



# Deductions under chapter VI-A

## Clubbing

## Set Off & Carry Forward

**CA Rohit Kapoor**



# Introduction





# Deductions Under Chapter VI-A

**CA Rohit Kapoor**



# Basic – Deduction U/C VI-A

Deduction is Restricted to Gross Total Income

Deductions is not Allowed against LTCG, LTCG u/s. 112A, STCG u/s. 111A & Special Rates Income

Deduction Cannot be Carry Forward



# Types of Deductions

## Payment Based Deduction

80C	80CCC	80CCD	80CCE	80D	80DD	80DDB	80U	80E	80EE	80EEA	80EEB	80G
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## Income Based Deduction

80QQB	80RRB	80TTA	80TTB	80JJA
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# Section – 80C

## For investments in specified schemes, saving instruments etc.

### Exemption

- Up to 1,50,000
- (Subject to overall limit of ₹ 1,50,000 under Section 80C, 80CCC and 80CCD)

### Allowed to

- Individual / HUF

### Available for

- LIC Premium Payment (Self, Spouse, Children, HUF Members)
- Deposit in PPF (Self, Spouse, Children)
- Employee Contribution to – Statutory/Recognized Provident Fund
- Stamp Duty, registration fee for Acquisition of Property
- Tuition Fee of Children - Max for 2 – In India
- Repayment of Loan i.r.t. Home Purchase or Construction
- Amount Invested /Deposit

### Amount Invested /Deposit

Notified Bonds of NABARD

Senior Citizen Saving Scheme

Notified MF or UTI

Notified Pension Scheme of UTI or MF

Sukanya Samridhi Scheme

Fixed Deposit for 5 Years or More in Scheduled Bank / Post Office



# Section – 80CC

## Contribution to Certain Specified Pension Funds



### Exemption

- Up to 1,50,000
- (Subject to overall limit of ₹ 1,50,000 under Section 80C, 80CCC and 80CCD)

