

[Year]

[AMENDMENTS VIDE FINANCE ACT, 2010 ON “DIRECT TAX”]

[Amendments vide Finance Act,2010 are applicable for June 2011 and December 2011 terms of Examination]

AMENDMENTS vide FINANCE ACT, 2010 on "DIRECT TAX"

Tax Rates

Rates of Income - Tax for Assessment Year 2011-12

1.1 (A) For woman, resident in India and below the age of 65 years at any time during the previous.

Upto Rs. 1,90,000	Nil
Rs. 1,90,001 to Rs. 5,00,000	10%
Rs. 5,00,001 to Rs. 8,00,000	20%
Above Rs. 8,00,000	30%

1.1 (B) For an individual (man or woman), resident in India who is of the age of 65 years or more at any time during the previous year.

Upto Rs. 2,40,000	Nil
Rs. 2,40,001 to Rs. 5,00,000	10%
Rs. 5,00,001 to Rs. 8,00,000	20%
Above Rs. 8,00,000	30%

1.1 (C) Individuals, [other than those mentioned in para 1.1(A) and (B) above] HUF, AOP/BOI (other than co-operative societies, whether incorporated or not)

Upto Rs. 1,60,000	Nil
Rs. 1,60,001 to Rs. 5,00,000	10%
Rs. 5,00,001 to Rs. 8,00,000	20%
Above Rs. 8,00,000	30%

Surcharge: NIL

Education Cess (EC): Education Cess at the rate of 2% on income-tax shall be levied.

Secondary and Higher Education Cess (SHEC): "Secondary and Higher Cess (SHEC) on income-tax: at the rate of 1% of income-tax in all cases shall be levied.

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

2. Other Assesseees:

Assessee	Rate of Tax	Education Cess	SHEC	Surcharge
a) For Firms	30%	2% on income tax	1% on income tax	7.5% of income tax, if Net Income exceeds Rs.1 crore
b) For Companies				
(i) Domestic Companies	30%	2% on income tax and surcharge, where applicable	1% on income tax and surcharge, where applicable	7.5% of income tax, if Net Income exceeds Rs.1 crore
(ii) Foreign Companies – who has received royalty from Government or an Indian concern in pursuance of an agreement made by it with the Indian concern after March31,1961, but before April 1 , 1976, or fees for rendering technical services in pursuance of an agreement made by it after February 29,1964 but before April 1, 1976 and where such agreement has, in either case, been approved by the Central Government	50%	2% on income tax and surcharge, where applicable	1% on income tax and surcharge, where applicable	2.5% of income tax, if Net Income exceeds Rs.1 crore
(iii) Foreign Companies- having any other income other than specified in (b)(ii) above	40%	2% on income tax and surcharge, where applicable	1% on income tax and surcharge, where applicable	2.5% of income tax, if Net Income exceeds Rs.1 crore
c) For Local Authorities	30%	2% on income tax	1% on income tax	NIL
d) For Co-operative Societies	For First Rs.10,000 @ 10% For Next Rs.10,000 @ 20% For the	2% on income tax	1% on income tax	NIL

AMENDMENTS vide FINANCE ACT, 2010 on "DIRECT TAX"

	Balance @ 30%			
--	---------------	--	--	--

MARGINAL RELIEF:

In case of a company where the net income exceeds Rs.1 crore, the net amount payable as income tax and surcharge shall not exceed the total amount payable as income tax on total income of Rs.1 crore by more than the amount of income that exceeds Rs.1 crore.

