Particulars	***Explanations***

RESIDENCE AND SCOPE OF TOTAL INCOME

CBDT to prescribed the manner of computation of period of stay for an Indain citizen, being a member of crew of a foreigen bound ship leaving India[section-6(1)]	Explanation 2 has been added which provide that in case of individual the period of stay in India be determine in such a manner and subject to the prescribed manner.
Residence status of a company to be determined on the basis of *Place of Effective management(POEM) [section-6(3)]*	*POEM means a place where a key management and commercial decisions that are neccesary for conduct of business of an entity as a whole are, in substance made.*
Value of Indain assets to be determine whether the share or interest of a foreigen company or entity is deemed to drive its value substantially from the assets located in India [section-9(1)(i)]	The exemption shall be available to the transferor of a share of, or interest in, a foreign entity if he along with its associated enterprises:-
	(a) neither holds the right of control or management,
	(b) nor holds voting power or share capital or interest exceeding 5% of the total voting power or total share capital,
	in the foreign company or entity directly holding the Indian assets (direct holding company)
Taxability of interest payment to a non-resident, person engaged in the business of banking, by its permanent establishment in India [section-9(1)(v)]	In case of non resident,being a person engaged in business of banking, any interest payable by PE in India of such non resident to the head office or any PE or any other part of such non resident outside India, shall deemed to be accure or arise India
Presence of eligible fund manager in India not to constitute business connection in India of such investment fund on behalf of which he undertakes fund management activity [section-9A]	

INCOME WHICH DONOT FORM PART OF TOTAL INCOME

Exemption of specified income of core settlment guarantte fund[SGF] set up by the recognized clearning corporation [section 10(23EE)]	
Yoga included as the specific category in the definition of charitable purpose [section-2(15)]	

Condition to be satisfied for advancement of any other object of general public utility to constitute a charity purpose [section(15)]	The monetary limit of 25 lakh has been replaced by th percentage *limit of 20% of total receipt*
Time limit for filing of Form10 by turst or institution for accumulation of income [section 11(2)]	The benefit of accumulation is not available if return of income is not furnished on or before due date of filling of return of income specified under section 139(1). Form 10 is submited along with ROI.

PROFIT AND GAIN OF BUSINESS OR PROFESSION

Manufacturing industries setup in the notified backward areas of specified areas to be eligible for a *deduction @15%* of the actual cost of the new plant and machinery acquired and installed during the previous year[*section-32AD*]	Backward state of the state of Andhra Pradesh, Bihar, Telangana and west Bengal. Period on or after 1st april 2015 and before 31st march2020
Prescribed conditions relating to maintanince of accounts, audit, etc. to be fulfilled by the approved in house R&D facility [section 35(2AB)]. The report should also be submit to chief commissioner or comissioner [section35(2AB) & 35(2AA)]	
Amount of debt taken into account in computing the income of the assessee on the basis of notified ICDS to be allowed as deduction in the previous year in which such debt or part therof become irrecoverable.	
Amount of expenditure incured by co-operative society for the purchase of sugarcane at price fixed by government is allowed as deduction	
There is an increase in the exemption limit of travel allowance from place of residense to place of work =800/- to 1600/- and for the blind 1600/- to 3200/-	
Interest paid in respect of capital borrowed for acquisition of asset, for the period upto the date on which assset is first put to use to be capitalized, even if the acquisition of asset is not for the extension of existing business or professsional [section 36(1)(iii)]	

In order to encourage acquistsion and installation plant and machinery for setting up manufacturing units in the notified backwards areas of states of Andhra Pradesh, Bihar, Telangana and West Bengal, a provisio has been inserted to section 32(1)(iia)to allow deprication at the rate of 35%(instead of 20%) in respect of actual cost of plant and machinery (other than ship and aircraft) acquired and installed during the period between 1'st April 2015 and 31'st March 2020 [**section-32(1))iia)]**	Deduction under section 32AC is available only to corporate assesse and not to others therefore for the corporate assesse two deductions are there one under section 32AC and other under section 32AD @15% each. 32AC is for the invest over the 25 crore and 32AD is for the invest in specific states.
Balance of 50% deprication will be allowed in the subsequent year, where the plant and machinery is put to use for less than 180 days during the previous year acquisituion and installation[section-32(1)]	
The government notified 10 ICDS and in case of conflict among them then the Act will pervail.	

