



India Rising :
Unshaken by Trade Wars
Strengthened by Tax Reforms

Tax Practitioners' Association, Indore
TAX NEWS & VIEWS



September - 2025 | Price ₹ 15

GLIMPSES OF TPA ACTIVITIES



Speaker **CS Manish Jain** & **CA Navin Khandelwal** in SCM on Taxation under GST and Income Tax on Companies in IBC



Issues discussed during Outreach programme on E-Verification Scheme by I&CI



Welcome of **Shri Sanjay Kumar Adit (I&CI)** Bhopal during Outreach on E-Verification Scheme



Group Discussion on Income Tax return Preparation and Filing.



Shri Shankar Lalwani Member of Parliament discussing with TPA members about GDP Groth.

Dear Members,

My best wishes for Navratri, Dussehra festivals ahead. With mother nature blessing us with good rains and greenery everywhere paving ways for our good health and wealth. I once again urge members to be part of water harvesting mission make it possible to conserve as much rainy water as possible.

President MESSAGE



Various study circle meeting held on the contemporary subjects starting with round table study circle on GST Rate rationalisation recently announced, recent GST Case laws, study circle on Renewals of charitable trusts/society, Companies under Insolvency and Bankruptcy facing tax issues under GST and Income Tax jointly with ICSI Indore branch, Group discussion on preparation and filing of Income Tax returns.

Hon'ble Member of Parliament Shri Shankar Lalwani ji visited TPA and deliberated his vision for Indore's GDP in year 2030 and sought suggestion from member in the matter, we gave a representation for GST Tribunal at Indore also on the occasion. We celebrated Independence Day programme with Income Tax Deptt. which has been attended by large number of participants.

With the announcement of GST 2.0 and enactment of Income Tax Act, 2025 we have to get ourselves keep updated and the association is under process to plan series of workshops and seminars for the members and other stakeholders, general public etc.

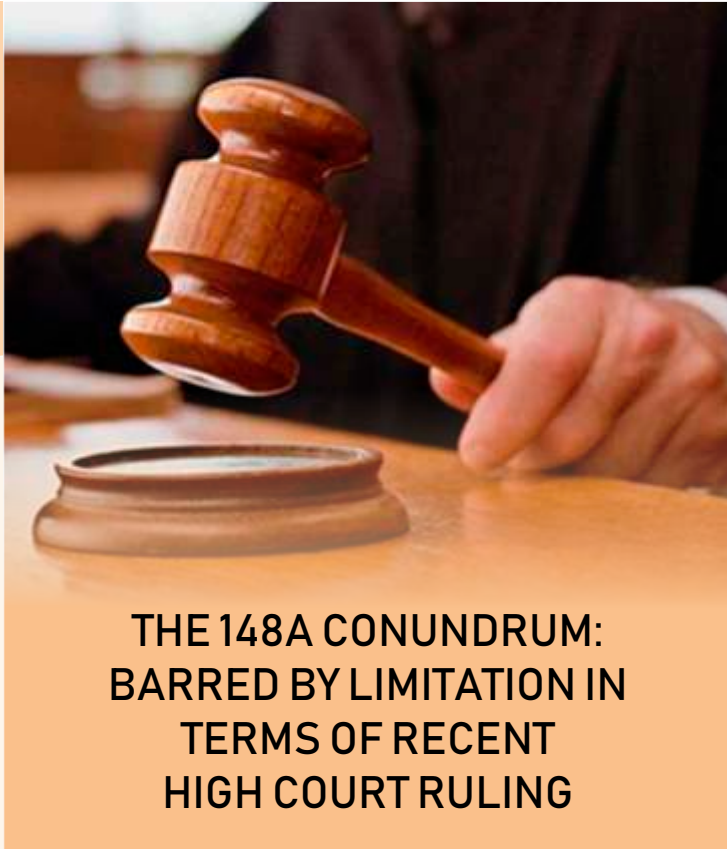
We have submitted representation to concerned authorities for extension of due dates for Tax Audit, Charitable audits, Renewals of Charitable trust/society registrations etc. and expecting favourable results soon. We have also informed about slow/non-functioning of e-filing portal of Income tax to the CBDT and its effect on compliances. We also represented various issues related to exemptions department under Income tax and request for periodical camp at Indore to DG(Exemption), Delhi at a meeting held at Bhopal recently.

I request all the members to contribute their ideas, perspectives to enable us to take-up more inclusive and purposeful programs and study circle meeting. Wealth has no meaning unless we ourselves and our family is in good health therefore, I reiterate that we need to spare time and give high priority to Good Health of ourselves and family members.

With Seasons Greeting.

