Direct Taxes – Amendments by the Finance Act, 2015

INCOME TAX ACT, 1961

Sec.	Particulars
Sec.2(13A) w.e.f. 01.04.2016	**New Definition of Business Trust:** "Business Trust" means a Trust registered as,— (a) an **Infrastructure Investment Trust** under SEBI (Infrastructure Investment Trusts) Regulations, 2014 made under the SEBI Act, 1992, or (b) a **Real Estate Investment Trust** under SEBI (Real Estate Investment Trusts) Regulations, 2014 made under the SEBI Act, 1992, — and the Units of which are required to be listed on Recognised Stock Exchange in accordance with those Regulations.
Sec.2(15) w.e.f. 01.04.2016	(a) **Yoga included:** Charitable Purpose shall include "**Yoga**". (b) **Any Other Object of General Public Utility – Condition:** The advancement of any other object of general public utility shall **not** be a charitable purpose, as under – **When not Charitable Purpose?** If it involves the carrying on of any activity – • (i) in the nature of trade, commerce or business, or (ii) 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 or application, or retention, of the income from such activity. **When Charitable Purpose? i.e. exceptions** (a) Such activity is undertaken in the course of **actual** carrying out of such advancement of any other object of general public utility, **and** (b) Aggregate Receipts from such activity(ies) during the previous year, do not exceed 20% of the Total Receipts, of the Trust or Institution undertaking such activity(ies), of that previous year.
Sec.2(24) w.e.f. 01.04.2016	**Income** includes assistance in the form of a Subsidy or Grant or Cash Incentive or Duty Drawback or Waiver or Concession or Reimbursement (by whatever name called) by the Central Government or a State Government or any Authority or Body or Agency in Cash or Kind to the Assessee other than the Subsidy or Grant or Reimbursement which is taken into account for determination of the Actual Cost of the Asset as per Sec.43(1) Explanation 10.
Sec.2(37A) (iii) w.e.f. 01.04.2016	**Rates in Force** for the purpose of Sec.195, extends to **Sec.194LBA also** for TDS purposes.
Sec.2(42A) w.e.f. 01.04.2016	**New Clause (hd): Holding Period for Units of Consolidated Scheme:** If a Capital Asset, being Unit(s), which becomes the property of the Assessee in consideration of a transfer referred u/s 47(xviii), the period for which the Unit(s) in the Consolidating Scheme of the Mutual Fund were held by the Assessee shall be **included**. **New Clause (he): Holding Period for Shares on redemption of GDR:** In case of a Capital Asset, being Share(s) of a Company, which is acquired by the Non–Resident Assessee on redemption of Global Depository Receipts referred to in Sec.115AC(1)(b) held by such Assessee, the period shall be reckoned from the date on which a request for such redemption was made.
Sec.6(1) w.e.f. 01.04.2016	**Conditions for Residential Status of Indian Citizen being Crew Member of Foreign Ship:** In the case of an Individual, being a Indian Citizen **and** a Member of the Crew of a Foreign–bound Ship leaving India, the period(s) of stay in India shall, in respect of such voyage, be determined in the manner and subject to such conditions as may be prescribed.

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Sec.6(3) w.e.f. 01.04.2016	**Residential Status of Company:** A Company is said to be **resident** in India in any previous year, if,— (a) it is an Indian Company, or (b) its place of effective management, in that year, is in India. **Note:** "Place of Effective Management" means a place where key management and commercial decisions that are necessary for the conduct of the business of an Entity as a whole are, in substance made.
Sec.9(1)(i) w.e.f. 01.04.2016	**Explanation 6 Inserted: Meaning of Substantial Value Derived, etc.** (a) **Substantially derived:** The share or interest, referred to in Expln.5 of Sec.9(1)(i), shall be deemed to derive its value substantially from the assets (whether tangible or intangible) located in India, if, on the specified date, the value of such assets— (i) exceeds ₹ 10 Crores, **and** (ii) represents atleast 50% of the value of all Assets owned by the Company or Entity. (b) **Prescribed Method for Value:** The Fair Market Value of an asset shall be the value as on the **Specified Date**, of such asset **without** reduction of Liabilities, if any, in respect of the Asset, determined in the prescribed manner. (c) "**Specified Date**" means the— (i) date on which the accounting period of the Company or Entity ends preceding the date of transfer of a share or an interest, or (ii) date of transfer, if the Book Value of the Assets of the Company or Entity on the date of transfer exceeds the Book Value of the Assets as on the date referred to in sub–clause (i), by 15% (d) "**Accounting Period**" means each period of 12 months ending with 31st March. **Different Accounting Period:** If the Company or Entity, regularly adopts a period of 12 months ending on a day other than 31st March for the purpose of— (i) complying with the provisions of the tax laws of the territory, of which it is a Resident, for tax purposes, or (ii) reporting to persons holding the share or interest, Then, the period of 12 months ending with the other day shall be the accounting period of the Company or Entity. **First and Subsequent Periods:** The first accounting period of the Company or Entity shall begin from the date of its Registration or Incorporation and end with the 31st March or such other day, as the case may be, following the date of such Registration or Incorporation, and the later accounting period shall be the successive periods of 12 months. **Cessation:** If the Company or Entity ceases to exist before the end of accounting period, as aforesaid, then, the accounting period shall end immediately before the Company or Entity, ceases to exist.
Sec.9(1)(i) w.e.f. 01.04.2016	**Explanation 7 Inserted: Expln.7 – Income when accrue / arise in/outside India** (a) No Income shall be deemed to accrue or arise to a Non–Resident from transfer, **outside** India, of any share of, or interest in, a Company or Entity, registered or incorporated outside India, referred to in Expln.5 of Sec.9(1)(i) – (i) If such Company or Entity **directly** owns the assets situated in India and the Transferor (whether individually or along with its Associated Enterprises), at any time in the 12 months preceding the date of transfer, does **not** hold – • the right of management or control in relation to such Company or Entity, • Voting Power or Share Capital or Interest exceeding 5% of Total Voting Power or Total Share Capital or Total Interest, of such Company or Entity. (ii) If such Company or Entity **indirectly** owns the assets situated in India and the Transferor (whether individually or along with its Associated Enterprises), at any time in the 12 months preceding the date of transfer, does **not** hold –

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	• the right of management or control in relation to such Company or Entity, • any right in, or in relation to, such Company or Entity which would entitle him to the right of management or control in the Company or Entity that directly owns the assets situated in India, • such percentage of Voting Power or Share Capital or Interest in such Company or Entity which results in holding of (either individually or along with Associated Enterprises) a Voting Power or Share Capital or Interest exceeding 5% of the Total Voting Power or Total Share Capital or Total Interest, of the Company or Entity that directly owns the assets situated in India. (b) **If all Assets are not located in India:** If all the assets owned, directly or indirectly, by a Company or Entity referred to in Expln.5 of Sec.9(1)(i) are **not located** in India, the Income of the Non–Resident Transferor, from transfer outside India of a share of, or interest in, such Company or Entity, deemed to accrue or arise in India, shall be only such part of the income as is **reasonably attributable** to assets located in India and determined in the prescribed manner. **Note:** "Associated Enterprise" shall have the meaning assigned to it in Sec.92A.
Sec.9(1)(v) w.e.f. 01.04.2016	**Interest Income – Accrual / Arising in India – Explanation: Non–Resident Bank – with Permanent Establishment in India paying Interest to HO / other Division:** (a) For Sec.9(1)(v) purposes, in the case of a Non–Resident engaged in the business of banking, any Interest Payable by the Permanent Establishment (PE) in India of such Non–Resident to – (i) the Head Office or (ii) any PE or any other part of such Non–Resident outside India, shall be deemed to accrue or arise in India. (b) Such amount shall be chargeable to tax, in addition to any Income attributable to the PE in India. (c) The PE in India shall be deemed to be a person separate and independent of the Non–Resident Person of which it is a PE. The provisions of the Act relating to computation of Total Income, determination of tax and collection and recovery shall apply accordingly. **Note:** "Permanent Establishment" shall have the meaning assigned u/s 92F (iiia).
Sec.9A w.e.f. 01.04.2016	**New Sec.9A: Certain Activities not to constitute Business Connection in India:** **Concept of Eligible Investment Fund** (1) **Eligible Investment Fund (EIF)**, means a Fund established or incorporated or registered **outside India**, which collects Funds from its Members for investing it for their benefit and fulfils the following conditions, namely – (a) the Fund is **not** a person resident in India, (b) the Fund is a resident of a Country or a Specified Territory with which an agreement referred u/s 90(1) or 90A(1) has been entered into, (c) the aggregate participation or investment in the Fund, directly or indirectly, by persons resident in India does not exceed 5% of the Corpus of the Fund, (d) the Fund and its activities are subject to applicable Investor Protection Regulations in the Country or Specified Territory where it is established or incorporated or is a resident, (e) the Fund has a minimum of 25 members who are, directly or indirectly, not connected persons, (f) any Member of the Fund along with connected persons shall not have any participation interest, directly or indirectly, in the Fund exceeding 10%, (g) the aggregate participation interest, directly or indirectly, of ten or less members along with their connected persons in the Fund, shall be less than 50%, (h) the Fund shall not invest more than 20% of its Corpus in any Entity, (i) the Fund shall not make any investment in its Associate Entity, (j) the monthly average of the Corpus of the Fund shall not be less than ₹ 100 Crores. **Note:** If the Fund is established or incorporated in the previous year, the Corpus of Fund shall not be less than ₹ 100 Crores at the end of such previous year.