### Allowed to

- Individual Only

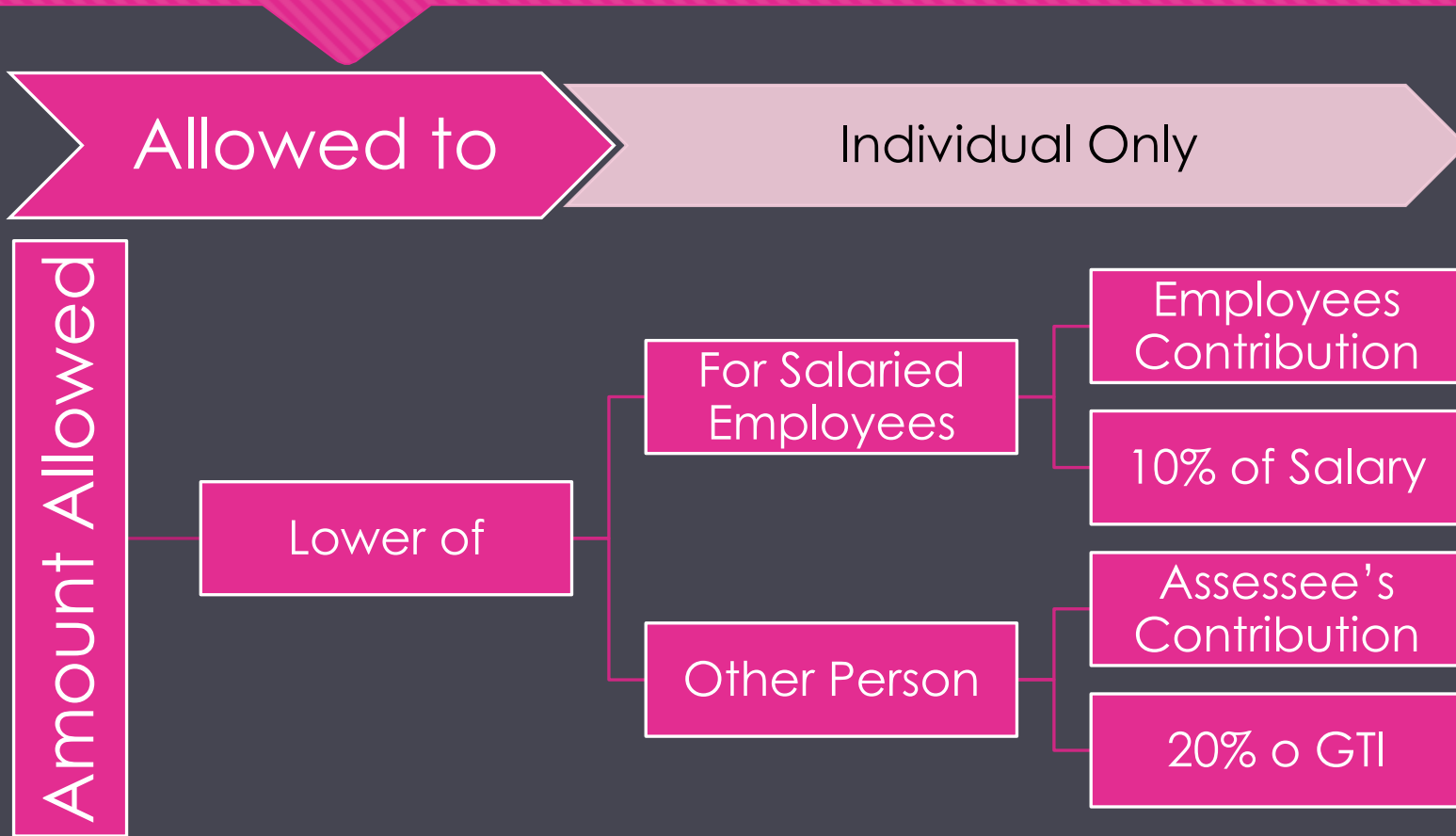
### Available for

- Contribution (Subject to certain conditions), to certain specified Pension Funds of
  - LIC
  - Other Insurance Company



# Section – 80CCD(1)

## Deduction for assessee's contributions to pension scheme of Central Government







# Section – 80CCD(1B)

## Deduction for the deposit under a pension scheme notified by Central Government (NPS)



### Allowed to

- Individual Only

### Amount

- Up to ₹ 50,000.
- This deduction shall be in addition to deduction of ₹ 1,50,000 under Section 80C, 80CCC and 80CCD(1)



# Section – 80CCD(2)

## Deduction for employer's contributions to pension scheme notified by Central Government



### Allowed to

- Individual Only

### Amount

- Lower of
  - 14% of Salary - If Cont" by CG
  - 10% of Salary - If Cont" Other Employer
  - Actual Contribution



# Section – 80CCE

## Cap on 80C Series



Max.  
Deduction  
Rs. 1.5 Lac

- 80C
- 80CCC
- 80CCD(1)



# Section – 80D

## Amount invested in Health Insurance

Allowed  
To

- Individual
  - Self, Spouse, Parents & Dependent Children
- HUF
  - Any Member of HUF

Mode of  
Payment

- Other Than Cash
- For Preventive Health Checkup – Cash Allowed



# Section – 80D

## Amount invested in Health Insurance

Deduction Amount	Individual		HUF
	Self, Spouse, Child (D)	Parents	Members
1) Medical Insurance Premium	✓	✓	✓
2) CG Health Scheme	✓	X	X
3) Preventive Health Checkup (Not Exceeding Rs. 5,000/- for all)	✓	✓	X
General Deduction for (1+2+3)	25,000	25,000	25,000
Additional Deduction (Policy taken for Senior Citizen)	25,000	25,000	25,000
Medical Expenditure of Super Senior Citizen (Medical Premium Not Paid)	50,000	50,000	50,000



# Section – 80DD

## Deduction i.r.t. Medical Treatment & Maintenance of Handicapped Dependent Relative



Allowed To

- Individual
- HUF

Amount of Deduction

- Rs. 75K, - Normal Disability
- Rs. 125K – Severe Disability



# Section – 80E

## Deduction i.r.t . Interest on Loan for Higher Education

### Allowed To

Individual (For Self,  
Spouse, Children,  
any student  
(Guardian)

### Amount of Deduction

Interest Amount

For 8 Years, Starting  
from year of  
Payment of Interest



# Section – 80EE

## Deduction i.r.t . Interest on Housing Loan

### Allowed To

- Individual

### Amount of Deduction

- Up to Rs. 50,000/-

### Conditions

- Loan Amount - up to Rs. 35 Lac
- Purchase Price – up to Rs. 50 Lac
- Loan Sanction – in FY 2016-17
- Loan From – Bank / FI
- Loan for – Residential Property
- No Other Property – On Sanction Date
- Deduction First u/s. 24(b) then u/s. 80EE





# Section – 80EEA (Added by FA 2019)

## Deduction i.r.t . Interest on Affordable Housing Loan

### Allowed To

- Individual (Other than 80EE)

### Amount of Deduction

- Up to Rs. 1,50,000/-

### Conditions

- SDV of Property - up to Rs. 45 Lac
- Loan Sanction – in FY 2019-20
- Loan From – Bank / FI
- No Other Residential Property – On Sanction Date
- Deduction First u/s. 24(b) then u/s. 80EEA



# Section – 80EEB (Added by FA 2019)

## Deduction i.r.t . Interest on Electric Vehicle Loan

### Allowed To

- Individual (Other than 80EE)

### Amount of Deduction

- Up to Rs. 1,50,000/-

### Conditions

- Loan for – Electric Vehicle
- Loan From – Bank / FI (Incl. NBFC)
- Loan Sanctioned – FY 2019-20, 20-21, 21-22, 22-23
- Deduction Allowed in this Section – Not Allowed in Other Section