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

Section	Nature of amendment	Effect of amendment	Applicable from
2(15)	Second proviso inserted	Section 2(15) defines ‘charitable purpose’ to include, <i>inter alia</i> , ‘the advancement of any other object of general public utility’. The proviso to the said clause provides that ‘the advancement of any other object of general public utility’ shall not be a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use of application, or retention, of the income from such activity. A second proviso is inserted in clause (15) to provide that the first proviso shall not apply if the aggregate value of receipts from the activities referred to in the first proviso is ten lakh rupees or less in the previous year.	1-4-2009
2(24)	Certain words inserted in sub-clause (xv)	Section 2(24)(xv) provides that any sum of money or value of property referred to in clause (vii) of sub-section (2) of section 56 will fall within the definition of ‘income’. Sub-clause (xv) is amended to also make a reference therein to value of property referred to in the newly inserted clause (viiia) of sub-section (2) of section 56. This amendment is consequential to the amendment made in section 56.	1-6-2010
9	Explanation substituted	<i>Explanation</i> to section 9 provides that, for the removal of doubts, for the purposes of section 9, where income is deemed to accrue or arise in India under clauses (v), (vi) and (vii) of sub-section (1), such income shall be included in the total income of the non-resident, whether or not, the non-resident has a residence or place of business or business connection in India. <i>Explanation</i> is substituted so as to provide that the income of a non-resident shall be deemed to accrue or arise in India under clause (v) or clause (vi) or clause (vii) of sub-section (1) and shall be included in the total income of the non-resident, whether or not,— (i) the non-resident has a residence or place of business or business connection in India; or (ii) the non-resident has rendered services in India.	1-6-1976
10(21)	Certain words shall be substituted/inserted	Under section 10(21), in computing the total income of the previous year of any person, any income of a scientific research association for the time being approved for the purpose of clause (ii) of sub-section (1) of section 35 is not included. Clause (21) is amended so as to make it also applicable to a research association which has as its object, undertaking research in social science or statistical research , provided such research association is approved and notified under clause (iii) of sub-section (1) of section 35. Consequently, the income of such association shall not be included in its total income.	1-4-2011
10AA	Proviso inserted in sub-section (7)	Under section 10AA(7), as it would stand before its amendment by the Finance (No. 2) Act, 2009, the profits derived from the export of articles or things or services shall be the amount which bears to the profits of the business of the undertaking, being the unit, the same proportion as the export turnover in respect of such articles or things or services bears to the total turnover of the business carried on by the assessee. The aforesaid provision was amended by the Finance (No. 2) Act, 2009, so as to substitute the reference to ‘assessee’ by the word ‘undertaking’ . The said amendment was to become effective from 1-4-2010 and accordingly, apply in relation to the assessment year 2010-11 and subsequent year. A new proviso is inserted to sub-section(7) so as to make the provisions of the said amended sub-section effective retrospectively for the assessment year beginning on 1-4-2006 and subsequent assessment years.	1-4-2010

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

12AA	Certain words inserted sub-section (3)	Under section 12AA(3), if the activities of the trust or institution referred to in sub-section(1), which has been granted registration under sub-section (1), are not genuine or are not being carried out in accordance with the objects of the trust or institution, the Commissioner shall, after giving a reasonable opportunity of being heard to the said trust or institution, pass an order in writing cancelling the registration granted under clause (b) of sub-section (1). Sub-section (3) is amended so as to also provide for cancellation of registration where any trust or institution has obtained registration at any time under section 12A before its amendment.	1-6-2010
32	Certain words shall be substituted in fifth proviso to sub-section (1)	Section 32 provides that the aggregate depreciation allowable to the predecessor and successor business entities in case of succession or amalgamation shall not exceed in any previous year the deduction allowable at prescribed rates as if the succession or amalgamation had not taken place and such deduction shall be apportioned between the two entities in the ratio of the number of days for which the assets were used by them., Amendment makes as reference to clause (xiiib) of section 47 in the fifth proviso to sub-section (1) of section 32 to provide that in case of succession of a private company or unlisted public company, by limited liability partnership , the aggregate depreciation allowable to the predecessor company and the successor limited liability partnership shall not exceed, in any previous year, the deduction calculated at the prescribed rate as if no succession has taken place.	1-4-2011
35	Certain words shall be substituted in sub-section (1) Certain words shall be substituted in clause (a) of sub-section (2AA) Certain words shall be substituted in clause (1) of sub-section (2AB)	Section 35(1)(ii) provides for weighted deduction to the extent of one hundred twenty-five per cent of any sum paid to a scientific research association which has the object of undertaking scientific research or to a university, college or other institution to be used for scientific research. Clause (ii) is amended so as to enhance the said weighted deduction from one hundred and twenty-five per cent to one hundred and seventy-five per cent. Section 35(1)(iii) provides that weighted deduction shall be allowed in respect of contributions made to an approved university, college or institution to be used for research in social science or statistical research. Clause (iii) is amended to include research associations , which have as their object, undertaking of research in social science or statistical research provided such research associations are approved and notified. Accordingly any sum paid to such research associations shall be eligible for weighted deduction. Section 35(2AA)(a) provides for a weighted deduction to the extent of one hundred and twenty-five per cent of any sum paid to a National Laboratory or a University or an Indian Institute of Technology or a specified person for the purpose of an approved scientific research programme. Clause (a) is amended to enhance the said weighted deduction from one hundred and twenty-five per cent to one hundred and seventy-five per cent. Section 35(2AB)(1) provides for weighted deduction of one hundred and fifty per cent of the expenditure incurred by a company on scientific research on an approved in-house research and development facility. Clause (1) is amended so as to enhance the said weighted deduction from one hundred and fifty per cent to two hundred per cent.	1-4-2011