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	(k) the Fund shall not carry on or control and manage, directly or indirectly, any business in India or from India, (l) the Fund is neither engaged in any activity which constitutes a business connection in India nor has any person acting on its behalf whose activities constitute a business connection in India other than the activities undertaken by the Eligible Fund Manager on its behalf, (m) the Remuneration paid by the Fund to an Eligible Fund Manager in respect of Fund management activity undertaken by him on its behalf is not less than the Arm's Length Price of the said activity. Note: Points (e), (f) & (g) shall not apply to Investment Fund set up by Government or Central Bank of a Foreign State or a Sovereign Fund, or Other Notified Funds. (2) **Eligible Fund Manager**, in respect of an EIF, means any person who is engaged in the activity of Fund management and fulfils the following conditions – (a) the person is not an Employee of the EIF or a connected person of the Fund, (b) the person is registered as a Fund Manager or an Investment Advisor in accordance with the specified Regulations, (c) the person is acting in the ordinary course of his business as a Fund Manager, (d) the person along with his connected persons shall not be entitled, directly or indirectly, to more than 20% of the profits accruing or arising to the EIF from the transactions carried out by the Fund through the Fund Manager. (3) **Meaning of Terms:** (a) "**Associate**" means an Entity in which a Director / Trustee / Partner / Member / Fund manager of the Investment Fund or a Director / Trustee / Partner / Member of the Fund Manager of such Fund, holds, either individually or collectively, share or interest, being more than 15% of its Share Capital or Interest. (b) "**Corpus**" means the total amount of Funds raised for the purpose of investment by the EIF as on a particular date. (c) "**Connected Person**" shall have the meaning assigned to it u/s 102 (4). (d) "**Entity**" means any entity in which an EIF makes an investment. (e) "**Specified Regulations**" means SEBI (Portfolio Managers) Regulations, 1993 or SEBI (Investment Advisers) Regulations, 2013, or other SEBI Regulations notified by the Central Government under this Clause. (4) **Facilities / Benefits for EIF:** (a) **No Business Connection:** The Fund Management Activity carried out through an Eligible Fund Manager acting on behalf of EIF shall **not** constitute business connection in India of the EIF. [**Note:** This shall apply notwithstanding Sec.9(1). (b) **EIF not Resident:** EIF shall not be said to be resident in India for Sec.6 purposes, **merely** because the Eligible Fund Manager, undertaking Fund management activities on its behalf, is situated in India. (5) **Annual Statement by EIF:** Every EIF shall, in respect of its activities in a financial year, furnish within 90 days from the end of the financial year, a statement in the prescribed form, to the prescribed Income–Tax Authority, containing information relating to the fulfilment of the conditions u/s 9A, and also provide such prescribed information or documents. Penalty of ₹ 5 Lakhs is leviable u/s **271FAB** for non–compliance with this requirement. (6) **Restrictions / Savings:** (a) Sec.9A shall not apply to exclude any income from the Total Income of the EIF, which would have been so included irrespective of whether the activity of the Eligible Fund Manager constituted the business connection in India of such Fund or not. (b) Sec.9A shall not have any effect on the scope of Total Income or determination of Total Income in the case of the Eligible Fund Manager.

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	(c) Sec.9A shall be applied as per the manner and Guidelines prescribed by CBDT.
Sec.10(11A) w.e.f. 01.04.2016	**New Insertion:** Any Payment from an account, opened as per the **Sukanya Samriddhi Account** Rules, 2014 made under the Government Savings Bank Act, 1873, is **exempt** from Tax.
Sec.10(23C) w.e.f. 01.04.2016	**New Insertion:** Income of the following funds set up by Central Govt, are **exempt** – **Clause (iiiaa):** Swachh Bharat Kosh **Clause (iiiaaa):** Clean Ganga Fund
Sec.10 (23EE) w.e.f. 01.04.2016	**Specified Income of Core Settlement Guarantee Fund is exempt:** (1) **Entity:** Core Settlement Guarantee Fund, set up by a Recognised Clearing Corporation in accordance with notified Regulations. (2) **Exempt Incomes:** Following Incomes of above Fund is exempt – (a) Contribution received from Specified Persons, (b) Penalties imposed by the Recognised Clearing Corporation and credited to the Core Settlement Guarantee Fund, or (c) Income from investment made by the Fund. (3) **Taxable if Shared with Specified Person:** If any amount standing to the credit of the Fund and not charged to income–tax during any previous year is **shared**, either wholly or in part with the specified person, the whole of the amount so shared shall be deemed to be the Income of the previous year in which such amount is so shared and shall, accordingly, be chargeable to income–tax. (4) **Meaning of Terms:** (a) "**Recognised Clearing Corporation**" shall have the meaning assigned under Regulation 2(1) Clause (o) of the Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2012 made under SEBI Act, 1992 and SCRA, 1956. (b) "**Regulations**" means the Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2012 made under SEBI Act, 1992 and SCRA, 1956. (c) "**Specified Person**" shall mean,— • any Recognised Clearing Corporation which establishes and maintains the Core Settlement Guarantee Fund, and • any Recognised Stock Exchange being a Shareholder in such Recognised Clearing Corporation, or as a Contributor to the Core Settlement Guarantee Fund, and • any Clearing Member contributing to the Core Settlement Guarantee Fund.
Sec.10 (23FB) w.e.f. 01.04.2016	Sec.10(23FB) Exemption shall **not** apply in respect of any Income of a Venture Capital Company or Venture Capital Fund, being an **Investment Fund** specified in Sec.115UB Explanation 1 Clause (a), from PY 2015–2016 onwards. (i.e. AY 2016–2017 onwards).
Sec.10 (23FBA) & (23FBB) w.e.f. 01.04.2016	**New Insertion:** Following Incomes of Investment Fund / Unit Holder are **exempt** – (a) **Sec.10(23FBA):** Any Income of an Investment Fund **other than** the Income chargeable under the head "Profits and Gains of Business or Profession". (b) **Sec.10(23FBB):** Any Income referred to in Sec.115UB, accruing or arising to, or received by, a Unit Holder of an Investment Fund, being that proportion of Income which is of the same nature as Income chargeable under the head "Profits and Gains of Business or Profession". **Note:** "Investment Fund" is as specified under Sec.115UB Explanation 1 Clause (a).
Sec.10 (23FCA) & (23FD) w.e.f. 01.04.2016	(a) Any Income of a Business Trust, being a Real Estate Investment Trust, by way of renting or leasing or letting out any Real Estate Asset owned directly by such Business Trust, shall be exempt. **[Sec.10(23FCA)]** (b) Consequent to the above, Sec.10(23FD) is amended to include the above Income, taxable in the hands of the Unit Holder, when distributed. **Note:** "Real Estate Asset" shall have the meaning as assigned to it in Regulation 2(1) Clause (zj) of SEBI (Real Estate Investment Trusts) Regulations, 2014.