# Section – 80G

## Deduction i.r.t . Donation



Allowed To

All  
Assessee

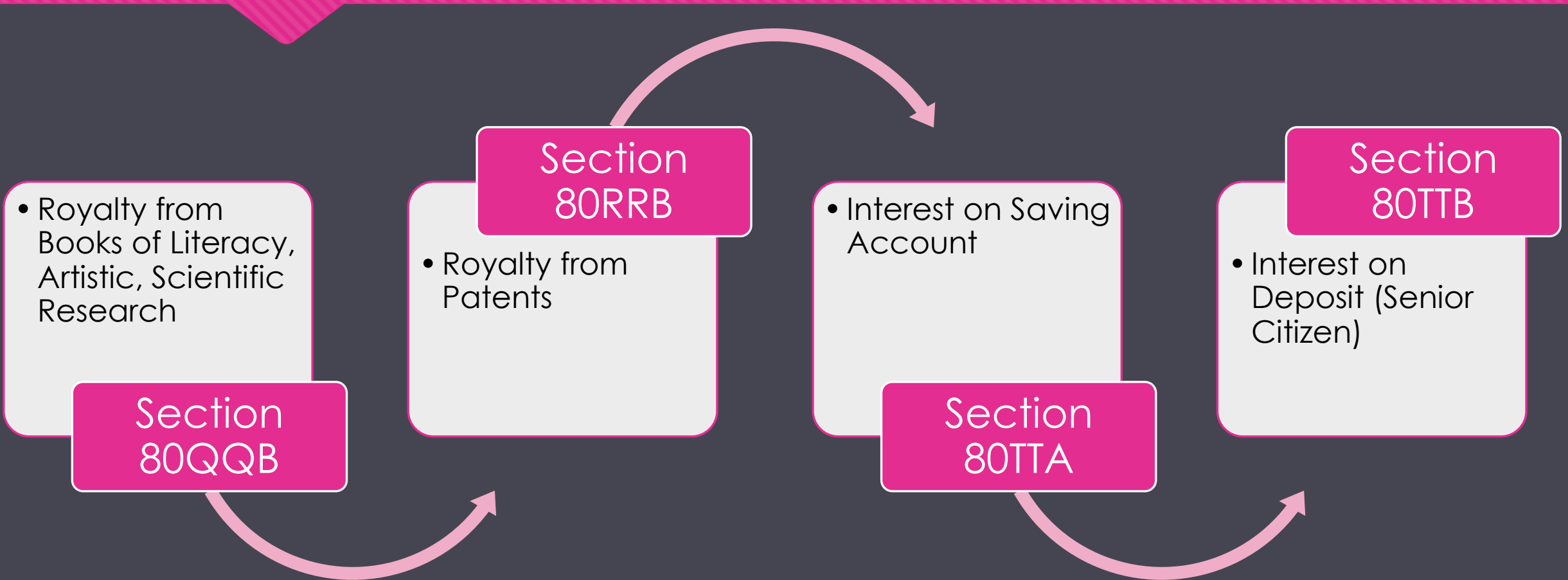
Amount of  
Deduction

100%  
Deduction

50%  
Deduction



# Income Based Deductions





# Clubbing Provisions

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# Income Transfer Without Transfer of Asset

## Section 60

- Individual
- Transfer Income
- Without Transfer of Assets
- Income is Taxable
- In the Hands of Transferor

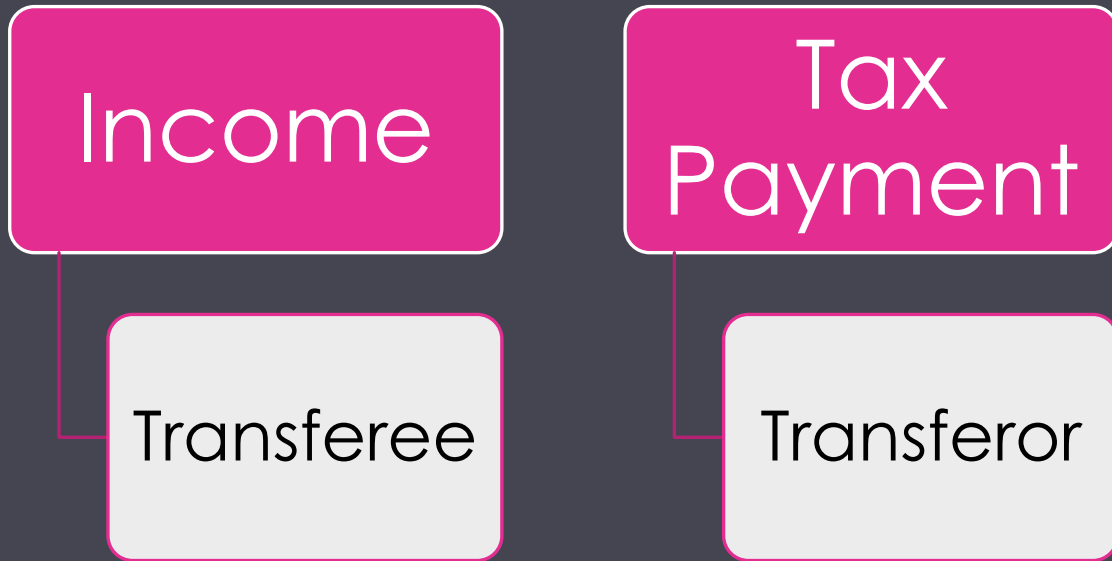
Mr. RAK, owns 18000, 40% debentures of E-Balak Private Limited of Rs. 1,000 each and he is transferring the interest income to his family member "RAKI" without transferring the ownership of Debentures.