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

35DDA	Sub-section (4A) shall be inserted Certain words shall be substituted in sub-section (5)	Section 35DDA provides that where an assessee incurs any expenditure in any previous year by way of payment of any sum to an employee at the time of his voluntary retirement under any scheme of voluntary retirement, one-fifth of the amount so paid shall be deducted in computing the profits and gains of the business for that previous year and the balance shall be deducted in equal instalments for each of the four immediately succeeding previous years. A new sub-section (4A) is inserted to provide that in case of succession of a private company or unlisted public company by a limited liability partnership , the provisions of the said section shall apply to the successor limited liability partnership as they would have applied to the predecessor company. Sub-section (5) is amended to provide that in case of such conversion, no deduction under the said section shall be allowed to the predecessor company in the previous year in which the conversion takes place .	1-4-2011
40(a) (ia)	Certain words substituted Proviso substituted	The existing provisions of section 40(a)(ia) provide for the disallowance of expenditure like interest, commission, brokerage, professional fees, etc. if tax on such expenditure was not deducted, or after deduction was not paid during the previous year. However, in case the deduction of tax is made during the last month of the previous year, no disallowance is made if the tax is deposited on or before the due date of filing of return. Amended section 40(a)(ia) provides that no disallowance will be made if after deduction of tax during the previous year, the same has been paid on or before the due date of filing of return of income specified in sub-section (1) of section 139.	1-4-2010 1-4-2010
43(1)	Certain words shall be substituted in clause (b)(iii) of Explanation 13	<i>Explanation 13</i> to section 43(1) provides that the actual cost of any capital asset on which deduction has been allowed or is allowable under section 35AD shall be treated as ‘nil’ in specified circumstances. A reference to clause (xiii b) of section 47 is made in sub-clause (ii) of clause (b) of <i>Explanation 13</i> , to provide that in case of succession of a private company or unlisted public company by a limited liability partnership , the actual cost of capital assets on which deduction has been allowed under section 35AD to the predecessor company shall be taken as ‘nil’ in case of the successor limited liability partnership.	1-4-2011
43(6)	Explanation 2C shall be inserted	A new <i>Explanation 2C</i> shall be inserted in clause (6) so as to provide that in case of succession of private company or unlisted public company by limited liability partnership , the actual cost of the block of assets in case of successor limited liability partnership shall be the written down value of the block of assets as in the case of the predecessor company on the date of conversion.	1-4-2011

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

44AB	Certain words shall be substituted in clause (a) and clause (b)	The existing provisions contained in clause (a) of section 44AB make it obligatory for every person carrying on business to get his accounts of any previous year relevant to the assessment year audited by an accountant before the specified date if the total sales, turnover or gross receipts in business for the previous year exceeds forty lakh rupees. The said limit is enhanced from forty lakh rupees to sixty lakh rupees. The existing provisions contained in clause (b) of section 44AB make it obligatory for every person carrying on profession to get his accounts of any previous year relevant to the assessment year audited by an accountant before the said specified data if his gross receipts in profession for the previous year exceed ten lakh rupees. The said limit is enhanced from ten lakh rupees to fifteen lakh rupees.	1-4-2011
44AD	Certain words shall be substituted in clause (b)(ii) of the Explanation	Sub-section (ii) of clause (b) of the <i>Explanation</i> to section 44AD defines the term ‘eligible business’ to mean any business except the business of plying, hiring or leasing goods carriages referred to in section 44AE and whose total turnover or gross receipts in previous year does not exceed forty lakh rupees for the purpose of computing profits and gains of business on presumptive basis. The said limit shall be enhanced from forty lakh rupees to sixty lakh rupees.	1-4-2011
44BB	Certain words shall be inserted in proviso to sub-section (1)	Under section 44BB(1), income of a non-resident assessee who is engaged in the business of providing services or facilities in connection with, of supplying plant and machinery on hire used, or to be used, in the prospecting for, or extraction or production of, mineral oils is computed at ten per cent of the aggregate of the amounts paid or payable to the assessee or to any person in India on account of the provisions of to the said sub-section provides that the said sub-section shall not apply in a case where the provisions of section 42 or section 44D or section 115A or section 293A apply for the purposes of computing profits or gains or any other income referred to in those sections. The reference of ‘ section 44DA ’ is inserted in the proviso to sub-section (1) of section 44BB so as to clarify that the provisions of section 44BB shall also not apply in case where the provisions of section 44DA become applicable.	1-4-2011
44DA	Second proviso shall be inserted in sub-section (1)	Section 44DA provides the procedure for computing income by way of royalty of fees for technical services, in case the right, property or contract giving rise to such income are effectively connected with the permanent establishment of the non-resident, through which business is carried out in India. A second proviso is inserted in section 44DA so as to clarify that the provisions of section 44BB shall not apply in respect of income referred to in section 44DA.	1-4-2011
47	Clause (xiib) shall be inserted	New clause (xiib) shall be inserted in section 47 to except capital gain on transfer of assets at the time of conversion of a private limited company or unlisted public limited company into a LLP.	1-4-2011
47A	Sub-section (4) shall be inserted	A new sub-section (4) shall be inserted in section 47A which provides that where any of the conditions stipulated in the proviso to clause (xiib) of section 47 are not complied with, the amount of profits or gains arising from the transfer of capital assets or intangible asset or share or shares not charged under section 45 by virtue of conditions laid down in the said proviso shall be deemed to be the profits and gains chargeable to tax of the successor limited liability partnership or the shareholder of the predecessor company, as the case may be, for the previous year in which the requirements of the said proviso are not complied with.	1-4-2011