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Sec.10(38) w.e.f. 01.04.2016	Second Proviso to Sec.10(38) states that Sec.10(38) Exemption shall **not** apply in respect of Income arising from the transfer of Units of a Business Trust which were acquired in consideration of a transfer referred to in Sec.47(xvii). Above Proviso is **now omitted**.
Sec.11 & Sec.13(9) w.e.f. 01.04.2016	(a) **Notice of Accumulation:** Option for **Accumulation** of Income above 15% (upto **5 year period**) and Option relating to non–receipt or late receipt of Income etc. should be exercised before the expiry of the time allowed u/s 139(1) for furnishing the Return of Income, **in the prescribed form and manner.** (b) **Due Date:** Consequent Amendment in Sec.11(2) requires that the above Statement should be furnished on or before the **due date u/s 139(1)** for furnishing the Return of Income for the previous year. (c) **No Benefit for Non–Compliance:** Benefit u/s 11(2) will **not** be available if – (i) above statement is not furnished on or before the due date u/s 139(1), or (ii) Return of Income is not furnished on or before the due date u/s 139(1).
Sec.32(1) (iia) w.e.f. 01.04.2016	**New Proviso: Special Rate of Additional Depreciation for Machinery or Plant for Undertakings in Backward Areas of Specified States:** (a) **Date of Commencement:** Assessee should set up an Undertaking or Enterprise for manufacture or production of any article or thing, on or after 01.04.2015. (b) **Location:** In any **Backward Area** notified by the Central Government, in the State of Andhra Pradesh or Bihar or Telangana or West Bengal. (c) **Machinery Dates:** Assessee should acquire and install new Machinery or Plant (other than Ships and Aircraft) for the purposes of the said Undertaking or Enterprise during the period 01.04.2015 to 31.03.2020. (d) **Rate:** Additional Depreciation shall be at **35%** instead of 20%. (e) **Usage < 180 days:** Only 50% Depreciation of the depreciation is allowed if Asset used for < 180 days in the previous year. Balance 50% is allowed in the **immediately** succeeding previous year.
Sec.32 (1) (ii) w.e.f. 01.04.2016	**Balance Additional Depreciation allowable in next PY:** If Additional Depreciation is restricted to 50% of allowable amount since used for < 180 days, the balance 50% shall be allowed u/s 32 in the **immediately** succeeding previous year in respect of such asset.
Sec.32AD w.e.f. 01.04.2016	**New Section: Investment Allowance / Deduction for Undertakings in Backward Areas of Specified States:** (a) **Date of Commencement:** Assessee should set up an Undertaking or Enterprise for manufacture or production of any article or thing, on or after 01.04.2015. (b) **Location:** In any **Backward Area** notified by the Central Government, in the State of Andhra Pradesh or Bihar or Telangana or West Bengal. (c) **Machinery Dates:** Assessee should acquire and install new Asset for the purposes of the said Undertaking or Enterprise during the period 01.04.2015 to 31.03.2020. (d) **Deduction:** 15% of the actual cost of New Asset, for the Assessment Year relevant to the previous year in which such new asset is installed. (e) **Sale / Transfer within 5 years:** If any new asset acquired and installed by the Assessee is sold or otherwise transferred, within 5 years from the date of its installation, the deduction allowed u/s 32AD shall be **deemed** to be the Income of the Assessee chargeable under "Profits and Gains of Business or Profession" of the previous year of such sale / transfer. Such taxability is in addition to taxability of gains, arising on account of transfer of such new asset. **Note:** Amalgamation / Demerger / Business Re–organisation u/s 47 (xiii) / (xiiib) / (xiv) is excluded for the above purpose. However in such cases, the provisions will apply for the Amalgamated Company / Resulting Company / Successor, as they would have applied to the Amalgamating Company / Demerged Company / Predecessor. (f) "**New Asset**" means any New Plant or Machinery (other than a Ship or Aircraft) but does not include – (i) any Plant or Machinery, which before its installation by the Assessee, was used either within or outside India by any other person,

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	(ii) any Plant or Machinery installed in any Office Premises or any Residential Accommodation, including accommodation in the nature of a Guest House, (iii) any Office Appliances including Computers or Computer Software, (iv) any Vehicle, or (v) any Plant or Machinery, the whole of the actual cost of which is allowed as deduction (whether by way of depreciation or otherwise) in computing the income chargeable under "Profits and Gains of Business or Profession" of any previous year.'
Sec.35(2AA) w.e.f. 01.04.2016	Prescribed Authority granting approval for programme to be carried out by National Laboratory or University or IIT or Specified Person, shall submit its report to the **PCCIT or PCIT** or PDGIT or DGIT. [**Note:** Earlier only PDGIT / DGIT, now PCCIT / PCIT included.]
Sec.35(2AB) w.e.f. 01.04.2016	(a) Company entitled for 200% weighted deduction of in–house R&D Expenditure shall fulfil prescribed conditions with regard to maintenance of accounts and audit thereof and furnishing of reports. (b) Prescribed Authority granting approval for Sec.35(2AB) Company, shall submit its report to the **PCCIT or PCIT** or PDGIT or DGIT. [**Note:** Earlier only PDGIT / DGIT, now PCCIT / PCIT included.]
Sec.36(1) w.e.f. 01.04.2016	(a) **Interest on Loan:** In the Proviso for disallowance, the words "for extension of existing business or profession" is omitted. (b) **Bad Debts – New Proviso Inserted:** Where the amount of such Debt or part thereof has been taken into account in computing the Income of the Assessee of the previous year in which the amount of such Debt or part thereof becomes irrevocable or of an earlier previous year on the basis of ICDS notified u/s 145(2) without recording the same in the accounts, then, such Debt or part thereof shall be allowed in the previous year in which such Debt or part thereof becomes irrevocable and it shall be deemed that such Debt or part thereof has been written off as irrevocable in the accounts for the purposes of this Clause. (c) **New Clause (xvii):** Expenditure incurred by a Co–Operative Society engaged in the business of manufacture of Sugar, for purchase of Sugarcane at a Price which is equal to or less than the price fixed or approved by the Government, is allowable as a deduction.
Sec.47 w.e.f. 01.04.2016	**Transactions not regarded as Transfer** 1. **Clause (viab): Shares deriving value from Shares of Indian Company** (a) **Transaction:** Transfer, in a scheme of **amalgamation**, by the Amalgamating Foreign Company to the Amalgamated Foreign Company. (b) **Capital Asset:** Share of a Foreign Company, referred to in Explanation 5 to Sec.9(1) Clause (i), which derives, directly or indirectly, its value substantially from the Share(s) of an Indian Company. (c) **Conditions for Exemption from Transfer:** (i) atleast 25% of the Shareholders of the Amalgamating Foreign Company continue to remain Shareholders of the Amalgamated Foreign Company, **and** (ii) such transfer does not attract Capital Gains Tax in the country in which the Amalgamating Company is incorporated. 2. **Clause (vicc): Shares deriving value from Shares of Indian Company** (a) **Transaction:** Transfer, in a scheme of **Demerger**, by the Demerged Foreign Company to the Resulting Foreign Company. (b) **Capital Asset:** Share of a Foreign Company, referred to in Explanation 5 to Sec.9(1) Clause (i), which derives, directly or indirectly, its value substantially from the Share(s) of an Indian Company. (c) **Conditions for Exemption from Transfer:** (i) Shareholders, holding not less than three–fourths in value of the shares of the Demerged Foreign Company, continue to remain Shareholders of the Resulting Foreign Company, **and** (ii) such transfer does not attract Capital Gains Tax in the country in which the Demerged Foreign Company is incorporated.

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<tr><th>Sec.</th><th colspan="2">Particulars</th></tr>
<tr><td></td><td colspan="2">Note: Also, provisions of Sec.391 to 394 of the Companies Act, 1956 not to apply in case of above demergers.

3. Clause (xviii): Units in Consolidating Scheme of Mutual Fund
(a) Transaction: Transfer by a Unit Holder, made in consideration of the allotment to him of a Capital Asset, being Unit(s), in the Consolidated Scheme of a Mutual Fund.
(b) Capital Asset: Unit(s) held by him in the Consolidating Scheme of the Mutual Fund
(c) Condition: Consolidation is of two or more schemes of Equity Oriented Fund or of two or more Schemes of a Fund other than Equity Oriented Fund.
(d) Meanings:
(i) "Consolidating Scheme" means the Scheme of a Mutual Fund which merges under the process of consolidation of the Schemes of Mutual Fund as per SEBI (Mutual Funds) Regulations, 1996.
(ii) "Consolidated Scheme" means the scheme with which the Consolidating Scheme merges or which is formed as a result of such Merger.
(iii) "Equity Oriented Fund" shall have the meaning as per Sec.10(38).
(iv) "Mutual Fund" means a Mutual Fund specified u/s 10(23D).</td></tr>
<tr><td>Sec.49 (1) w.e.f. 01.04.2016</td><td colspan="2">Cost to Previous Owner shall be considered for transactions covered u/s 47(viab), 47(vicc), 47(vib). This is consequent to Insertion of Sec.47(viab) and Sec.47(vicc) as above.</td></tr>
<tr><td rowspan="2">Sec.49 (2ABB) w.e.f. 01.04.2016</td><td>Capital Asset Transferred</td><td>Cost of Acquisition</td></tr>
<tr><td>Share(s) of a Company, acquired by a Non–Resident on redemption of GDR referred u/s 115AC(1)(b) held by such Assessee</td><td>Price of such Share(s) prevailing on any Recognised Stock Exchange on the date on which a request for such redemption was made.</td></tr>
<tr><td>Sec.49 (2AD) w.e.f. 01.04.2016</td><td colspan="2">(a) Situation: Capital Asset, being Unit(s) in a Consolidated Scheme of a Mutual Fund, became the property of the Assessee in consideration of a transfer u/s 47 (xviii)
(b) Cost of Acquisition of New Units = Cost of Acquisition to him of the Unit(s) in the Consolidating Scheme of the Mutual Fund.</td></tr>
<tr><td>Sec.80C w.e.f. 01.04.2016</td><td colspan="2">(a) Subscription in Relatives' Names: Subscription to Notified Central Government Securities or Notified Deposit Schemes u/s 80C(2)(viii) can also be made in the name of any person specified in Sec.80C(4).
(b) Sukanya Samriddhi Account: For the purposes of Sec.80C(2)(viii), in the case of an Individual, Subscription can be made in the name of the Individual or any Girl Child of that Individual, or any Girl Child for whom such Person is the Legal Guardian, if the Scheme so specifies. [New Clause 80C(4)(ba) Inserted]</td></tr>
<tr><td>Sec.80CCC</td><td colspan="2">Maximum Deduction for Contribution to Pension Fund increased to ₹ 1,50,000, w.e.f. AY 2016–2017 (Old Limit ₹ 1,00,000).</td></tr>
<tr><td>Sec.80CCD w.e.f. 01.04.2016</td><td colspan="2">(a) As per Sec.80CCD(1A), Amount of Deduction u/s 80CCD(1) shall not exceed ₹ 1,00,000. Now it is omitted.
(b) Additional Deduction u/s 80CCD(1B) for Employee Contribution to National Pension Scheme (NPS) ₹ 50,000. [Note: This is an Additional Deduction and shall not be included in the overall ceiling limit of ₹ 1,50,000 u/s 80CCE.]</td></tr>
<tr><td>Sec.80D w.e.f. 01.04.2016</td><td colspan="2">(a) Limits for deduction u/s 80D for Health Insurance Premium increased as under –
Individual and HUF: From ₹ 15,000 to ₹ 25,000. Senior Citizens: From ₹ 20,000 to ₹ 30,000.