In this case, although interest will be received by a family member, it is taxable in the hands of "RAK".



# Revocable Transfer

## Section 61



“Monu” transfers his Flat to “Naman”(Friend) And, Monu has right to revoke the transfer during the lifetime of Naman

In this case, Income arising from the house property will be taxable in the hands of Monu.





# Income of Spouse from Concern where Assessee has Substantial Interest

## Section 64(1)(ii)

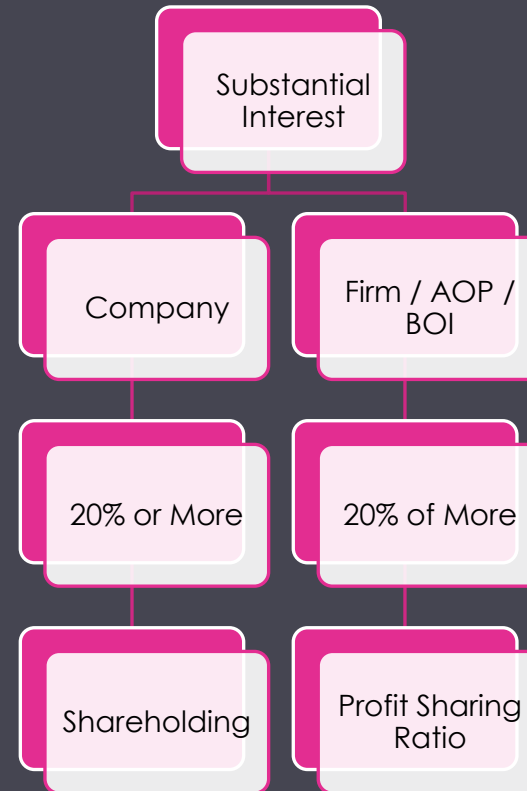
Income is Taxable in Spouse Hand

Income

- Salary
- Commission
- Bonus
- Fee

Received From

- Concern
  - Where assessee has
    - Substantial Interest



Exception

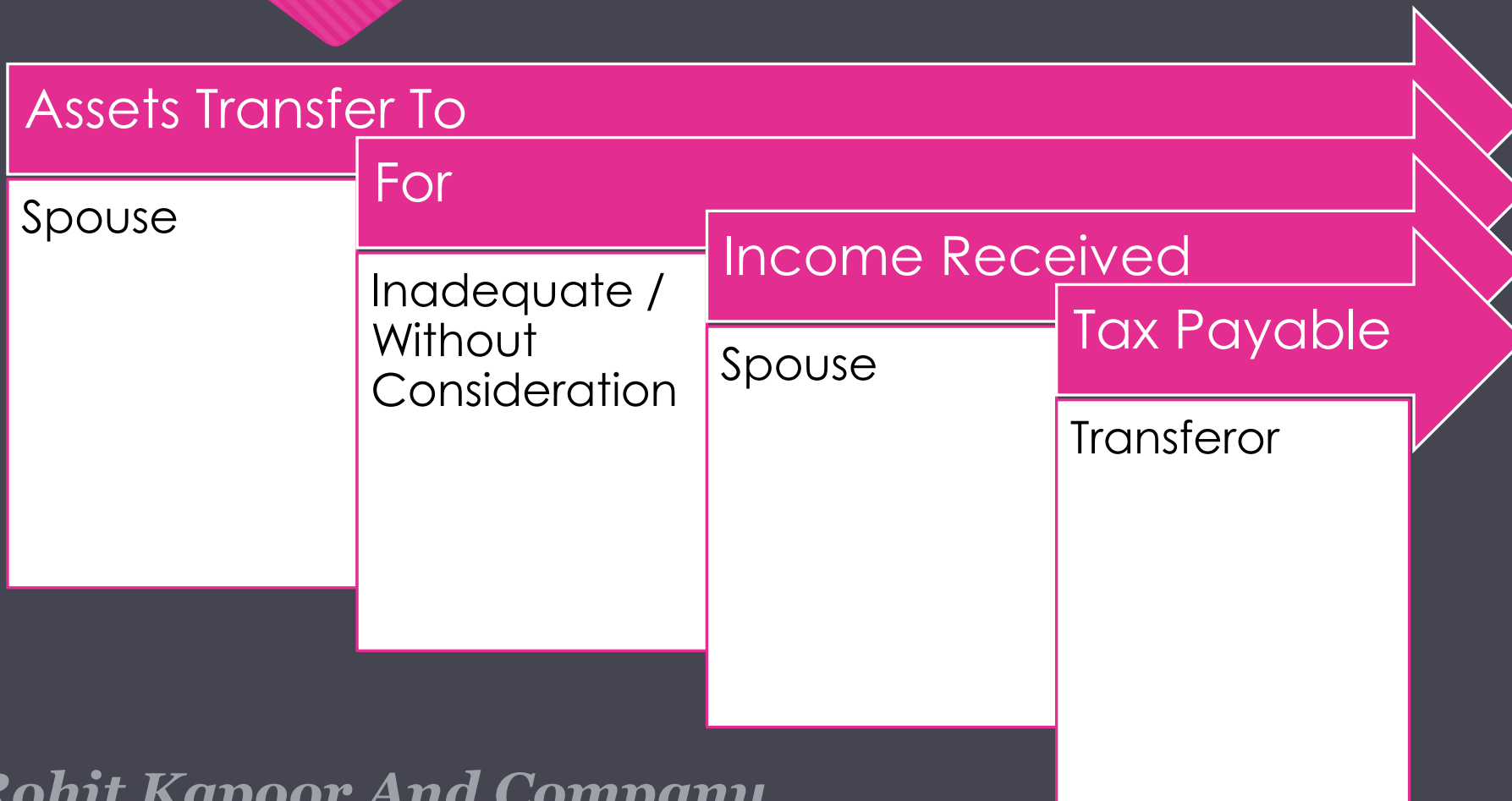
- Amount Received
- Due to Tech. / Prof. Qualification
- Attribute to such Qualification





