



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

SUPPLEMENT
PROFESSIONAL PROGRAMME
(SYLLABUS 2022)

for

June, 2026 Examinations

(Amendments covering July 01, 2025 to November 30, 2025)

ADVANCED DIRECT TAX LAWS & PRACTICE

GROUP 1- ELECTIVE PAPER 4.5

Disclaimer: This document has been prepared for academic purposes only and it does not necessarily reflect the views of ICSI. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.

Students appearing in June 2026 Examination shall note the following:

1. For Direct taxes, Finance Act, 2025 is applicable.
2. Applicable Assessment year is 2026-27 (Previous Year 2025-26).

Students should also update themselves on all the relevant Rules, Notifications, Circulars, Clarifications, Orders etc. issued by CBDT & Central Government upto November, 2025.

The students are advised to acquaint themselves with the monthly and Regulatory updates published by the Institute.

This supplement is to be read with the Advanced Direct Tax Laws & Practice study material (Syllabus 2022) updated up to October, 2025.

Lesson 1

Computation of Total Income and Tax Liability of various entity excluding Companies

Sr. No.	Amendments to Regulations /Rules /Act /Circular /Notification	Weblink (For Details)				
1.	<p>Govt Notifies ₹4 Lakh, ₹8 Lakh Income Tax Perquisite Limits [Notification No. 133 Dated August 18, 2025]</p> <p>Central Board of Direct Taxes (CBDT) has amended the Income-tax Rules, 1962 by introducing Rules 3C and 3D, prescribing new income thresholds for claiming exemptions on certain employer-provided perquisites under Section 17(2) of the Income-tax Act.</p> <p>Rule 3C fixes the salary income limit at ₹4,00,000 for the purposes of item (c) of sub-clause (iii) of Section 17(2). This means that employees with salary income exceeding ₹4 lakh in a financial year will not be able to claim exemption on specified perquisites such as meal coupons, rent-free accommodation, or medical reimbursements, which will become fully taxable.</p> <p>Rule 3D sets the gross total income threshold at ₹8,00,000 for exemptions available under clause (vi) of the proviso to Section 17(2), covering benefits such as concessional loans.</p> <p>Accordingly, if an employee's gross total income exceeds ₹8 lakh, the tax benefit of such concessional facilities will not be available, and the perquisite value will be taxed.</p> <p>The rules, notified through G.S.R. 555(E) dated 18 August 2025, take effect immediately upon publication in the Official Gazette.</p>	https://incometaxindia.gov.in/communications/notification/notification-no-133-2025.pdf				
2.	<p>Cost Inflation Index 'CII' FY 2025-26 [Notification No. 70 Dated July 1, 2025]</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Financial Year</th> <th style="text-align: center;">Cost Inflation Index 'CII'</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">FY 2025-26</td> <td style="text-align: center;">"376"</td> </tr> </tbody> </table>	Financial Year	Cost Inflation Index 'CII'	FY 2025-26	"376"	https://incometaxindia.gov.in/communications/notification/notification-70-2025.pdf
Financial Year	Cost Inflation Index 'CII'					
FY 2025-26	"376"					
3.	<p>Capital Gains Accounts (Second Amendment) Scheme, 2025 [Notification No. 161 Dated 19th November, 2025]</p> <p>The Ministry of Finance has issued the Capital Gains Accounts (Second Amendment) Scheme, 2025, updating the Capital Gains Accounts Scheme, 1988. The amendment incorporates section 54GA across various paragraphs and expands the definition of "Deposit Office" to include authorised branches of SBI, subsidiary banks, corresponding new banks,</p>	https://incometaxindia.gov.in/communications/notification/notification-161-2025.pdf				

<p>and any notified banking company. A key reform introduces “electronic mode” as a valid method for deposits, covering credit/debit cards, net banking, IMPS, UPI, RTGS, NEFT, and BHIM Aadhaar Pay. The amendment clarifies that the effective date of deposit, whether made through cheque, draft, or electronic mode, shall be the date of receipt by the deposit office. Passbooks and statements may now be furnished electronically. Further, from 1 April 2027, closure of accounts must be done electronically using digital signatures or electronic verification codes, with the Income-tax Systems Directorate responsible for procedures, security, and form management.</p>	
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For more details –

Circulars – <https://incometaxindia.gov.in/Pages/communications/circulars.aspx>

Notifications - <https://incometaxindia.gov.in/Pages/communications/notifications.aspx>