **("GST")** on services received by unit in IFSC, no GST on services provided to IFSC units / SEZ units / offshore clients. If the services are provided to the Domestic Tariff Area of mainland India then the GST is applicable under Reverse Charge Mechanism.

Tax benefits to the Investor investing in IFSC GIFT City

The investor investing in the GIFT IFSC gets numerous fiscal benefits including but not limited to the benefits such as interest income paid to non-residents on money lent to IFSC units in GIFT city are exempted from tax, transfer of specified securities listed on IFSC exchanges by non-residents are not treated as a transfer and hence gains arising from such transfers are not treated as capital gains and are taxable in India , exemption from Securities Transaction Tax **("STT")** , exemption from Commodity Transaction Tax **("CTT")**, dividend received by investor in IFSC unit is subjected to concessional rate of tax, no GST on transactions carried out in IFSC exchanges

SECTION 10(15)(IX)

Any income by way of interest payable to a non-resident by a unit located in an International Financial Services Centre in respect of monies borrowed by it on or after the 1st day of September, 2019.

Explanation.—For the purposes of this sub-clause,—
(a)"International Financial Services Centre" shall have the meaning assigned to it in clause (q) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005);
(b)"unit" shall have the meaning assigned to it in clause (zc) of section 2 of the Special Economic Zones Act, 2005 (28 of 2005)

SOVEREIGN GOLD BOND

The interest on Sovereign Gold Bonds (SGBs) is taxable under the Income Tax Act, 1961 (43 of 1961). However, there are some tax exemptions and benefits for SGBs.

Other benefits

- TDS is not applicable on SGBs.
- SGBs are exempt from long-term capital gains (LTCGs) taxation if held till maturity, which is an 8-year lock-in period.
- Person resident in India as defined under Foreign Exchange Management Act, 1999 are eligible to invest in SGB. Eligible investors include individuals, HUFs, trusts, universities and charitable institutions. Individual investors with subsequent change in residential status from resident to non-resident may continue to hold SGB till early redemption/maturity

When NRI is required to file ITR in India?

- Filing of ITR is mandatory for NRIs where the : Total taxable income during a financial year exceeds the basic exemption limit of Rs.2.5 lakhs or 3 lakh
- If you have Short term Capital Gain (STCG) or Long-term Capital Gain(LTCG) from sale of assets or investments in India even if your income is below basic exemption limit.
- If you want to claim any tax refund, in case excess TDS has been deducted. If you want to carry forward and set off any losses against gains.

NRI is not required to file Income Tax Return or ITR if :

- Taxable income consists of Investment income only like interest and/or Capital gains provided TDS has been deducted on the same. Taxable income consists of income from specified investments like Central Government Securities, Shares in Indian companies, Debentures by public listed companies, Deposits with banks and public companies.
- Long term Capital gain is on sale of equity shares or equity mutual funds in India. However, I f you want to claim refund or carry forward your losses, you will be required to file your ITR before due date.

SECTION - 115G

Return of income not to be filed in certain cases

Return of income not to be filed in certain cases.
115G. It shall not be necessary for a non-resident Indian to furnish under sub-section (1) of section-139 a return of his income if—

(*a*) his total income in respect of which he is assessable under this Act during the previous year consisted only of invest-ment income or income by way of long-term capital gains or both; and

(*b*) the tax deductible at source under the provisions of Chapter XVII-B has been deducted from such income.

TREATMENT OF BUY BACK SHARES

- The amendment now treats the income received by shareholders from a buy-back as deemed dividend, taxable at their applicable rates under "income from other sources." Consequently, shareholders can no longer claim deductions or set off capital losses against this income, and the buy-back consideration will be deemed NIL

THANK YOU

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