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

49	<p>Certain words shall be substituted in sub-clause (e) of clause (iii) of sub-section (1)</p> <p>Sub-section (2AAA) shall be inserted</p> <p>Certain words inserted in sub-section (4)</p>	<p>Sub-clause (e) of clause (iii) of sub-section (1) of section 49 is amended so as to make a reference to clause (xiib) of section 47 in the said sub-clause (e) to provide that in case of succession of a private company or unlisted public company by a limited liability partnership, the cost of acquisition of the assets for the successor limited liability partnership shall be deemed to be the cost for which the predecessor company acquired it.</p> <p>Newly inserted sub-section (2AAA) provides that where the capital asset being rights of a partner referred to in section 42 of the Limited Liability Partnership Act, 2008 became the property of the assessee on conversion as referred to in clause (xiib) of section 47, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the share or shares in the company immediately before its conversion.</p> <p>Under sub-section (4) of section 49, where the capital gain arises from the transfer of a property, the value of which has been subject to income-tax under clause (vii) of sub-section (2) of section 56, the cost of acquisition of such property shall be deemed to be the value which has been taken into account for the purposes of the said clause (vii).</p> <p>Sub-section (4) is amended so as to provide that the cost of acquisition of such property shall be deemed to be the value which has been taken into account for the purpose of clause (vii) of sub-section (2) of section 56 also.</p>	<p>1-4-2011</p> <p>1-4-2011</p> <p>1-6-2011</p>
56(2) (vii)	<p>Sub clause (b) substituted</p> <p>Certain words substituted in clause (d) of Explanation</p> <p>Sub-clause (ix) inserted in clause (d) of Explanation</p> <p>Clause (vii) inserted</p>	<p>This amendment is consequential to the amendment made to section 56(2) by inserting a new clause (vii)</p> <p>Under section 56(2) (vii)(b), if an assessee being an individual or a Hindu undivided family receives any immovable property without consideration or for inadequate consideration, the value of the said property shall be treated as income in the hands of assessee and shall be liable to tax.</p> <p>Sub-clause (b) of clause (vii) of sub-section (2) is substituted so as to provide that clause (vii) of sub-section (2) of section 56 would apply only if the immovable property is received without any consideration; the stipulation as regards inadequate consideration has been removed.</p> <p>Under clause (d) of the <i>Explanation</i> to clause (vii) of section 56(2), certain properties have been enumerated within the definition of ‘property’.</p> <p>Clause (d) of the <i>Explanation</i> to clause (vii) of sub-section (2) is amended so as to specify that clause (vii) of sub-section (2) of section 56 will have application to ‘property’ which is in the nature of capital asset of the assessee.</p> <p>A new sub-clause (vii) is inserted in section 56(2) so as to include the transactions undertaken in shares of a company not being a company in which the public are substantially interested where the recipient is a firm or a company not being a company in which the public are substantial interested.</p>	<p>1-10-2009</p> <p>1-10-2009</p> <p>1-6-2010</p> <p>1-6-2010</p>