(b) Medical Expenditure for Very Senior Citizens (80 years or more during RPY):
• Situation: Very Senior Citizens on whom Health Insurance not eligible / paid.
• Deduction allowable to: Individual and HUF.
• Amount: Medical Expenditure incurred on the health of Assessee, Any Member of his Family, or any Parent of Assessee, or any Member of HUF. Max. ₹ 30,000
• Restriction: The Aggregate of deduction including medical expenditure for Very Senior Citizen shall not exceed ₹ 30,000.</td></tr>
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Sec.	Particulars
Sec.80DD w.e.f. 01.04.2016	**Limits** for deduction u/s 80DD for Dependent with disability increased as under – (a) **Disability:** From ₹ 50,000 to ₹ **75,000** (b) **Severe Disability:** From ₹ 1,00,000 to ₹ **1,25,000**
Sec.80DDB w.e.f. 01.04.2016	(a) **Limits** for deduction u/s 80DDB ₹ **80,000**, in case of Very Senior Citizens. [Hence, Normal: ₹ 40,000, Senior Citizens ₹ 60,000, and Very Senior Citizens ₹ 80,000.] (b) **Condition:** Deduction shall be allowed only if the Assessee obtains the **prescription** for such medical treatment from a Neurologist, an Oncologist, a Urologist, a Haematologist, an Immunologist or such other Specialist, as prescribed. [**Note:** Earlier requirement was to furnish Certificate in Form 10–I along with Return of Income.] **Note:** Definition of **Very Senior Citizen** is included in **Sec.80D** & **Sec.80DDB** consequent to the above amendments.
Sec.80G	Contribution to the following is eligible for 100% Deduction subject to limits u/s 80G – (a) **Clause (iiihk):** The **Swachh Bharat Kosh** set up by the Central Government (b) **Clause (iiihl):** The **Clean Ganga Fund**, set up by the Central Government, where such Assessee is a Resident. (c) **Clause (iiihm):** The National Fund for Control of Drug Abuse constituted u/s 7A of the Narcotic Drugs & Psychotropic Substances Act, 1985. **[Inserted w.e.f. 01.04.2016]** **Note:** For Clause (iiihk) and (iiihl), deduction is **not** available for sum spent by the Assessee in pursuance of Corporate Social Responsibility u/s 135(5) of the Companies Act, 2013.
Sec.80JJAA w.e.f. 01.04.2016	(a) The words "being an Indian Company," shall be **omitted**. Hence, benefit of Sec.80JJAA deduction available for Other Persons also. (b) Deduction u/s 80JJAA **not allowed,** if the Factory is acquired by the Assessee by way of transfer from any other person or as a result of any business re–organization. (c) Limit of 100 Workmen, reduced to **50 Workmen**.
Sec.80U w.e.f. 01.04.2016	**Limits** for deduction u/s 80U for disability increased as under – (a) **Disability:** From ₹ 50,000 to ₹ **75,000** (b) **Severe Disability:** From ₹ 1,00,000 to ₹ **1,25,000**
Sec.92BA w.e.f. 01.04.2016	Limit for Specified Domestic Transaction increased from ₹ 5 Crores to ₹ **20 Crores.**
Sec.95	**GAAR, Chapter X–A, Sec.95 to 102:** Chapter X–A shall apply from AY 2018–19 onwards.
Sec.111A w.e.f. 01.04.2016	**Sec.111A is now applicable** for Income arising from units of a Business Trust which were acquired by the Assessee in consideration of a transfer referred u/s 47(xvii).
Sec.115A w.e.f. 01.04.2016	Rate of Tax on Royalty and Fees for Technical Services **reduced from 25% to 10%,** for situations covered u/s 115A(1)(b)[A] and [B].
Sec.115ACA w.e.f. 01.04.2016	**Meaning of Global Depository Receipts (GDR)** shall be as under: GDRs means any instrument in the form of a Depository Receipt or Certificate (by whatever name called), created by the Overseas Depository Bank outside India, and issued to Investors against the issue of – (a) Ordinary Shares of Issuing Company, being a Company listed on a Recognised Stock Exchange in India, or (b) Foreign Currency Convertible Bonds of Issuing Company.
Sec.115–JB w.e.f. 01.04.2016	**Additions in Computation of Book Profit for MAT Purposes:** (a) **Clause (fa):** Expenditure relatable to, Income, being Share of the Assessee in the Income of an AOP/BOI, on which no Income–Tax is payable in accordance with Sec.86,

Sec.	Particulars
	(b) **Clause (fb):** Expenditure relatable to Income accruing or arising to an Assessee, being a Foreign Company from – (A) Capital Gains arising on transactions in Securities, or (B) Interest, Royalty or Fees for Technical Services chargeable to tax at the rate(s) specified in Chapter XII, if the Income–Tax payable thereon in accordance with the Income Tax Act, other than the provisions of Chapter XII–B, is at a rate less than the rate specified in Sec.115JB(1). (c) **Clause (fc):** • Notional Loss on – (a) transfer of a Capital Asset, being Share of a Special Purpose Vehicle to a Business Trust in exchange of units allotted by that Trust referred in Sec.47(xvii) or (b) resulting from any change in Carrying Amount of said units, or • Loss on transfer of units referred to in Sec.47(xvii). (d) **Clause (k):** Gain on transfer of units referred in Sec.47(xvii) computed by taking into account the Cost of the Shares exchanged with Units referred to in that Clause or the Carrying Amount of the Shares at the time of exchange where such Shares are carried at a value other than the Cost through Profit or Loss Account, as the case may be. **Deductions in Computation of Book Profit for MAT Purposes:** (if credited in P&L) (a) **Clause (iic):** Share Income of the Assessee, in the Income of an AOP/BOI, on which no Income–Tax is payable in accordance with Sec.86, if such amount credited to P&L, (b) **Clause (iid):** Income accruing or arising to an Assessee, being a Foreign Company, from – (A) Capital Gains arising on transactions in Securities, or (B) Interest, Royalty or Fees for Technical Services chargeable to tax at the rate(s) specified in Chapter XII, if such Income is credited to the P&L Account and the Income–Tax Payable thereon in accordance with the Income Tax Act, other than the provisions of Chapter XII–B, is at a rate less than the rate specified in Sec.115JB(1). (c) **Clause (iie):** • Notional Gain on – (a) transfer of a Capital Asset, being Share of a Special Purpose Vehicle to a Business Trust in exchange of units allotted by that Trust referred in Sec.47(xvii) or (b) resulting from any change in Carrying Amount of said units, or • Gain on transfer of units referred to in Sec.47(xvii). (d) **Clause (iif):** Loss on transfer of units referred in Sec.47(xvii) computed by taking into account the Cost of the Shares exchanged with Units referred to in that Clause or the Carrying Amount of the Shares at the time of exchange where such Shares are carried at a value other than the Cost through Profit or Loss Account, as the case may be. **Note:** "Securities" shall be as per Sec.2(h) of Securities Contracts (Regulation) Act, 1956.
Sec.115U w.e.f. 01.04.2016	**w.e.f. AY 2016–2017 onwards, Chapter XII–F** [Income Received from VCC and VCFs] shall **not** apply in respect of any Income, accruing or arising to, or received by, a person from Investments made in a Venture Capital Company or Venture Capital Fund, being an **Investment Fund** specified in Clause (a) of Explanation 1 to Sec. 115UB. [**Note: New** Chapter XII–FB, Sec.115UB applies to Investment Funds.]
Sec.115UA w.e.f. 01.04.2016	Distributed Income of the nature specified in Sec.10(23FC) and Sec.10(23FCA) is taxable in the hands of the Unit Holder. [**Note:** Earlier only Sec.10(23FC) covered. Now, Sec.10(23FCA) included.]