Sincerely Yours,
CA Jaiprakash Saraf





THE 148A CONUNDRUM: BARRED BY LIMITATION IN TERMS OF RECENT HIGH COURT RULING

1. INTRODUCTION

Recently, the Hon'ble M.P. High Court in Sandeep Singh Saluja and others vs Income-tax Department in various Writ Petitions, reported in 176 taxmann.com 882 (M.P) has held that the reopening of assessment was barred by limitation.

2. THE CONTROVERSY

The dispute hinges on a cluster of facts and legislative changes:

- a. The relevant Writ petitions were related to the reopening initiated between 01.04.2021 to 30.06.2021.
- b. The peculiar circumstance at that time was that by the Finance Act, 2021, section 147-152 were substituted by new section 147-152 w.e.f. 01.04.2021. Thus from 01.04.2021, new section 148 was applicable.
- c. Conversely, the time limit for issue of notices, where the limitation was expiring between 20.03.2020 to 31.03.2021 was extended to 30.06.2021. This was done under the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (TOLA).
- d. The department, however, issued notices between 1 April 2021 and 30 June 2021 citing the old section 148, triggering a long-running debate over their validity.

CA. (Adv.) Ashish Goyal



- e. The judgment of UOI vs Ashish Agrawal 138 taxmann.com 64 (SC), a Division Bench judgment of Supreme Court put rest the controversy holding that the notices under the old section were not valid. But, a new life was given to the controversy. It was held that the department cannot be left remediless in more than 90000 cases where by genuine mistake, the notices were issued under the old section. Thus, it was directed as under:

“(I) The impugned section 148 notices issued to the respective assesseees which were issued under unamended section 148 of the IT Act, which were the subject matter of writ petitions before the various respective High Courts shall be deemed to have been issued under section 148A of the IT Act as substituted by the Finance Act, 2021 and construed or treated to be show-cause notices in terms of section 148A(b). The assessing officer shall, within thirty days from today provide to the respective assesseees information and material relied upon by the Revenue, so that the assesseees can reply to the show-cause notices within two weeks thereafter;

(ii) The requirement of conducting any enquiry, if required, with the prior approval of specified authority under section 148A(a) is hereby dispensed with as a one-time measure vis-à-vis those notices which have been issued under section 148 of the unamended Act from 1-4-2021 till date, including those which have been quashed by the High Courts.

Even otherwise as observed here in above holding any enquiry with the prior approval of specified authority is not mandatory but it is for the concerned Assessing Officers to hold any enquiry, if required;

(iii) The assessing officers shall thereafter pass orders in terms of section 148A(d) in respect of each of the concerned assesseees; Thereafter after following the procedure as required under section 148A may issue notice under section 148 (as substituted);(iv) All defences which may be available to the assesseees including those available under section 149 of the IT Act and all rights and contentions which may be available to

THE 148A CONUNDRUM:



the concerned assessee and Revenue under the Finance Act, 2021 and in law shall continue to be available.”

- f. A Board Instruction was also issued in this regard [Instruction No. 1 of 2022 dated 11.05.2022].
- g. The Instruction was challenged at length and the new notices were also challenged on various counts. Taxpayers challenged the Instruction and the fresh notices on grounds including:
 - ▶ Instruction was ultra vires the Ashish Agrawal judgment
 - ▶ Six years limitation having expired for assessment years 2013–14 and 2014–15;
 - ▶ Approvals granted by wrong authority;
 - ▶ Extension of limitation under TOLA applying only to notices expiring between 20 March 2020 and 31 March 2021
 - ▶ Notices issued in 2022 were by Jurisdictional AO (and the Faceless AO)
 - ▶ The conditions of section 149(1)(b) are not met, but the reopening is beyond 3 years.

The above list is illustrative.

- h. The controversy was again put to rest, in a landmark judgment by Full Bench (comprising of three Hon'ble Judges) in UOI vs Rajeev Bansal. 167 taxmann.com 70 (SC).
- i. This judgment has again opened another Pandora box.

The controversy in the present set of cases [Sandeep Singh Saluja and others (supra)], was based on para 108 to 112 of UOI vs Rajeev Bansal (Supra). These paras read as under: -