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

72A	Sub-section (6A) shall be inserted Clauses (a) and (b) shall be substituted in sub-section (7)	A new sub-section (6A) shall be inserted which provides that in case of succession of business, whereby, a private company or unlisted public company is succeeded by a limited liability partnership fulfilling the conditions laid down in the proviso to clause (xiib) of section 47, notwithstanding anything contained in any other provisions of the Act, the accumulated loss and the unabsorbed depreciation of the predecessor company shall be deemed to be the loss or, as the case may be, allowance for depreciation of the successor limited liability partnership for the previous year in which business reorganisation was effected and the other provisions of the Act relating to set off and carry forward of loss and allowance for depreciation shall apply accordingly. However, if the conditions stipulated in the proviso to clause (xiib) of section 47 are not complied with, the set off of loss or allowance of depreciation which had been allowed shall be deemed to be the income chargeable to tax of the successor limited liability partnership for the previous year in which the conditions stipulated in the proviso to clause (xiib) of section 47 are not complied with. Clause (a) and clause (b) of sub-section (7) define the expressions ‘accumulated loss’ and ‘unabsorbed depreciation’ respectively for the purpose of the aforesaid section.	1-4-2011
80A	Sub-section (7) shall be inserted	A new sub-section (7) shall be inserted to provide that where a deduction under any provision of this Chapter under the heading ‘C.—Deductions in respect of certain incomes’ is claimed and allowed in respect of profits of any of the specified business referred to in clause (c) of sub-section (8) of section 35AD for any assessment year, no deduction shall be allowed under the provisions of section 35AD in relation to such specified business for the same or any other assessment year.	1-4-2011
80CCF	Shall be inserted	A new section shall be inserted so as to provide that a sum of rupees twenty thousand in addition to the existing limit of rupees one lakh for tax savings under Income-tax Act may be allowed as specific deduction in computing the total income of an assessee being an individual or a Hindu undivided family if such sum is paid or deposited at any time during the previous year relevant to the assessment year beginning on 1-4-2011 as subscription to long-term infrastructure bonds as may be notified by the Central Government.	1-4-2011
80D(2)	Certain words shall be inserted in clause (a)	Under clause (a) of section 80D(2), the whole of the amount paid by any mode, other than cash, in the previous year out of the income of the assessee, being an individual, to effect or keep in force an insurance on his health or the health of his family as does not exceed in the aggregate fifteen thousand rupees, is allowed to be deducted in computing the total income of the assessee. Clause (a) is amended so as to also allow the benefit of the deduction in respect of a contribution made by the assessee during the previous year to the Central Government Health Scheme within the said limit.	1-4-2011
80GGA (2)	Certain words shall be substituted in clauses (a) and (aa)	Clause (aa) of section 80GGA(2) provides that donations made to a university, college or other institution to be used for research in social science or statistical research qualify for deduction under that section provided such university, college or institution is approved for the purposes of clause (iii) of sub-section (1) of section 35. Clause (aa) is amended so as to also include a research association which has as its object undertaking of research in social science or statistical research and which for the time being is approved for the purposes of clause (iii) of sub-section (1) of section 35. Accordingly, any sum paid to such research association will be eligible for deduction under section 80GGA.	1-4-2011

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

<p>80-IB (10)</p>	<p>Certain words inserted in sub-clause (ii) of clause (a) and sub-clause (iii) of clause (a) inserted Certain words substituted in clause (d)</p>	<p>Under sub-section (10) of section 80-IB, hundred per cent deduction is available in respect of profits derived by an undertaking from developing and building housing projects approved by a local authority before 31-3-2008. It is further provided in clause (a) that where a housing project has been, or, is approved by the local authority on or after 1-4-2004, it should be completed within four years from the end of the financial year in which the housing project is approved by the local authority.</p> <p>The period for completion of a housing project, approved on or after 1-4-2005, is increased from four years to five years.</p> <p>Under the existing provisions contained in clause (d) of sub-section (10) of section 80-IB, the built-up area of the shops and other commercial establishments included in the housing project should not exceed five per cent of the aggregate built-up area of the housing project or 2,000 square feet, whichever is less.</p> <p>The existing limit is revised to three per cent of the aggregate built-up area of the housing project or 5,000 square feet, whichever is higher.</p>	<p>1-4-2010 1-4-2010</p>
<p>80-ID(2)</p>	<p>Certain words shall be substituted in clause (i) and clause (ii)</p>	<p>Clause (i) of section 80-ID(2) provides that the provisions of the said section apply to any undertaking engaged in the business of hotel located in the specified area, if such hotel is constructed and has started or starts functioning at any time during the period beginning on 1-4-2007 and ending on 31-3-2010.</p> <p>The said period is extended up to 31-7-2010.</p> <p>The existing clause (ii) of sub-section (2) provides that the provisions of the said section apply to any undertaking engaged in the business of building, owning and operating a convention centre, located in the specified area, if such convention centre is constructed at any time during the period beginning on 1-4-2007 and ending on 31-3-2010.</p> <p>The said period is extended up to 31-7-2010.</p>	<p>1-4-2011</p>
<p>115JAA</p>	<p>Sub-section (7) shall be inserted</p>	<p>Section 115JAA provides that where any amount of tax is paid under sub-section (1) of section 115JB by a company for any assessment year beginning on or after 1-4-2006, credit in respect of tax so paid shall be allowed to it in accordance with the provisions of section 115JAA.</p> <p>A new sub-section (7) shall be inserted in section 115JAA to provide that the provisions of section 115JAA shall not apply to a limited liability partnership which has been converted from a private company or unlisted public company under the Limited Liability Partnership Act, 2008.</p>	<p>1-4-2011</p>
<p>115JB(1)</p>	<p>Certain words shall be substituted</p>	<p>Under sub-section (1) of section 115JB in case of a company, if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after 1-4-2010, is less than fifteen per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable for the relevant previous year shall be fifteen per cent of such book profit.</p> <p>Sub-section (1) is amended to provide that if the income-tax payable on the total income as computed under the Income-tax Act in respect any previous year relevant to the assessment year commencing on or after 1-4-2011 is less than eighteen per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable for the relevant previous year shall be eighteen per cent of such book profit.</p>	<p>1-4-2011</p>