<table>
<tr><th>Sec.</th><th>Particulars</th></tr>
<tr><td>Chapter XII–FB, Sec.115UB
w.e.f. 01.04.2016</td><td>
CHAPTER XII–FB
SPECIAL PROVISIONS RELATING TO TAX ON INCOME OF INVESTMENT FUNDS AND INCOME RECEIVED FROM SUCH FUNDS
(1) Meaning of Terms:
(a) "Investment Fund" means any Fund established or incorporated in India, as a Trust / Company / LLP / Body Corporate, which has been granted a Certificate of Registration as a Category I or a Category II Alternative Investment Fund and is regulated under SEBI (Alternative Investment Fund) Regulations, 2012.
(b) "Trust" means a Trust established under the Indian Trusts Act, 1882 or under any other law for the time being in force.
(c) "Unit" means Beneficial Interest of an Investor in the Investment Fund or a Scheme of the Investment Fund and shall include Shares or Partnership Interests.
(2) Deeming Provisions:
(a) Income paid or credited by the Investment Fund shall be deemed to be of the same nature and in the same proportion in the hands of the Unitholder, as it had been received by, or had accrued or arisen to, the Investment Fund during the previous year.
(b) Income accruing or arising to, or received by, the Investment Fund, during a previous year, if not paid or credited to the Unitholder, shall be deemed to have been credited to his account on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.
(3) Effect of Loss: Where in any previous year, the Net Result of Computation of Total Income of the Investment Fund [without giving effect to Sec.10(23FBA)] is a loss under any head of Income, and such Loss cannot be or is not wholly set–off against Income under any other head of income of the said previous year, then –
(a) such loss shall be allowed to be carried forward and it shall be set–off by the Investment Fund in accordance with Chapter VI, and
(b) such loss shall be ignored for the purposes of Point No.4 below.
(4) Taxability for Unitholder: Any Income accruing or arising to, or received by, a person, being a Unit Holder of an Investment Fund, out of Investments made in the Investment Fund, shall be chargeable to income–tax in the same manner as if it were the Income accruing or arising to, or received by, such person had the Investments made by the Investment Fund been made directly by him.
(5) Taxability for Fund: Total Income of the Investment Fund shall be charged to tax –
(a) at the rate(s) as specified in the Finance Act of the relevant year, where such Fund is a Company or a Firm, or
(b) at Maximum Marginal Rate in any other case.
(6) No Double Taxation: Any Income which has been included in Total Income of the Unitholder in a previous year, on account of it having accrued or arisen in the said previous year, shall not be included in the Total Income of such person in the previous year in which such Income is actually paid to him by the Investment Fund.
(7) Exclusions: Chapter XII–D Dividend Distribution Tax or Chapter XII–E Distribution of Income to Unit Holders, shall not apply to the Income paid by an Investment Fund under Chapter XII–FB.
(8) Statement to be furnished:
(a) By: (i) Person responsible for crediting or making payment of the Income on behalf of an Investment Fund, and (ii) the Investment Fund.
(b) To: (i) Person who is liable to tax in respect of such Income, and (ii) Prescribed Income–Tax Authority.
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<tr><th>Sec.</th><th colspan="2">Particulars</th></tr>
<tr><td></td><td colspan="2">(c) Details: Nature of Income paid or credited during the previous year and other relevant prescribed details.
(d) Form: The Form and time for the above statement shall be prescribed.</td></tr>
<tr><td>Sec.132B w.e.f. 01.06.2015</td><td colspan="2">Amount of Liability arising on an application made before the Settlement Commission u/s 245C(1), may also be recovered out of Retained Assets, by way of amendment to Sec. 132B(1)(i).</td></tr>
<tr><td>Sec.139 w.e.f. 01.04.2016</td><td colspan="2">Obligation to file Return of Income u/s 139 (1):
1. Person covered: Person, being a Resident other than Not Ordinarily Resident in India as per Sec.6(6), who is not required to furnish a Return u/s 139(1) and who at any time during the previous year –
(a) holds, as a Beneficial Owner or otherwise, any Asset (including any Financial Interest in any Entity) located outside India or has Signing Authority in any Account located outside India; or
(b) is an Beneficiary of any Asset (including any Financial Interest in any Entity) located outside India.

2. Filing Return: The above person shall furnish, on or before the due date, a Return in respect of his Income or Loss for the previous year in the prescribed Form.

Note: Individual, being a Beneficiary of any Asset (including any Financial Interest in any Entity) located outside India where, Income, if any, arising from such Asset is includible in the Income of the Person referred to in Point 1(a) above is not required to file the Return.

Meanings:
• "Beneficial Owner" in respect of an Asset means an Individual who has provided, directly or indirectly, consideration for the Asset for the immediate or future benefit, direct or indirect, of himself or any other person.
• "Beneficiary" in respect of an asset means an Individual who derives benefit from the Asset during the previous year and the consideration for such asset has been provided by any person other than such Beneficiary.</td></tr>
<tr><td>Sec.139 w.e.f. 01.04.2016</td><td colspan="2">Obligation to file Return of Income u/s 139 extended to –
(a) Educational Institution wholly or substantially financed by Government, as referred u/s 10(23C)(iiiab), [Insertion in Sec.139(4C)]
(b) Medical Institution wholly or substantially financed by Government, as referred u/s 10(23C)(iiiac), [Insertion in Sec.139(4C)]
(c) Investment Fund referred in Sec.115UB. [New Sec.139(4F) inserted.]</td></tr>
<tr><td>Sec.139(6) w.e.f. 01.04.2016</td><td colspan="2">Details to be furnished in the Return will include Assets of the prescribed nature and value, held by him as a Beneficial Owner or otherwise in which he is a Beneficiary.</td></tr>
<tr><td rowspan="5">Sec.151 w.e.f. 01.06.2015</td><td colspan="2">Sanction for Issue of Notice u/s 148</td></tr>
<tr><td>Time Limit</td><td>Authority /Sanction as to Fitness</td></tr>
<tr><td>Upto 4 Years from end of relevant AY</td><td>AO below the rank of JCIT, shall issue Notice u/s 148 only if JCIT is satisfied that it is a fit case for issue of Notice.</td></tr>
<tr><td>After expiry of 4 Years from end of relevant AY</td><td>AO shall issue Notice u/s 148 only if PCCIT or CCIT or PCIT or CIT is satisfied that it is a fit case for issue of Notice.</td></tr>
<tr><td colspan="2">Note:
(a) Reasons should have been recorded by Assessing Officer for satisfying the PCCIT / CCIT / PCIT / CIT / JCIT as above.
(b) The PCCIT / CCIT / PCIT / CIT / JCIT need not issue such notice himself.</td></tr>
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<tr><th>Sec.</th><th colspan="2">Particulars</th></tr>
<tr><td>Sec.153C w.e.f. 01.06.2015</td><td colspan="2">Handing over to Jurisdictional AO:
If AO is satisfied that the following items belong to / relate to a person other than the person referred in Sec.153A, the AO shall hand them over to the Assessing Officer having jurisdiction over such other person –
(a) any Money, Bullion, Jewellery or other Valuable Article or Thing, seized or requisitioned, belongs to such other person, or
(b) any books of account or documents, seized or requisitioned, pertains or pertain to, or any information contained therein, relates to such other person.
Note: Item (b) above newly inserted. Item (a) is already available in present law.</td></tr>
<tr><td>Sec.154 w.e.f. 01.06.2015</td><td colspan="2">(a) Power to rectify mistake, extends to amendment of any intimation u/s 206CB(1), relating to TCS Statements.
(b) Consequent Insertion of the words "Collector" (for TCS), along with Deductor (for TDS) in Sub–Sections (2,3,5,6,8).</td></tr>
<tr><td>Sec.156 w.e.f. 01.06.2015</td><td colspan="2">Intimation u/s 206CB(1) (for TCS Statements) deemed to be Notice of Demand u/s 156, where any sum is payable by the TCS Collector.</td></tr>
<tr><td>Sec.158AA w.e.f. 01.06.2015</td><td colspan="2">Procedure when in an appeal by Revenue, an identical question of law is pending before Supreme Court:
1. Applicability:
(a) PCIT /CIT is of the opinion that there is a question of law arising in the case of an Assessee for any assessment year (called Relevant Case).
(b) Identical Question of Law for another assessment year for the Assessee is pending before the Supreme Court, in an appeal u/s 261 or in a Special Leave Petition under Article 136 of the Constitution, against the order of the High Court in favour of the Assessee (called Other Case).
2. Procedure:
(a) PCIT /CIT may, instead of directing the AO to appeal to the ITAT u/s 253(2)/(2A), direct the AO to make an application to the ITAT in the prescribed form within 60 days from the date of receipt of order of the CIT (Appeals), stating that an appeal on the question of law arising in the Relevant Case may be filed when the decision on the question of law becomes final in the Other Case.
(b) Such direction can be given by the PCIT / CIT, only if an acceptance is received from the Assessee that the question of law in the two Cases is identical.
(c) If no acceptance is received from Assessee, the PCIT / CIT shall proceed as per Sec. 253(2)/(2A).
3. Order by CIT(A) not in tune with SC:
(a) Where the order of the CIT (Appeals) is not in conformity with the final decision on the question of law in the Other Case, the PCIT / CIT may direct the AO to appeal to the ITAT against such order.
(b) Such appeal shall be filed within 60 days from the date on which the order of the Supreme Court in the Other Case is communicated to the PCIT / CIT.</td></tr>
<tr><td>Sec.192 w.e.f. 01.06.2015</td><td colspan="2">New Sub–Sec.(2D): Obligation of Person Responsible for TDS on Salaries: The person responsible for making the payment referred u/s 192(1) shall, for the purposes of estimating Income of the Assessee or computing tax deductible u/s 192(1), obtain from the Assessee, the evidence or proof or particulars of prescribed claims (including Claim for Set–Off of Loss) in the prescribed form and manner.</td></tr>
<tr><td rowspan="3">Sec.192A w.e.f. 01.06.2015</td><td colspan="2">TDS on Accumulated Balance in PF, if taxable:</td></tr>
<tr><td>Situation</td><td>If the Accumulated Balance due to an Employee participating in a Recognised Provident Fund is includible in his Total Income, due to Rule 8 of Part A of the Fourth Schedule not being applicable.</td></tr>
<tr><td>Person</td><td>(a) Trustees of the Employees' Provident Fund Scheme, 1952, framed u/s</td></tr>
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<tr><th>Sec.</th><th colspan="3">Particulars</th></tr>
<tr><td rowspan="4"></td><td>responsible to deduct TDS</td><td colspan="2">5 of the EPF and Miscellaneous Provisions Act, 1952 or
(b) Any Person authorised under the Scheme,
to make payment of accumulated balance due to Employees.</td></tr>
<tr><td>Time of TDS</td><td colspan="2">At the time of payment of the Accumulated Balance due to the Employee.</td></tr>
<tr><td>Rate of TDS</td><td colspan="2">(a) If PAN of Payee is furnished to Deductor: TDS at 10%.
(b) If PAN of Payee is not furnished: Maximum Marginal Rate.</td></tr>
<tr><td>No TDS upto</td><td colspan="2">₹ 30,000. [TDS only if amount is ₹ 30,000 or more.]</td></tr>
<tr><td>Sec.194A w.e.f. 01.06.2015</td><td colspan="3">(a) TDS on Interest paid by Bank / Co–op Society / Public Company: No TDS Limit of ₹ 10,000 / ₹ 5,000 shall be computed with respect to the Payer Entity (not Branch thereof), where the Payer Entity has adopted Core Banking Solutions.