“**108.** The Income-tax Act read with TOLA extended the time limit for issuing reassessment notices under section 148, which fell for completion from 20 March 2020 to 31 March 2021, till 30 June 2021. All the reassessment notices under challenge in the present appeals were issued from 1 April 2021 to 30 June 2021 under the old regime. Ashish Agarwal (supra) deemed these reassessment notices under the old regime as show cause notices under the new regime with effect from the date of issuance of the reassessment notices. The effect of creating the legal fiction is that this Court has to imagine as real all the consequences and incidents that will inevitably flow from the fiction. *East End Dwellings Co. Ltd. v. Finsbury Borough Council* [1952] AC 109. [Lord Asquith, in his concurring opinion, observed: "If you are bidden to treat an imaginary state of affairs as real, you must surely, unless prohibited from doing so, also imagine as real the consequences and incidents which, if the putative state of affairs had in fact existed, must inevitably have flowed from or accompanied it."] Therefore, the logical effect of the creation of the legal fiction by Ashish Agarwal (supra) is that the time surviving under the Income-tax Act read with TOLA will be available to the Revenue to complete the remaining proceedings in furtherance of the deemed notices, including issuance of reassessment notices under section 148 of the new regime. The surviving or balance time limit can be calculated by computing the number of days between the date of issuance of the deemed notice and 30 June 2021.

109. If this Court had not created the legal fiction and the original reassessment notices were validly issued according to the provisions of the new regime, the notices under section 148 of the new regime would have to be issued within the time limits extended by



TOLA. As a corollary, the reassessment notices to be issued in pursuance of the deemed notices must also be within the time limit surviving under the Income-tax Act read with TOLA. This construction gives full effect to the legal fiction created in *Ashish Agarwal* (supra) and enables both the assessee and the Revenue to obtain the benefit of all consequences flowing from the fiction. See *State of A P v. A P Pensioners Association* [2005] 13 SCC 161. [This Court observed that the "legal fiction undoubtedly is to be construed in such a manner so as to enable a person, for whose benefit such legal fiction has been created, to obtain all consequences flowing therefrom."]

110. The effect of the creation of the legal fiction in *Ashish Agarwal* (supra) was that it stopped the clock of limitation with effect from the date of issuance of Section 148 notices under the old regime [which is also the date of issuance of the deemed notices]. As discussed in the preceding segments of this judgment, the period from the date of the issuance of the deemed notices till the supply of relevant information and material by the assessing officers to the assessee in terms of the directions issued by this Court in *Ashish Agarwal* (supra) has to be excluded from the computation of the period of limitation. Moreover, the period of two weeks granted to the assessee to reply to the show cause notices must also be excluded in terms of the third proviso to Section 149.

111. The clock started ticking for the Revenue only after it received the response of the assessee to the show cause notices. After the receipt of the reply, the assessing officer had to perform the following responsibilities:

- i consider the reply of the assessee under section 149A©;
- ii take a decision under section 149A(d) based on the available material and the reply of the assessee; and
- iii issue a notice under section 148 if it was a fit case for reassessment. Once the clock started ticking, the assessing officer was required to complete these procedures within the surviving time limit. The surviving time limit, as prescribed under the Income-tax Act read with TOLA, was available to the assessing officers to issue the reassessment notices under section 148 of the new regime.

112. Let us take the instance of a notice issued on 1 May 2021 under the old regime for a relevant assessment year. Because of the legal fiction, the deemed show cause notices will also come into effect from 1 May 2021. After accounting for all the exclusions, the assessing officer will have sixty-one days [days between 1 May 2021 and 30 June 2021] to issue a notice under section 148 of the new regime. This time starts ticking for the assessing officer after receiving the response of the assessee. In this instance, if the assessee submits the response on 18 June 2022, the assessing officer will have sixty-one days from 18 June 2022 to issue a reassessment notice under section 148 of the new regime. Thus, in this illustration, the time limit for issuance of a notice under section 148 of the new regime will end on 18 August 2022."

Based on the above paras on the above Supreme Court judgment, it was argued that the reopening in the given set of cases is beyond limitation.

1. Statutory Provisions Section 54B of the Income-tax Act, 1961 provides relief to individual or HUF taxpayers from capital gains arising on the transfer of agricultural land used for agricultural purposes.

KEY CONDITIONS:

Eligible Assessee: Individual or HUF.

Asset Sold: Agricultural land (short-term or long-term).

Usage: The land must have been used for agricultural purposes by the assessee or parent for at least 2 years immediately preceding the date of transfer.

Reinvestment: Capital gains must be reinvested in another agricultural land within 2 years from the date of transfer.

Amount of Exemption: To the extent of amount invested in new agricultural land.

Holding Period of New Land: No explicit holding period, but if sold within 3 years, exemption is withdrawn.

2. Procedural Requirement: As per post-Finance Act, 2019 amendments, the exemption is contingent on filing return within due date under Section 139(1). For Assessment Years prior to AY 2020–21, judicial interpretation varies.

3. Judicial Precedents Supporting Assessee

A. Claim Without Return Filed or Late Return

1. Sri Thimme Gowda Shekar v. ITO (ITAT Bangalore, AY 2006–07) Held: Exemption under Section 54B can be claimed even without return filing, provided conditions are met.

