

Till FY 2023-24, the deduction permissible U/s 40(b) was as under:

(a)	on the first Rs. 3,00,000 of the book-profit or in case of a loss	Rs. 1,50,000 or @ 90% of the book-profit, whichever is more;
(b)	on the balance of the book-profit	@ 60%

Above limit was put in place on the statute from FY 2009-10. Now, above limit has been revised by the FA (No. 2)-2024 as under:

(a)	on the first Rs. 6,00,000 of the book-profit or in case of a loss	Rs. 3,00,000 or @ 90% of the book-profit, whichever is more;
(b)	on the balance of the book-profit	@ 60%