# Asset Transferred to Spouse

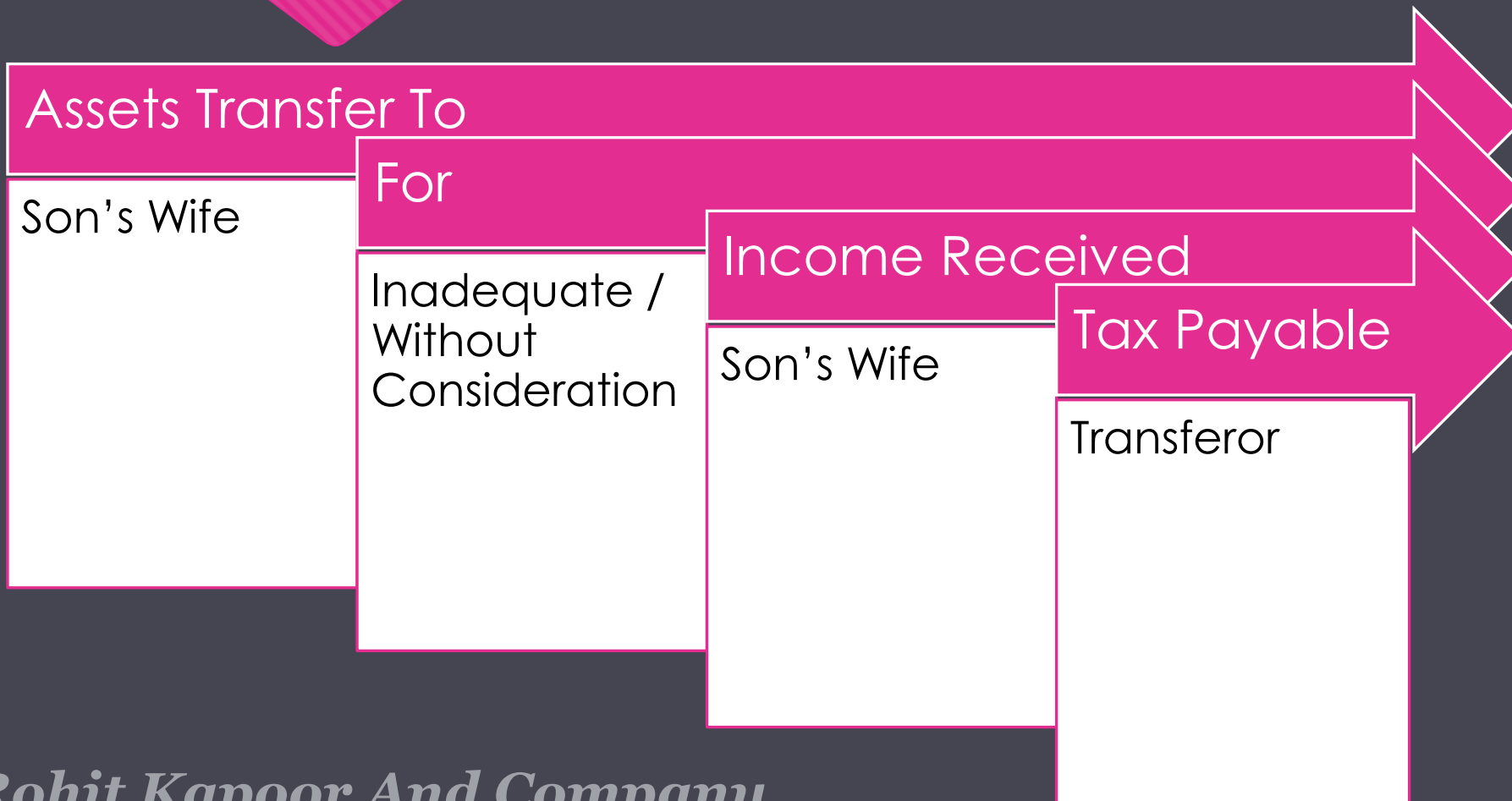
## Section 64(1)(vi)