(b) No TDS by Co–Op Society: TDS not applicable for Interest credited or paid –
(i) by a Co–Operative Society (other than a Co–Operative Bank) to a Member thereof,
(ii) by a Co–Operative Society to another Co–Operative Society.
[Note: The words “other than a Co–Operative Bank” under Point (i) above, is not available in the earlier law.]
Note: “Co–Operative Bank” shall be as per Part V of the Banking Regulation Act, 1949.

(c) No TDS on Motor Accidents Compensation Interest, at the time of credit:
(i) No TDS on Income credited by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal.
(ii) When such Income (i.e. Interest on Compensation) is paid, TDS applicable, only if amount / aggregate amounts exceeds ₹ 50,000. [New Clause (ixa)]

(d) Time Deposits shall include Recurring Deposits also, for TDS purposes.</td></tr>
<tr><td>Sec.194C w.e.f. 01.06.2015</td><td colspan="3">No TDS for sums paid / payable to Transport Contractor, only if the Contractor owns 10 or less Goods Carriages at any time during the previous year and furnishes a declaration to that effect along with his PAN, to the Payer. [Note: Earlier, no TDS irrespective of size.]</td></tr>
<tr><td>Sec.194–I w.e.f. 01.06.2015</td><td colspan="3">No TDS u/s 194–I for Rent credited or paid to a Business Trust, being a Real Estate Investment Trust (REIT), in respect of any Real Estate Asset, referred to in Sec.10 (23FCA), owned directly by such Business Trust. [Note: This is taxable in Unitholders’ hands, hence, no TDS for REIT.]</td></tr>
<tr><td rowspan="4">Sec.194–LBA w.e.f. 01.06.2015</td><td>Nature of Distributed Income</td><td>TDS if Unit–holder is Resident</td><td>TDS if Unitholder is Non–Resident (not being a Company), or a Foreign Co.</td></tr>
<tr><td>Income of a Business Trust, by way of Interest received or receivable from a Special Purpose Vehicle. [Sec.10(23FC)]</td><td>10%</td><td>5%</td></tr>
<tr><td>Income of a Real Estate Investment Trust (REIT), by way of renting or leasing or letting out any Real Estate Asset owned directly by such REIT [Sec.10(23FCA)]</td><td>10%</td><td>At the Rates in force.</td></tr>
<tr><td colspan="3">Note: Effect of new provision: (a) Sec.10(23FCA) included for Resident TDS, (b) Rates differentiated for Sec.10(23FCA) in case of Non–Resident and Foreign Cos.</td></tr>
<tr><td rowspan="2">Sec.194–LBB w.e.f. 01.06.2015</td><td colspan="3">TDS on Income of Unitholder from Alternative Investment Fund</td></tr>
<tr><td>Type of Income</td><td colspan="2">Income referred to in Sec.115UB, accruing or arising to, or received by, a Unit Holder of an Alternative Investment Fund, being other than that proportion of Income which is of the same nature as Income chargeable under the head “Profits and Gains of Business or Profession”.</td></tr>
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<tr><th>Sec.</th><th colspan="2">Particulars</th></tr>
<tr><td rowspan="3"></td><td>Person responsible for TDS</td><td>Person responsible for making the payment.</td></tr>
<tr><td>Time of TDS</td><td>At the time of credit to the Payee's Account or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier.</td></tr>
<tr><td>Rate of TDS</td><td>10%</td></tr>
<tr><td>Sec.194LD w.e.f. 01.06.2015</td><td colspan="2">Interest Payable on or after 01.06.2013 but before 01.07.2017, is covered for TDS purposes u/s 194LD. [Note: Earlier, the period end date was 01.06.2015, now it is extended to 01.07.2017.]</td></tr>
<tr><td>Sec.195(6) & Sec.271–I w.e.f. 01.06.2015</td><td colspan="2">(a) Extended Reporting in case of Payment to Non–Residents: The person responsible for paying to a Non–Resident, (not being a Company), or to a Foreign Company, any sum, whether or not chargeable under the provisions of the Act, shall furnish the information relating to payment of such sum, in the prescribed form and manner.
(b) Penalty of ₹ 1 Lakh is leviable u/s 271–I for non–compliance with the above.</td></tr>
<tr><td>Sec.197A w.e.f. 01.06.2015</td><td colspan="2">Declaration by Payee, for Non–Deduction of TDS is extended to –
Sec.192A: TDS on Accumulated Balance in PF, if taxable.
Sec.194DA: TDS on Payment in respect of Life Insurance Policy.
Note: The above is applicable for Senior Citizens also.</td></tr>
<tr><td rowspan="4">Sec.200(2A) w.e.f. 01.06.2015</td><td colspan="2">Duties of Person deducting tax, in case of Office of Government:</td></tr>
<tr><td>Situation</td><td>In case of an Office of the Government, where TDS deducted as per Law or tax referred u/s 192(1À) has been paid to the credit of the Central Government without the production of a Challan.</td></tr>
<tr><td>Person Respon–sible</td><td>Pay and Accounts Officer, or Treasury Officer or Cheque Drawing and Disbursing Officer or any other person, by whatever name called, who is responsible for crediting such sum or tax to the credit of the Central Govt.</td></tr>
<tr><td>Duty</td><td>To deliver or cause to be delivered to the Prescribed Income–Tax Authority, or to the person authorised by such Authority, a prescribed Statement.</td></tr>
<tr><td>Sec.200A w.e.f. 01.06.2015</td><td colspan="2">Fee u/s 234E, if any, shall be computed at the time of processing TDS/Correction Statements. Such Fee shall be considered while determining the sum payable / refund due to the Deductor.</td></tr>
<tr><td>Sec.203A w.e.f. 01.06.2015</td><td colspan="2">TAN Provisions u/s 203A shall not apply to such person, as may be notified by the Central Government in this behalf.</td></tr>
<tr><td rowspan="4">Sec.206C (3A) w.e.f. 01.06.2015</td><td colspan="2">Duties of Person collecting tax, in case of Office of Government:</td></tr>
<tr><td>Situation</td><td>In case of an Office of the Government, where TCS collected u/s 206C(1) / (1C) / (1D) has been paid to the credit of the Central Government without the production of a Challan.</td></tr>
<tr><td>Person Respon–sible</td><td>Pay and Accounts Officer, or Treasury Officer or Cheque Drawing and Disbursing Officer or any other person, by whatever name called, who is responsible for crediting such sum or tax to the credit of the Central Govt.</td></tr>
<tr><td>Duty</td><td>To deliver or cause to be delivered to the Prescribed Income–Tax Authority, or to the person authorised by such Authority, a prescribed Statement, including Correction Statement, for rectifying mistakes or for adding / deleting / updating information.</td></tr>
<tr><td>Sec.206CB w.e.f. 01.06.2015</td><td colspan="2">New Section inserted for Processing of TCS Statements / Correction Statements:

CBDT may make a scheme for Centralised Processing of TCS Statements to expeditiously determine the tax payable by, or the refund due to, the Collector.
The TCS Statement / Correction Statement made by a person collecting any sum (herein</td></tr>
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<tr><th>Sec.</th><th>Particulars</th></tr>
<tr><td></td><td>referred to as Collector) u/s 206C, shall be processed as under –
(a) Sums collectible shall be computed after making adjustments towards –
(i) any arithmetical error in the Statement,
(ii) an incorrect claim, apparent from any information in the Statement,
(b) Interest, if any, shall be computed on the basis of the Sums Collectible as computed in the statement.
(c) Fee u/s 234E, if any, shall be computed.
(d) Amount Payable by / Refund due to, the Collector, shall be determined after adjustment of Interest and 234E Fee, against any amount paid u/s 206C or u/s 234E and any amount paid otherwise by way of Tax or Interest or Fee.
(e) An Intimation shall be prepared or generated and sent to the Collector specifying the sum determined to be payable by, or the amount of refund due to, him. Such intimation shall be sent before the expiry of 1 year from the end of the financial year in which the statement is filed.
(f) Refund due to the Collector as determined above shall be granted to the Collector.

Note: “Incorrect Claim apparent from any information in the Statement” shall mean a claim, on the basis of an entry, in the statement –
• of an item, which is inconsistent with another entry of the same or some other item in such Statement,
• in respect of Rate of TCS, if such rate is not in accordance with the Act.</td></tr>
<tr><td>Sec.220 (2C) w.e.f. 01.06.2015</td><td>No Double Interest Burden on TCS: [Insertion of Sec.220(2C)]
• Situation: On processing of TCS Statements, if Interest is charged u/s 206C(7) on the amount of tax specified in the Intimation issued u/s 206CB(1) for any period.
• Effect: No interest shall be charged u/s 220(2) on the same amount for the same period. [Note: u/s 220(2B), similar provision is available for TDS–related claims.]</td></tr>
<tr><td>Sec.234B w.e.f. 01.06.2015</td><td>Interest u/s 234B in case of Application to Settlement Commission: The Assessee shall be liable to pay simple interest at 1% for every month or part thereof as under –
<table>
<tr><td>Situation</td><td>Application made to Settlement Commission u/s 245C(1)</td><td>Settlement Commission Order u/s 245D(4) for any AY, by which the Total Income disclosed in the application u/s 245C(1) is increased</td></tr>
<tr><td>Period of Interest</td><td>From: 1st April of such Assessment Year, To: Date of making application.</td><td>From: 1st April of such Assessment Year.
To: Date of such order.</td></tr>
<tr><td>Amount on which Interest Payable</td><td>On the Additional Income–Tax Payable (AITP) referred u/s 245C(1).</td><td>Tax on Total Income as per Settlement Commission’s Order (Less) Tax on Total Income as per application u/s 245C(1).</td></tr>
</table></td></tr>
<tr><td>Sec.234B w.e.f. 01.06.2015</td><td>Interest in case of subsequent re–assessment / re–computation u/s 147/153A:
(a) Situation: Consequent to re–assessment or re–computation u/s 147 /153A, the amount on which Interest was payable in respect of shortfall in payment of Advance Tax for any financial year u/s 234B (1) is increased.
(b) Interest: Assessee shall be liable to pay simple interest at 1% for every month or part thereof, as under –
• Period: From 1st April next following such financial year, To: Date of re–assessment or re–computation.
• Amount: Tax as per re–assessment (less) Tax on earlier assessment.
(c) Settlement Commission Order: Where, as a result of an order u/s 245D(6B), the amount on which Interest was payable u/s 234B has been increased or reduced, as the case may be, the Interest shall be increased or reduced accordingly.</td></tr>
</table>

<table>
<tr><th>Sec.</th><th colspan="2">Particulars</th></tr>
<tr><td rowspan="4">Sec.245A
w.e.f.
01.06.2015</td><td colspan="2">Modification in the deemed date of Commencement of Proceedings</td></tr>
<tr><td>Nature of Proceeding</td><td>Date of Commencement of Proceeding</td></tr>
<tr><td>Proceeding for assessment or re–assessment or re–computation u/s 147</td><td>(a) From the date on which a Notice u/s 148 is issued for any Assessment Year,
(b) From the date of issuance of the Notice as above, for any other AY(s) for which a Notice u/s 148 has not been issued, but such Notice could have been issued on such date, if the Return of Income for the other AY(s) has been furnished u/s 139 or in response to a Notice u/s 142.</td></tr>
<tr><td>Proceeding for assessment for any AY, other than proceedings of assessment or re–assessment as per Clause (i) / (iii) / (iiia)</td><td>From the date on which the Return of Income for that AY is furnished u/s 139 or in response to a Notice served u/s 142 and concluded on the date on which the assessment is made, or on the expiry of 2 years from the end of relevant Assessment Year, in case where no assessment is made.</td></tr>
<tr><td>Sec.245D
w.e.f.
01.06.2015</td><td colspan="2">Rectification of Order by Settlement Commission: [Sec.245D(6B)]
(a) Power to rectify: To rectify any mistake apparent from the record, the Settlement Commission may amend any order passed by it u/s 245D(4).
(b) Time Limit:
• On its own motion: Within 6 months from the end of the month in which the order was passed.
• On Application by PCIT / CIT / Applicant: Within 6 months from the end of the month in which the application for rectification has been made.
Note: PCIT / CIT / Applicant should apply for rectification within 6 months from the end of the month in which the Commission passed its order u/s 245D(4).
(c) Notice and Hearing: An amendment which has the effect of modifying the liability of the Applicant shall not be made unless the Commission has given notice to the Applicant and the PCIT / CIT of its intention to do so and has allowed them an opportunity of being heard.</td></tr>
<tr><td>Sec.245H
w.e.f.
01.06.2015</td><td colspan="2">Settlement Commission should record its reasons in writing, for grant of immunity from Prosecution and Penalty.</td></tr>
<tr><td>Sec.245HA
w.e.f.
01.06.2015</td><td colspan="2">Rejection of Application & Abatement of Proceedings: Additional Clause inserted
(a) Nature of Rejection: Application made u/s 245C, and order u/s 245D(4) has been passed not providing for the terms of settlement.
(b) Date of Abatement: Day on which the order u/s 245D(4) was passed not providing for the terms of settlement.</td></tr>
<tr><td rowspan="6">Sec.245K
w.e.f.
01.06.2015</td><td colspan="2">Bar on Subsequent Application to Settlement Commission extended to Related Persons also.</td></tr>
<tr><td>Person</td><td>Related Person means –</td></tr>
<tr><td>Individual</td><td>(a) any Company in which such person holds more than 50% of the Shares or Voting Rights at any time, or
(b) any Firm or AOP or BOI in which such person is entitled to more than 50% of the Profits at any time, or
(c) any HUF in which such person is a Karta.</td></tr>
<tr><td>Company</td><td>Any Individual who held more than 50% of the Shares or Voting Rights in such Company at any time before the date of application before the Settlement Commission by such person.</td></tr>
<tr><td>Firm / AOP / BOI</td><td>Any Individual who was entitled to more than 50% of the Profits in such Firm / AOP / BOI, at any time before the date of application before the Settlement Commission by such person,</td></tr>
<tr><td>HUF</td><td>Karta of that HUF</td></tr>
</table>