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

115WE (1B)	Certain words substituted	Under sub-section (1B) of section 115WE, the Central Government may, save as otherwise expressly provided, for the purpose of giving effect to the scheme made under sub-section (1A) of that section, by notification in the Official Gazette, direct that any of the provisions of the Act relating to processing of returns shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in that notification. However, no direction is to be issued after 31-3-2010. The time limit is extended from 31-3-2010 to 31-3-2011 .	1-4-2010
139(4C)	Certain words shall be substituted	Under sub-section (4C) of section 139, every scientific research association referred to in clause (21) of section 10, shall, if the total income in respect of such scientific research association (without giving effect to the provisions of section 10) exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year. Sub-section (4C) is amended in order to require a research association having as its object undertaking research in social science or statistical research to also furnish its return of income.	1-4-2011
142A(1)	Certain words substituted	Sub-section (1) of section 142A provides that where an estimate of the value of any investment referred to in section 69 or section 69B or the value of any billon, jewellery or other valuable article referred to in section 69A or section 69B is required for the purpose of making an assessment or reassessment under the Act, the Assessing Officer may require the Valuation Officer to make an estimate of such value and report the same to him. Sub-section (1) is amended so as to also enable the Assessing Officer to make reference to the Valuation Officer for making an estimate of fair market value of any property referred to in sub-section (2) of section 56 of the Act .	1-7-2010
143	Certain words substituted in sub-section (1B) Certain words shall be substituted in first proviso to sub-section (3)	Under sub-section (1B) of section 143, the Central Government may, save as otherwise expressly provided, for the purpose of giving effect to the scheme made under sub-section (1A) of that section, by notification in the Official Gazette, direct that any of the provisions of the Act relating to processing of returns shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in that notification. However, no direction is to be issued after 31-3-2010. The time limit is extended from 31-3-2010 to 31-3-2011 . Under proviso to sub-section (3) of section 143, the Assessing Officer is under obligation to intimate the Central Government or the prescribed authority any contravention of provisions of clause (21) of section 10, by the association referred to in the said clause. The provisions also state that the Assessing Officer shall not withdraw exemption under section 10 unless the intimation has been given by him to the prescribed authority and the approval granted to the association has been withdrawn. The first proviso to sub-section (3) is amended for giving effect to the applicability of clause (21) of section 10 to a research association which has as its object undertaking research in social science or statistical research. Accordingly, the references to scientific research association are to be substituted by references to research association .	1-4-2010 1-4-2011

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

194B	Certain words substitute	Under section 194B, any person responsible for paying to any person any income by way of winnings from any lottery or crossword puzzle or card game and other game of any sort in excess of five thousand rupees is required to deduct income-tax on such payment at the rates in force. <i>The said limit is enhanced from five thousand rupees to ten thousand rupees.</i>	1-7-2010
194BB	Certain words substituted	Under section 194BB, a bookmaker or a licensee for horse racing in any race course or for arranging any wagering or betting in any race course, who is responsible for paying to any person any income by way of winnings from any horse race in excess of two thousand five hundred rupees is required to deduct income-tax on such payments at the rates in force. <i>The said limit is enhanced from two thousand five hundred rupees to five thousand rupees.</i>	1-7-2010
194C(5)	Certain words substituted	Under sub-section (5) of section 194C, no deduction of income-tax shall be made from the amount of any sum credited or paid or likely to be credited or paid to the account of, or to, the contractor if such sum does not exceed twenty thousand rupees. However, if the aggregate of such sums credited or paid or likely to be credited or paid during the financial year exceeds fifty thousand rupees, the person responsible for paying such sums shall be liable to deduct income-tax. <i>The said limit is enhanced from twenty thousand rupees for a single transaction to thirty thousand rupees and from fifty thousand rupees for the aggregate transactions during the financial year to seventy five thousand rupees.</i>	1-7-2010
194D, second proviso	Certain words substituted	Under section 194D, no deduction of income-tax shall be made in a case where the amount of such income, or the aggregate of the amount of the income, relating to remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business, credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee <i>does not exceed five thousand rupees.</i>	1-7-2010
194H, first proviso	Certain words substituted	Under section 194H, no deduction shall be made in a case where the amount of income or the aggregate of the amounts of income relating to commission or brokerage credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee does not exceed two thousand five hundred rupees. <i>The said limit is enhanced from two thousand five hundred rupees to five thousand rupees.</i>	1-7-2010
194-I, first proviso	Certain words substituted	Under section 194-I, no deduction of income-tax shall be made where the amount of income or the aggregate of the amounts of income relating to rent credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee does not exceed one hundred and twenty thousand rupees. <i>The said limit is enhanced from one hundred and twenty thousand rupees to one hundred and eighty thousand rupees.</i>	1-7-2010
194J(1), first proviso	Certain words substituted in clause (B)	Under section 194J, no deduction of income-tax shall be made where the amount of such sum or the aggregate of the amounts of such sums, relating to fees for professional or technical services or royalty or any sum referred to in clause (va) of section 28, credited or paid or likely to be credited or paid during the financial year to the account of, or to, the payee does not exceed twenty thousand rupees. <i>The said limit is enhanced from twenty thousand rupees to thirty thousand rupees.</i>	1-7-2010