Rationale: For AYs before Finance Act 2019, no statutory bar existed against late claim.

2. ABCAUS 3077 (ITAT case) Exemption granted even when no claim was made in original or revised return. Held that the AO must allow legitimate claims during assessment, even if not declared earlier.

B. ITAT Indore Bench – Favourable Trends

1. Siddhulal Patidar v. ITO (ITA 110/Ind/2023) Facts: Investment made before sale deed execution, land purchased in son's name.

Held: Still qualifies for Section 54B exemption, as intent and use were proven.

Section 54B – Exemption on Capital Gains from Sale of Agricultural Land



CA. Pranay Goyal

2. Rajendra Singh Yadav v. ITO (ITA 152/Ind/2024) Facts: Joint sale of agricultural land and reinvestment into agricultural land.

Held: Exemption upheld – Tribunal emphasized substance over form.

3. Badrilal Mukati v. PCIT (ITA 870–874/Ind/2019) Held: Exemption under Section 54B allowed post reassessment on merits.

4. Conclusion & Practical Perspective Before AY 2020–21: Courts and Tribunals, including ITAT Indore, have adopted a liberal approach toward procedural lapses such as late filing or technical errors.

Substantive Compliance: If the land was used for agriculture and the capital gain was reinvested as per law, exemption is often allowed.

Post AY 2020–21: More stringent approach due to amendment making return filing under Section 139(1) mandatory.

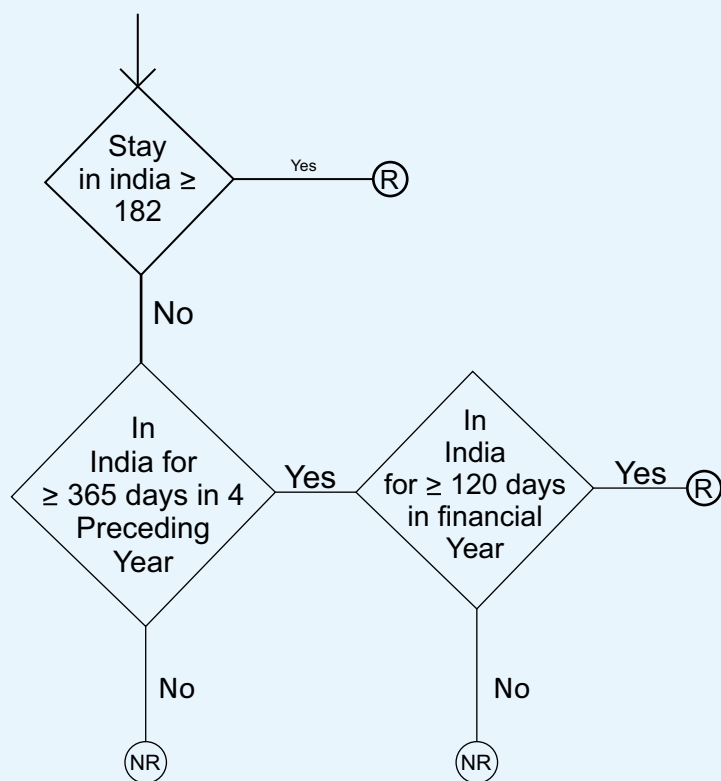
COMPLIANCES AND PROVISIONS FOR NRI

1. Relaxation to Indian citizens in their residential status criteria for NRIs/PIOs Visiting India:

Provisions and Conditions

There are relaxation in alternative test (section 6(1)(a) and ©)for NRI or PIO person vising India.

- For citizen of India or Person of India origin and having total income upto 15 lakhs in India:
He will be a non-resident if his total stays in India are less than 182 days during the relevant financial year. No need to apply second basic condition.
Here important to note that there is additional 122 days (182 - 60) relaxation for a citizen of India or a person of Indian origin having less than 15 lakhs total income from Indian sources.
- For citizen of India or Person of India origin and having total income above 15 lakhs in India



R = Resident

NR = Non - Resident

Also there is additional 60 days (120 - 60) relaxation for a citizen of India or a person of Indian origin having total income above 15 lakhs total income from Indian sources.



CA Abhishek Gang

2. Deemed residency clause for NRIs: tax implications for indian citizens residing in tax-free countries

An NRI being citizen of India, residing in tax free countries or want to avoid taxes by arranging affairs in such a fashion that they are not liable to tax in any other country, should take care of deemed residency clause under IT act.

Under this clause, an individual who is a citizen of India, having a total income other than income from foreign sources exceeding Rs.15 lakhs during the previous year shall be deemed to be resident in India in that previous year if he is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature.