# Asset Transferred to Son Wife

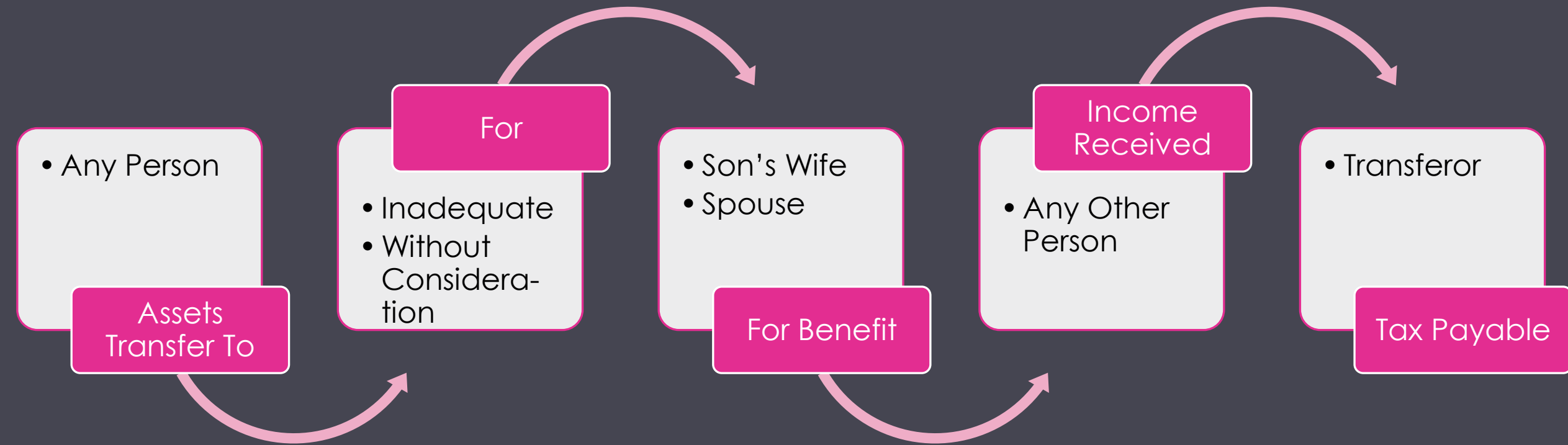
## Section 64(1)(vi)





# Asset Transferred to any Person for Benefit of Spouse / Son's Wife

Section 64(1)(vi) / (vii)





# Income of a Minor Child

## Section 64(1A)

- Income of Minor Child
- Taxable In Parents
- Whose Income is more
- Income due to Manual Work
- Income Due to Skill & Talent
- Minor Child Suffering from Disability



# Set Off & Carry Forward of Losses

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# Intra Head and Inter Head Adjustment



## Intra Head Adjustment

Loss under One Source Income

Set off with Income from another Source Income

But in the Same Head

## Inter Head Adjustment

Loss under One Head Income

Set off with Income from another Head Income

But in the Same PY



# Summary – Set Off & Carry Forward

**Loss from  
Salary**

Loss not  
Possible

**Loss from  
House  
Property**

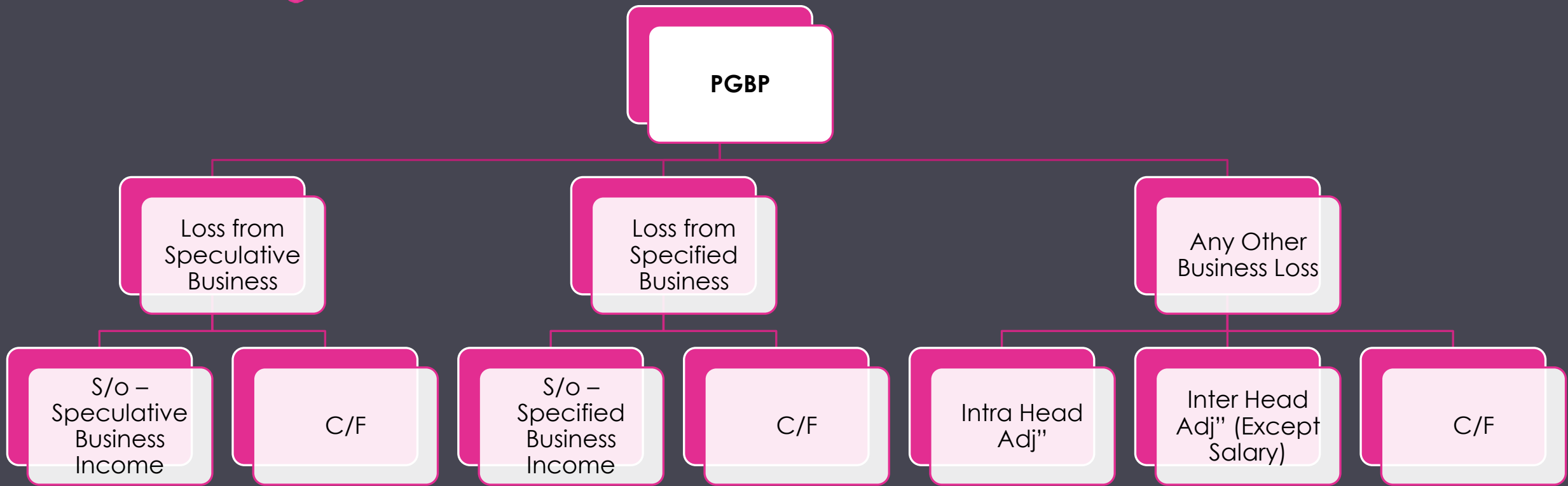
Intra  
Head  
Adj"