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

201(1A)	Substituted	Under sub-section (1A) of section 201, the person, principal officer and the company referred to in sub-section (1) of the aforesaid section, in case of failure of deduction or payment of tax, are liable to pay simple interest at one per cent for every month or part of a month on the amount of such tax from the date on which such tax was deductible to the date on which such tax is actually paid and such interest shall be paid before furnishing the statement in accordance with the provisions of sub-section (3) of section 200. Sub-section (1A) is amended so as to increase the interest chargeable under that sub-section from one per cent to one and one-half per cent for every month or part of a month for tax deducted but not paid.	1-7-2010
203(3)	Omitted	Under sub-section (3) of section 203, where the tax has been deducted or paid in accordance with the provisions of Chapter XVII-B on or after 1-4-2010, there is no requirement to furnish a certificate referred to in sub-section (1) or, as the case may be, under sub-section (2) of the aforesaid section, by the deductor to the deductee. Subsection (3) of section 203 is now omitted.	1-4-2010
206C(5)	First proviso omitted and certain words substituted in second proviso	The first proviso to sub-section (5) of section 206C provides that on or after 1-4-2010, no certificate shall be required to be furnished where the tax has been collected in accordance with the provisions of the aforesaid section. The aforesaid proviso to sub-section (5) of section 206C is now omitted.	1-4-2010
245A(b)	Clauses (ii) and (iii) of proviso omitted In the Explanation, clause (ii) omitted; clause (iiia) inserted; and certain words substituted in clause (iv)	Under clause (b) of section 245A, the expression ‘case’ means any proceeding for assessment of any person in respect of any assessment year or assessment years which may be pending before an Assessing Officer on the date on which an application under sub-section (1) of section 245C is made. It, <i>inter alia</i> , provides that a proceeding of assessment years referred to in clause (b) of sub-section (1) of section 153A and, in clause (b) of sub-section (1) of section 153B, in case of a person referred to in section 153A or section 153C, shall not be a proceeding for assessment for the purposes of this clause. Clauses (ii) and (iii) of the proviso to clause (b) of section 245A are omitted so as to include within the definition of ‘case’, a proceeding for assessment or reassessment referred to in clause (b) of sub-section (1) of section 153A, and clause (b) of sub-section (1) of section 153B, in case of a person referred to in section 153A or section 153C. Further, the <i>Explanation</i> is amended to specify the date on which the proceedings for assessment or reassessment shall be deemed to have commenced and concluded, in case of a person referred to in section 153A or section 153C.	1-6-2010 1-6-2010
245C(1), proviso	Substituted	Under section 245C an application can be made before the Settlement Commission, if the additional amount of income-tax payable on the income disclosed in the application exceeds three lakh rupees. The proviso of section 245C is substituted so as to provide that an application can be made before the Settlement Commission, in cases where proceedings for assessment or reassessment have been initiated as a result of search under section 132 or books of account, other documents or any assets requisitioned under section 132A, if the additional amount of income-tax payable on the income disclosed in the application exceeds fifty lakh rupees. It is further provided that, in other cases, an application can be made before the Settlement Commission, if the additional amount of income-tax payable on the income disclosed in the application exceeds ten lakh rupees.	1-6-2010