It is worthwhile to note that a person who is deemed resident under section 6(1A) is not ordinarily resident [sec. 6(6)(d)]

3. Understanding 'for the purpose of employment' in IT Act and FEMA provisions: Key Considerations for NRIs

There are various IT act provisions and FEMA provisions use word 'for the purpose of employment' so it is better to understand it.

Going abroad for employment means going abroad to take up employment or any vocation, including taking up one's own business or profession.

Therefore going abroad for the purposes of employment does not include visit and stay abroad for other purposes such as a tourist, or medical treatment or studies or the like.

The expression "for the purposes of employment" requires the intention of the individual to be seen, which can be demonstrated by the type of visa used to travel abroad.

4. Controversy on counting days for residential status: arrival and departure dates in Income Tax Act

One question arises. Whether dates of arrival and date of departure would be considered in calculation of number of days stay?

There are ambiguities in calculations. In an Advance Ruling, it was held that even a part of the day would be construed as a full day, and even though for some hours on the day of arrival and departure, the applicant can be said to have been out of India, both the days will be reckoned for ascertaining 182 days.

Contrarily, the Mumbai Tribunal, in a case noted that the period or periods in section 6(1) requires counting of days from the date of arrival of the assessee in India to the date he leaves India. The Tribunal relied upon section 9 of the General Clauses Act, 1897, which provides that the first day in a series of days is to be excluded if the word 'from' is used and held that the words 'from' and 'to' are to be inevitably used for ascertaining the period though these words are not mentioned in the statute, and accordingly, the date of arrival is not to be counted.

5. Difference in residential status definitions: Income Tax Act (ITA) vs. FEMA

Residential status definitions under the Income-tax Act (ITA) and FEMA are separate and different. While under ITA, the definition is largely based on number of days stay of the individual in India; under FEMA, it is based on the purpose for which the person has come to, or left India, as the case may be.

Please note that nationality aspect does not enter the determination of residential status under the Indian income-tax law.

6. Implications of incorrect determination of residential status under FEMA and ITA

A question may arise what can happen if we do not arrive at correct conclusion of residential status under FEMA and ITA?

Any discrepancy in this can lead to assumption of incorrect residential status which can have adverse implications, some of which are as under:

- a. Concealment of foreign income which should have been submitted to tax;
- b. Non-disclosure of foreign incomes and assets, which can have severe implications under the Black Money Act;
- c. Incorrect claim of benefits under the DTAA; and

- d. Holding assets or executing transactions which are in violation of FEMA.

7. Impact of residential status on taxability

There are confusions on how residential status impact the taxability.

- a. Resident – global income is taxed irrespective of source or country of origin.
- b. RNOR – all foreign incomes are exempt but excludes income accruing or arising outside India unless it is derived from a business controlled in or a profession set up in India.
- c. Nonresident – Only Indian income is taxable.

8. Tax implications if you are having NRI status

All income sourced in India would be taxable irrespective of residential status and all foreign income would be exempt in India.

9. Checking TDS deductions and reportable transactions annually

It is advisable to check 26AS, TIS and AIS every year and find out TDS deductions and reportable transactions. If required please contact your tax consultant and file Income tax return.

10. Incomes exempt in India and taxable abroad

There are incomes exempt in India like interest on PPF or EPF or LIC maturity etc but that income may not be exempt in country of your residence. So take care of these incomes in tax returns of your resident country.

11. Requirement of Form 15CA/15CB for outward remittances and compliance with Tax Laws

Bank may require form 15CA/15CB on all outward remittances.

- a. As per circular*, Reserve Bank of India will not issue any instructions under the FEMA, regarding the procedure to be followed in respect of deduction of tax at source while allowing remittances to the non-residents.
- b. Also it shall be mandatory on the part of Banks i.e. ADs to comply with the requirement of the tax laws, as applicable. So the bank can have there own set of instructions.

*In terms of A. P. (DIR Series) circular No. 151 dated June 30, 2014, To conclude the impact of above circular is that the bank has power to prepare procedure regarding form 15CA/CB hence bank's own guidelines are required to be followed by NRIs.

TDS rate and section applicability on sale to or purchase from NRI.

Buyer	Seller	Property type	Section	Rate	15CA/CB Applicability	TDS Return
NRI	NRI	Immovable property	195	12.50%*	Yes	27Q
NRI	Resident	Immovable property	1941A	1%*	No	N.A.
Resident	NRI	Immovable property	195	12.50%*	Yes	27Q
Resident	NRI	Other capital asset i.e. shares, etc	195	12.50%*	Yes	27Q

*plus applicable surcharge and education cess.

13. Acquisition of Immovable Property by NRIs/PIOs: Gift Rules and Restrictions

NRIs and PIOs can freely acquire immovable property by way of gift either from

- i a person resident in India or
- ii an NRI or
- iii a PIO.