Sec.	Particulars
Sec. 245–O w.e.f. 01.06.2015	**Eligibility for appointment as Member of AAR:** Clause (d): A Law Member from the Indian Legal Service, who is, or is qualified to be, an Additional Secretary to the Government of India.
Sec.246A w.e.f. 01.06.2015	(a) Orders appealable to CIT (Appeals) include orders passed u/s 206CB(1) relating to TCS. (b) Consequently, Appellant u/s 246A includes Collector of TCS also.
Sec.253 w.e.f. 01.06.2015	Orders appealable to Income Tax Appellate Tribunal **include** orders passed by the Prescribed Authority u/s 10(23C) (vi) / (via), for Educational / Medical Institution.
Sec.255 (3) w.e.f. 01.06.2015	A **Single Member Bench** of ITAT can dispose off any case allotted to the Bench, where the Total Income as computed by Assessing Officer does not exceed ₹ **15 Lakhs**. [**Note:** Limit increased to ₹ 15 Lakhs from earlier ₹ 5 Lakhs.]
Sec.263 (1) w.e.f. 01.06.2015	**Situations when AO's Order is deemed prejudicial to the interest of Revenue:** An Order passed by the Assessing Officer shall be **deemed** to be **erroneous** in so far as it is **prejudicial** to the interests of the revenue, if, in the opinion of the PCIT or CIT – (a) the order is passed without making inquiries or verification which should have been made, (b) the order is passed allowing any relief without inquiring into the claim, (c) the order has not been made in accordance with any order, direction or instruction issued by CBDT u/s 119, or (d) the order has not been passed in accordance with any decision which is prejudicial to the Assessee, rendered by the Jurisdictional High Court or Supreme Court in the case of the Assessee or any other person.
Sec.269SS & Sec.271D w.e.f. 01.06.2015	(a) **Sec.269SS Prohibition** on mode of taking / accepting Loans / Deposits, extended to transactions in relation to Immovable Property, i.e. referred as "Specified Sum". (b) "**Specified Sum**" means any sum of money receivable, whether as advance or otherwise, in relation to transfer of an Immovable Property, whether or not the transfer takes place. (c) Consequently, Sec.271D Penalty Provision amended to include "Specified Sum" also.
Sec.269T & Sec.271E w.e.f. 01.06.2015	(a) **Sec.269T Prohibition** on mode of repayment of Loans / Deposits, extended to transactions in relation to Immovable Property, i.e. referred as "Specified Advance". (b) "**Specified Advance**" means any sum of money in the nature of advance, by whatever name called, in relation to transfer of an immovable property, whether or not the transfer takes place. (c) **Aggregate Amount** of the Specified Advances received by such person either in his own name or jointly with any other person on the date of such repayment together with the interest, if any, payable on such Specified Advances, is now included, for the purpose of monetary restriction of ₹ 20,000. (d) Consequently, Sec.271E Penalty Provision amended to include "Specified Advance" also.
Sec.271(1) w.e.f. 01.04.2016	**Explanation 4 revised for computation of Tax Sought to be evaded** **Principle:** Amount of Tax sought to be evaded shall be determined as per the Formula: **(A – B) + (C – D)**, where, **A** = Tax on the Total Income assessed as per the provisions other than Sec.115JB or Sec.115JC (herein called General Provisions), **B** = Tax that would have been chargeable had the Total Income assessed as per the General Provisions been reduced by the Amount of Income in respect of which particulars have been concealed or inaccurate particulars have been furnished, **C** = Tax on the Total Income assessed as per Sec.115JB or Sec.115JC, **D** = Tax that would have been chargeable had the Total Income assessed as per the Sec.115JB or Sec.115JC been reduced by the Amount of Income in respect of which particulars have been concealed or inaccurate particulars have been furnished.

<table>
<tr><th>Sec.</th><th>Particulars</th></tr>
<tr><td></td><td>Treatment of Special Situations:
(a) If Income covered under Sec.115JB/JC and General Provisions: If the amount of Income in respect of which particulars have been concealed or inaccurate particulars have been furnished on any issue is considered both under Sec. 115JB / 115JC and under general provisions, such amount shall not be reduced from Total Income assessed while determining the amount under Item D.

(b) If Sec.115JB/JC not applicable: If the provisions contained in Sec.115JB / 115JC are not applicable, the item (C – D) in the formula shall be ignored.

(c) If Loss is Reduced: If the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished has the effect of reducing the loss declared in the Return or converting that Loss into Income, then (A–B) shall be the amount of tax that would have been chargeable on the Income in respect of which particulars have been concealed or inaccurate particulars have been furnished had such income been the Total Income.

(d) If Deemed Concealment applies: In a case to which Explanation 3 applies, the amount of tax sought to be evaded shall be the tax on the Total Income assessed as reduced by the amount of Advance Tax, TDS, TCS and Self–Assessment Tax paid before the issue of notice u/s 148.</td></tr>
<tr><td>Sec. 285A & Sec.271GA w.e.f. 01.04.2016</td><td>(a) Furnishing of Information by Indian Concern for Sec.9(1)(i): Where any share of, or interest in, a Company or an Entity registered or incorporated outside India derives, directly or indirectly, its value substantially from the Assets located in India, as referred to in Explanation 5 to Sec.9(1)(i), and such Company /Entity holds, directly or indirectly, such assets in India through, or in, an Indian Concern, then, such Indian Concern shall, for the purposes of determination of any Income accruing or arising in India u/s 9(1)(i), furnish within the prescribed period to the prescribed Income–Tax Authority the information or documents, in the prescribed manner.

(b) Non–Compliance attracts Penalty u/s 271GA as under –
• 2% of the Value of the transaction in respect of which such failure has taken place, if such transaction had the effect of directly or indirectly transferring the right of management or control in relation to the Indian Concern,
• ₹ 5,00,000, in any other case.</td></tr>
<tr><td>Sec.272A(2) w.e.f. 01.06.2015</td><td>(a) Failure to deliver or cause to be delivered the TDS / TCS Statement (by Person deducting tax, in case of Office of Government) within the time prescribed u/s 200(2A) or 206(3A) attracts penalty of ₹ 100 per day of failure.
(b) The amount of such penalty in the above cases shall not exceed the amount of tax deductible / collectible, as the case may be.</td></tr>
<tr><td>Sec.273B</td><td>No Penalty in case of reasonable cause for failure – provision extended to 3 newly introduced Sections –
• Sec.271FAB w.e.f 01.04.2016
• Sec.271GA w.e.f 01.04.2016
• Sec.271–I w.e.f 01.06.2015.</td></tr>
<tr><td>Sec. 288 w.e.f. 01.06.2015</td><td>1. New Explanation for “Accountant” in Sec.288:
“Accountant” means a Chartered Accountant as defined u/s 2(1)(b) of the Chartered Accountants Act, 1949 who holds a valid Certificate of Practice u/s 6(1) of that Act. It does not include [except for the purposes of representing the Assessee u/s 288(1)] –

(a) In case of an Assessee, being a Company, the person who is not eligible for appointment as an Auditor of the said Company in accordance with Sec.141(3) of the Companies Act, 2013, or

(b) In any other case –</td></tr>
</table>

Sec.	Particulars
	(i) the Assessee himself or in case of the Assessee, being a Firm /AOP /HUF, any Partner of the Firm, or Member of the Association or the Family, (ii) in case of the Assessee, being a Trust or Institution, any person referred to in clauses(a), (b), (c) and (cc) of Sec.13(3), (iii) in case of any person other than persons referred to in sub–clauses (i) and (ii), the person who is competent to verify the Return u/s 139 in accordance with Sec.140, (iv) any Relative of any of the persons referred to in sub–clauses (i), (ii) and (iii), (v) an Officer or Employee of the Assessee, (vi) an Individual who is a Partner, or who is in the employment, of an Officer or Employee of the Assessee, (vii) an Individual who, or his Relative or Partner – • is holding any security of, or interest in, the Assessee. [**Note:** A Relative may hold such security / interest of the Face Value not exceeding ₹ **1 Lakh**.] • is indebted to the Assessee. [**Note:** A Relative may be indebted to the assessee for an amount not exceeding ₹ **1 Lakh**.] • has given a guarantee or provided any security in connection with the indebtedness of any third person to the Assessee. [**Note:** A Relative may give such guarantee / security for an amount not exceeding ₹ **1 Lakh**.] (viii) a Person who, whether directly or indirectly, has business relationship with the Assessee of such nature as may be prescribed, (ix) a person who has been convicted by a Court of an offence involving fraud and a period of 10 years has not elapsed from the date of such conviction. 2. **Restriction in case of persons convicted of Offence involving Fraud:** Sec.288(4) amended to provide that any person who has been convicted by a Court for an offence involving fraud, shall not be qualified to represent an Assessee u/s 288(1) for a period of 10 years from the date of conviction. 3. **Explanation for "Relative":** For the purposes of Sec.288, "Relative" in relation to an individual, means – (a) Spouse of the Individual, (b) Brother or Sister of the Individual, (c) Brother or Sister of the Spouse of the Individual, (d) any Lineal Ascendant or Descendant of the Individual, (e) any Lineal Ascendant or Descendant of the Spouse of the Individual, (f) Spouse of a person referred to in Clause (b), Clause (c), Clause (d) or Clause (e), (g) any Lineal Descendant of a Brother or Sister of either the Individual or of the Spouse of the Individual
Sec. 295(2) w.e.f. 01.06.2015	**New Clause (ha):** CBDT's Powers to make Rules also extend to prescribing the procedure for the granting of relief or deduction, of any Income–Tax paid in any Country or Specified Territory outside India, u/s 90 / 90A / 91, against the Income–Tax Payable under this Act.
Sec. 3(2) of W.T Act	Sec.3(2) amended to **abolish the levy of Wealth–Tax** with effect from Assessment 2016–17 onwards **[w.e.f 01.04.2016].**