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

245D(4A)	Certain words inserted in clause (ii) Clause (iii) inserted	Under sub-section (4A) of section 245D, the Settlement Commission shall pass an order within twelve months from the end of the month in which the application was made. Clause (ii) of sub-section (4A) is amended so as to provide that the Settlement Commission shall, in respect of an application made on or after 1-6-2007 but before 1-6-2010 , pass an order within the said period of twelve months. Further, clause (iii) is inserted so as to provide that the Settlement Commission shall, in respect of an application made on or after 1-6-2010 , pass an order within eighteen months from the end of the month in which the application was made.	1-4-2010 1-6-2010
256(2A)	Inserted	Sub-section (2) of section 256 provides that if, on an application made under sub-section (1), the Appellate Tribunal refuses to state the case on the ground that no question of law arises, the assessee or the Commissioner, as the case may be, may, within six months from the date on which he is served with notice of such refusal, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case and to refer it, and on receipt of any such requisition, the Appellate Tribunal shall state the case and refer it accordingly. A new sub-section (2A) is inserted so as to empower the High Court to admit an application after the expiry of said period of six months , if it is satisfied that there was sufficient cause for not filing the same within the said period.	1-6-1981
260A(2A)	Inserted	Clause (a) of section 260A(2) provides one hundred and twenty days from the date of receipt of the order appealed against, as the period of limitation for filing of an appeal to the High Court. A new sub-section (2A) is inserted so as to empower the High Court to admit an appeal after the expiry of said period of one hundred and twenty days if it is satisfied that there was sufficient cause for not filing the appeal within the said period.	1-10-1998
271B	Certain words shall be substituted	Section 271 B provide that if any person fails to get his accounts audited in respect of any previous year relevant to an assessment year or furnish a report of such audit as required under section 44AB, the Assessing Officer may impose a penalty equal to one-half per cent of the total sales, turnover or gross receipts, as the case may be, in business, or of the gross receipts in profession, in such previous year or a sum of one lakh rupees, whichever is less. The said limit is enhanced from one lakh rupees to one lakh fifty thousand rupees.	1-4-2011
282B (1)/(3)	Certain words substituted	Under section 282B, the income-tax authority is required to allot a computer generated Document Identification Number before issue of every notice, order, letter or any correspondence issued by him to any other income-tax authority or assessee or any other person and such number shall be quoted thereon. It also provides that every document, letter or correspondence received by an income-tax authority or on behalf of such authority, shall be accepted only after allotting and quoting of a computer generated Document Identification Number. The provisions of this section will come into force with effect from 1-10-2010. Section 282B is amended so as to provide that Document Identification Number will be required to be allotted on or after 1-7-2011 .	1-10-2010

AMENDMENTS vide FINANCE ACT, 2010 on “DIRECT TAX”

First Schedule, rule 5(b)	Substituted	<p>Under clause (b) of rule 5 of Schedule I, as inserted by the Finance (No. 2) Act, 2009, adjustment shall be made by way of deduction in respect of any amount either written off or provided in the accounts to meet diminution in or loss on realisation of investments in accordance with the regulations made by the Insurance Regulatory and Development Authority. Adjustment shall also be made by way of increase in respect of any amount taken credit for in the accounts on account of appreciation of or gains on realisation of investments in accordance with the regulations made by the Insurance Regulatory and Development Authority.</p> <p>Clause (b) is substituted so as to provide that any gain or loss on realisation of investments shall be added or deducted, as the case may be, if such gain or loss is not credited or debited to the profit and loss account and any provision for diminution in the value of investment debited to the profit and loss account shall be added back.</p>	1-4-2011
----------------------------------	-------------	--	----------

WEALTH-TAX ACT, 1957

22A(b)	<p>Clause (iii) of proviso omitted Clause (iii) of Explanation substituted Certain words substituted in clause (iv) of Explanation</p>	<p>Under clause (b) of section 22A, the word ‘case’ means any proceeding for assessment of any person in respect of any assessment year or assessment years which may be pending before an Assessing Officer on the date on which an application under sub-section (1) of section 22C is made. It, <i>inter alia</i>, provides that a proceeding of assessment or reassessment for any of the assessment years which may be initiated on the basis of a search under section 37A or requisition under section 37B shall not be a proceeding for assessment for the purpose of this clause.</p> <p>Clause (iii) of the proviso to clause (b) is omitted so as to include within the definition of ‘case’, the proceedings of assessment or reassessment which may be initiated on the basis of a search under section 37A or requisition under section 37B.</p> <p><i>Explanation</i> to clause (b) provides for the date on which proceedings for assessment or reassessment shall be deemed to have commenced.</p> <p><i>Explanation</i> is amended to specify the date on which the proceedings for assessment or reassessment shall be deemed to have been initiated and concluded pursuant to a search under section 37A or requisition made under section 37B.</p>	1-6-2010
22D(4A)	<p>Certain words substituted in clause (ii) Clause (iii) inserted</p>	<p>Under sub-section (4A) of section 22D, Settlement Commission shall pass an order within twelve months from the end of the month in which the application was made.</p> <p>Sub-section (4A) is amended so as to provide that the Settlement Commission shall pass an order in respect of an application made on or after 1-6-2007 but before 1-6-2010, within twelve months and in respect of application made on or after 1-6-2010 within eighteen months from the end of the month in which the application was made.</p>	<p>1-4-2010</p> <p>1-6-2010</p>
27(3B)	Inserted	See Amendment to section 256.	1-6-1981
27A(1A)	Inserted	See Amendment to section 260A.	1-10-1998