However, the property can only be commercial or residential. Agricultural land/plantation property/farm house in India cannot be acquired by way of gift.

14. Repatriation of refunds for NRI/PIO: conditions for application, earnest money, and property transactions

Banks may permit repatriation of amounts representing:

- refund of application,
- earnest money,
- purchase consideration made by the builder or colonizer, seller on account of non-allotment of flat, plot, cancellation of bookings, deals for purchase of residential or commercial property,
- interest, if any (net of income tax payable thereon).

There are conditions attached to it. The above repatriation is only allowed provided the original payment was made out of NRE / FCNR (B) account of the account holder, or remittance from outside India through normal banking channels and the Authorized Dealer bank is satisfied about the genuineness of the transaction. Such funds may also be credited to the NRE / FCNR (B) account of the NRI / PIO, if they so desire.

15. No threshold limit benefit on capital gain to NRIs/NRI

does not get benefit of threshold limits hence all Long term and short term capital gain would be taxable in India. He has to pay Income tax on that gains and file the return.

16. Disclosure of residential status during property transactions in India

If you are selling or letting out any immovable property in India then inform buyer / tenant your correct residential status. Otherwise the buyer / tenant and you may face income tax enquiry on low TDS deductions.

17. Repatriation of sale proceeds from residential property for NRIs/PIOs: Conditions and Limits

Repatriation of sale proceeds of residential property purchased by NRI / PIO is permitted to the extent of the amount paid for acquisition of immovable property in foreign exchange received through banking channels. The facility is restricted to not more than two such properties. The balance amount can be credited to the NRO account and can be remitted under USD one million facility.

18. Dormant bank account or maintaining active bank accounts for NRIs

Please note that after a certain period your bank account will become automatically dormant and you need to follow certain steps in order to make it active. So always try to make few transactions to keep your bank account active.

19. Power of attorney for NRO account operations: permissions and restrictions for NRIs

NRIs are allowed to give power of attorney to residents to allow operations in NRO account. Following are the guidelines:

- a. Power of attorney holder can make all local payments in Rupees including payments for eligible investments.
- b. Power of attorney holder can make remittance outside India of current income but net of applicable taxes.
- c. The resident Power of Attorney holder is not permitted to
 - repatriate outside India funds held in the account other than to the non-resident individual account
 - holder to make payment by way of gift to a resident on behalf of the non-resident account holder
 - transfer funds from the account to another NRO account.

20. Easy repatriation of money or income from India

Please note that money held in NRE account can easily be transmitted to your foreign bank account and even bank do not ask for form 15CA/CB. Also NRE bank account including FDR interest is exempt from income tax in India. So it is better to take all your tax paid income in NRE account or keep inward foreign remittances in NRE account.

21. Credit of current income to NRE account: Conditions for NRIs/PIOs

NRIs/PIO have the option to deposit the current income to their NRE account, provided the Authorized Dealer bank is satisfied that the credit represents current income of the non-resident account holder and income tax thereon has been deducted / provided for.

22. Remittance limits for NRIs/PIOs from NRO account: conditions and documentation

A NRI or PIO may remit an amount up to USD one million, per financial year, out of the balances held in his NRO / sale proceeds of assets (inclusive of assets acquired by way of inheritance or settlement), for all bonafide purposes. NRI has to furnish applicable form 15CA or/and 15CB to bank.

23. Importance of updating contact details with tax authorities and financial institutions

It is advisable to file income tax return whenever NRI buys or sales immovable properties in India because IT department enquires from non return fillers even if you are buying property in India. Also keep your email id and mobile number updated on IT portal for information and notices. Also regularly update contact

details with your banks and share brokers.

24. Matching personal identification information

Your name on passport, PAN and aadhar should be same.

25. Linking Aadhar with PAN for NRIs

If a NRI is having aadhar then it is mandatory to link it with PAN. He may face problem in filing IT returns, immovable property registration and other verifications.

26. Deposit by NRI under section 160 of the Companies Act

NRI can give deposit to Indian companies in compliance with section 160 of the companies act. It is current account transaction under FEMA and both acceptance and refund can be made freely without any restrictions.

27. Loan from resident relative to NRI: conditions and compliance

NRI can take loan from resident relative ('relative' as defined in Section 2(77) of the Companies Act, 2013)* by way of crossed cheque/ electronic transfer subject to the following conditions:

- a. The loan is free of interest and the minimum maturity of the loan is one year.
- b. The loan amount should be within the overall LRS limit of USD 2,50,000, per financial year
- c. The loan shall be utilised for meeting the borrower's personal requirements or for his own business purposes in India.
- d. The loan amount should be credited to the NRO a/c of the NRI /PIO. Credit of such loan amount may be treated as an eligible credit to NRO a/c.
- e. The loan amount shall not be remitted outside India.
- f. Repayment of loan shall be made by way of inward remittances through normal banking channels or by debit to the NRO/NRE/ FCNR account of the borrower or out of the sale proceeds of the shares or securities or immovable property against which such loan was granted.