Inter  
Head  
Adj"  
(Max 2  
Lac)

C/F



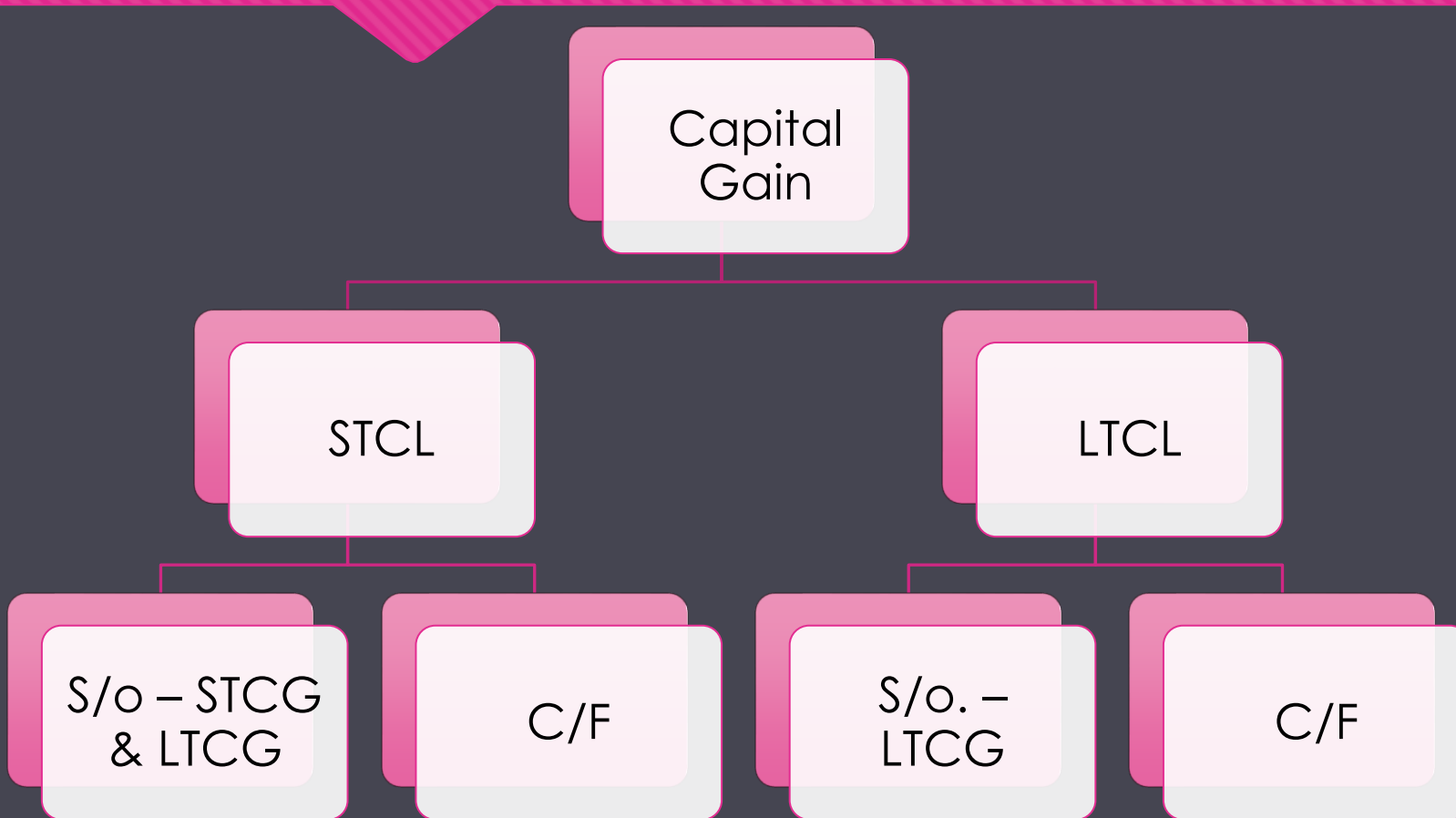
# Summary – Set Off & Carry Forward





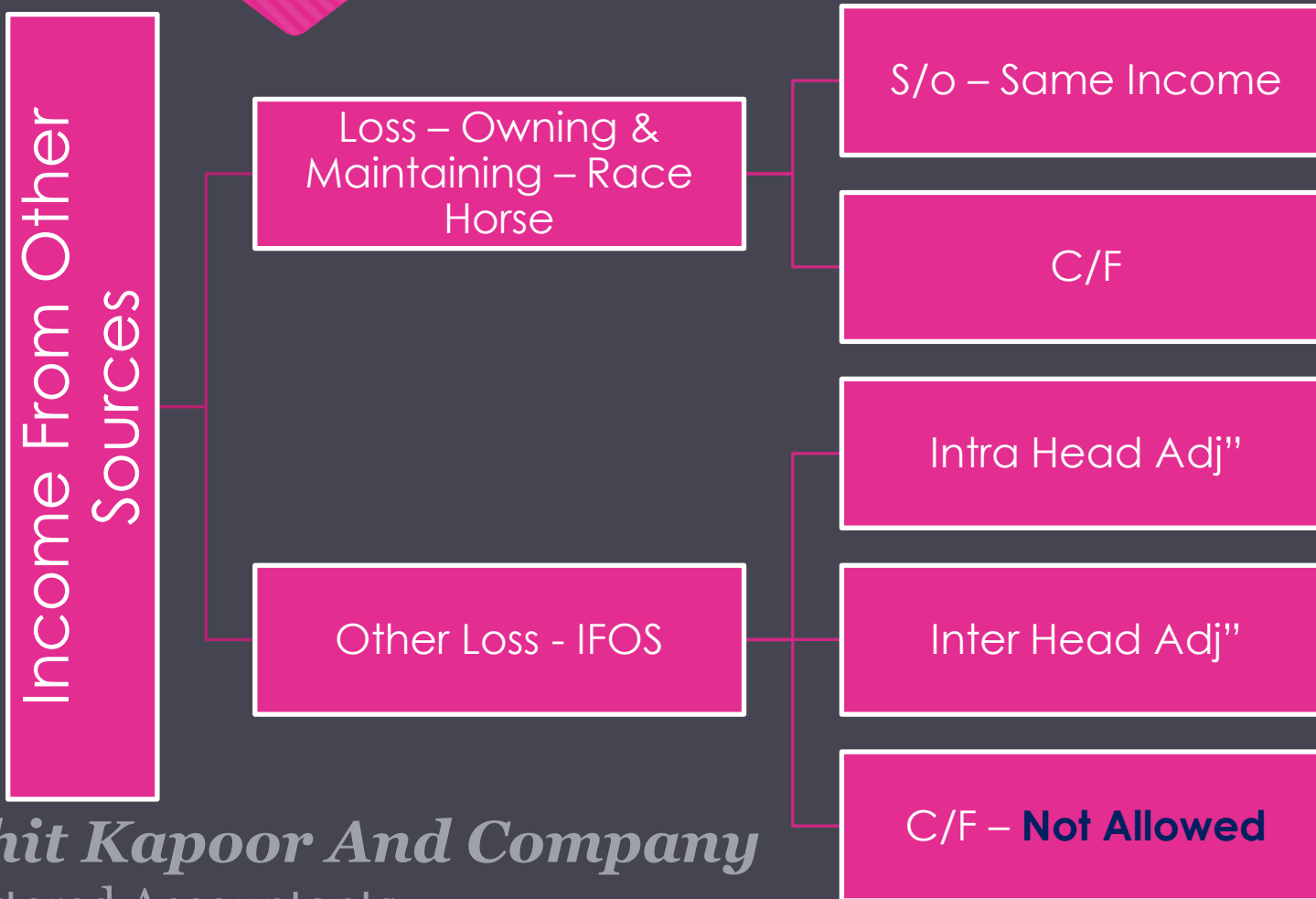


# Summary – Set Off & Carry Forward





# Summary – Set Off & Carry Forward





# Time Limits & ITR Requirement

Loss – C/F	B/F – Loss S/o.	Time Limit (In Years)	ITR
Loss from HP	IHP	8	X
Business Loss - Normal	Business Income	8	✓
Business Loss – Speculative	Speculative Business Income	4	✓
Business Loss – Specified	Specified Business Income	Unlimited	✓
STCL	STCG & LTCG	8	✓
LTCL	LTCG	8	✓
Loss – Owning & Maintaining – Race Horse	Income – Owning & Maintaining – Race Horse	4	✓
Unabsorbed Dep <sup>n</sup>	Any Income (Excl. Salary)	Unlimited	X



# THANKYOU

## ConsulatEase

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Chartered Accountants