28. Rupee Gift from resident relative to NRI/PIO: conditions and LRS limits

A NRI /PIO can take a rupee gift from resident individual who is a close relative* of the resident individual [relative' as defined in Section 2(77) of the Companies

Act, 2013] by way of crossed cheque /electronic transfer. The amount should be credited to the NRO. The gift amount would be within the overall limit of USD 250,000 per financial year as permitted under the LRS for a resident individual. It would be the responsibility of the resident donor to ensure that the gift amount being remitted is under the LRS and all the remittances made by the donor during the financial year including the gift amount have not exceeded the limit prescribed under the LRS.*husband and wife, Father, Mother, Son, Son's wife, Daughter, Daughter's husband, Brother and Sister.It is important to note that rupee gift other than relative is not allowed under FEMA.

29. Loans to Non-Resident account holders against fixed deposits: conditions and restrictions

Loans to non-resident account holders and to third parties may be granted in Rupees by Authorized Dealer / bank against the security of fixed deposits. The loans shall be utilised only for meeting borrower's personal requirements and/or business purpose and not for carrying on agricultural/plantation activities or real estate business or for re-lending.

30. Foreign exchange declaration requirements for NRIs on arrival in India

A NRI can bring with him foreign exchange without any limit. However, if the aggregate value of the foreign exchange in the form of currency notes, bank notes or travellers cheques brought in exceeds USD 10,000 or its equivalent and/or the value of foreign currency alone exceeds USD 5,000 or its equivalent, it should be declared to the Customs Authorities at the Airport in the Currency Declaration Form (CDF), on arrival in India.

31. NRI PIO or OCI are not permitted to open PPF account

As an NRI/Person of Indian Origin (PIO)/Overseas Citizen of India (OCI), you are not eligible to open a new PPF account. However, you can continue to make fresh contributions to your existing investment or prematurely close it (if you have held it for five or more years).

32. Maturity proceeds and taxability

Upon maturity or premature closure, the proceeds will be deposited in NRO account. Later, he may transfer funds from your NRO account to your foreign bank account according to the repatriation rules of an NRO account. Proceeds from the maturity of PPF get accounted as capital income, repatriation of which is limited to a maximum of USD 1 million per year.

From a taxation perspective, please note that the interest earned on your PPF investment is non-taxable in India.

33. Renewal

A standard PPF scheme has a tenure of 15 years, which a resident can extend by a block of five years. However, this extension is not permitted for an NRI.

34. Can an NRI make a full or partial withdrawal of funds from their PPF account?

An NRI can withdraw funds from their PPF account after the completion of five financial years (April-March) from the end of the financial year in which their account was initially opened. The maximum withdrawal is limited to 50% of the balance at the end of the four financial years, immediately preceding the year of withdrawal or at the end of the preceding financial year, whichever is lower. Please note that only one withdrawal is permitted per financial year.

This means that you will be permitted to withdraw funds, after the sixth year of PPF holding.

A complete withdrawal, on the other hand, is only available on maturity. NRIs are permitted to close their PPF accounts prematurely. However, a penalty is applicable on premature closure.

35. Can an NRI close their PPF account prematurely?

As per the Public Provident Fund Scheme, 2019 issued by the Government of India, NRIs can prematurely close their PPF account only after five years from the account opening date. Once you change your residency status to an NRI and submit a copy of your passport, visa, or income tax return to your bank or post office where your PPF account is held, you can prematurely close your account if you wish to.

Please note, that for such premature closure, the interest credited will be 1% lower than the rate at which interest has been credited in the account from the date of account opening. Please get in touch with your bank for more details.

36. Can NRIs take loan against their PPF account?

As per the Public Provident Fund Scheme, 2019 issued by the Government of India, NRIs can avail a loan against their PPF account from the third to the sixth financial year of opening the account. This means that if you apply for a loan during the fifth year of PPF holding, then the loan that can be availed will be a maximum of 25% of the closing PPF balance at the end of the third Financial Year (April-March).

KEY CHANGES IN NEW INCOME TAX ACT :2025



CA Manoj P Gupta

No. of Schedules	16
No. of Chapters	23
No. of Sections	536
No. of Pages	600

CONCEPT OF TAX YEAR:

The concept of tax year will take place instead of Financial Year & Assessment Year .

VIRTUAL DIGITAL ASSET:

The Income Tax Act 2025 gives a more broader definition of Virtual Digital Assets. This now includes crypto-assets, non-fungible tokens or any other digital asset as the Government may specify.

ACCESS TO ELECTRONIC DATA ON SEARCH CASES:

The assessee will now be required to provide access to any virtual space search officer. This includes social media accounts, email servers, cloud storage data and access to any trading or investment accounts.

UNDISCLOSED INCOME:

In the new act, undisclosed income will also include Virtual Digital Asset.

REFERENCE TO DISPUTE RESOLUTION PANEL:

Non-Residents, foreign companies and in transfer pricing cases., the assessee, when not satisfied with the draft assessment order, he can refer the case to the Dispute Resolution Panel .

Comparing old vs new Income Tax Act 2025

Changes in some of the popular sections :

#	Description	Income Tax Act 1961	Income Tax Act 2025
1	Deduction from House Property (Home Loan interest and other deductions)	Section 24	Section 22
2	Maintenance of Books of Accounts	Section 44AA	Section 62
3	Tax Audit	Section 44AB	Section 63
4	Presumptive Taxation	Section 44AD, 44ADA and 44AE	Section 58
5	Reinvestment of capital gains in a house property	Section 54	Section 82
6	Reinvestment of capital gains in Bonds	Section 54EC	Section 85
7	Reinvestment of capital gain/sale proceeds in a house property	Section 54F	Section 86
8	Deduction of LIC, PF etc	Section 80C	Section 123
9	Deduction in respect of employer contribution to pension scheme of Central Government	Section 80CCD	Section 124

#	Description	Income Tax Act 1961	Income Tax Act 2025
10	Deduction for Health Insurance Premium	Section 80D	Section 126
11	Deduction for Dependant Disability	Section 80DD	Section 127
12	Deduction for Medical Treatment	Section 80DDB	Section 128
13	Deduction for Interest on Education loan	Section 80E	Section 129
14	Deduction for Donations	Section 80G	Section 133
15	Deductions for Political party donations	Section 80GGC	Section 137
16	Deduction of Interest on Savings Bank/FD	Section 80TTA/ 80TTB	Section 153
17	Deduction for Self Disability	Section 80U	Section 154
18	Rebate for Resident Individuals	Section 87A	Section 157
19	DTAA Benefit	Section 90/90A/91	Section 160/161
20	Tax on short-term capital gains on which STT paida	Section 111A	Section 196
21	Tax on long-term capital gains on which STT is paid	Section 112A	Section 198
22	Tax on long-term capital gains other than above	Section 112	Section 197
23	Tax on income of individuals Hindu undivided family and others (Opting for New tax/old tax regime)	Section 115BAC	Section 202
24	Filing income Tax Return (Original / Belated / Revised / Updated / Defective)	Section 139	Section 2023
25	Permanent Account Number	Section 139A	Section 262
26	Payment of Self Assessment tax	Section 140A	Section 266
27	Income escaping assessment	Section 147	Section 279
28	Deduction of TDS	Section 192 to Section 196D	Section 393
29	Interest for defaults in furnishing return of income	Section 234A	Section 423
30	Interest for deferment of advance tax	Section 234B	Section 424
31	Permanent Account Number	Section 234C	Section 425
25	Interest of late filing of Income Tax Return	Section 234F	Section 428

GLIMPSES OF TPA ACTIVITIES



79th Independence Day Celebration at Income Tax Department.



CA. J P Saraf addressing on
79th Independence Day Program



TPA delegation welcomes
Pr CCIT(Exemptions) Shri Debjyoti Das



Speaker **CA Manish Dafria** in SCM on new Income Tax at 2025





Meeting of TPA delegation with Pr CCIT (Exemption) , Delhi on issues in Exemption Cases

Newsletter Editorial Board -
I CA. Manoj P. Gupta I CA. Abhishek Gang I Mr. Nilendu Dave I CA. Ritu Lasod

If undelivered please return to :

Tax Practitioners' Association

Room No. 17, Aayakar Bhawan (Main Building)
Indore- 452 001 (M.P.)

Mail : secretary@tpaindore.com www.tpaindore.com

Published by President **CA Jaiprakash Saraf** &
Edited by **CA Manoj P. Gupta** on behalf
of Tax Practitioners' Association, Indore (M.P.) and
Printed at **Profiles**, 639, Sneha Nagar, Indore, Ph.: 9425064293

Disclaimer - The views expressed in the articles or contents published in news
letter do not necessarily represent the views of office bearers, the approval of the
Tax Practitioners' Association or any of its Managing Committee Members.

Printed Book-Post
TPA - Monthly News Letter

To,