CAPITAL GAINS

Any transfer of capital asset, being share of a foreigen company, refered in Explanation 5 to section 9(i), driving its value substantially from shares in an Indain company, scheme of amalgmation/demerger not to be regard as the transfer under section 47, where amalgamating/demergerd and amagmated/resulting companies are foreigen companies	
Transfer of units by the unit holders in consolidation scheme of mutual fund not to be regarded as transfer	
Cost of acqusition of capital asset acquired in the scheme of demerger referred to in section 47(vib) in the hands of resulting company{ **section 49(1)(iii)(e)**	The cost of acquisition of the capital in the hands of resulting company shall be the cost for which the demerged company acquired the capital asset as increasaed by the cost of improvement incurred or born by the demerged or resulting company, as the case may be.
Cost of acquisition and period of holding of shares acquired on redeemption of global depositary receipts by non-residences assessee [section49(2ABB) & 2(42A)]	Cost would be the price of such share or shares prevaling on any recognized stock exchange on the date on which a request for such redeemption was made. The period of holding will be reckoned from the date on which redemption was made.

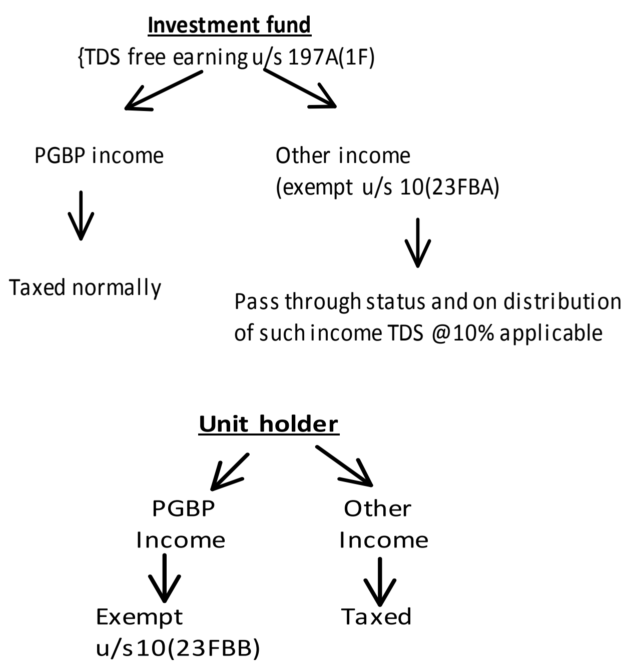
Rise in consumer pricing index (urban) to the base for notification of CII {section 48}	Explanation section 48 has been amended by finance act 2014 to provide that 'cost inflation index' in relation to previous year shall mean such index as may be notified by the central government having regard to 75% of average rise in consumer price index [urban] for immedate preceeding previous year to such previous year

DEDUCTION FROM GROSS TOTAL INCOME

Deduction under section *80C* to be available in respect of deposit in *sukanaya samriddhi account* scheme for the *welfare of girl child.*	Interest accuring on such deposit is exempt from tax under section 10(11A) and withdrawn is exempt only if in accordance with such scheme.
Increase in the limit of deduction in respect of contribution to certain pension fund under **section 80CCC**	With the view to increase social security deduction limit is enhanced from 1 lakh to 1.5 lakh
Addition deduction in respect of contribution to NPS of central government under section 80CCD (1B) and enhancement of limit of deduction under section 80CCD(1)	Deduction under section 80CCD(1B) is upto 50,000/- which ouside the limit of 80CCE[i.e. 1,50,000/-]
Enhancement of limit of deduction under section 80D and allowability of deduction for incuring medical expenditure in respect of very senior citizen	from 15,000/- to 25,000/- and from 25,000/- to 30,000/-
Incearse in the limit of deduction under section 80DD and 80U in respect of persons with disability and sever disability	from 50,000/- to 75,000/- and from 1,00,000/- to 1,25,000/-
Enhanced limit of deduction for expenditure incured in respect of *medical treatment of very senior citizen [section-80DDB]*	maximum limit (up to)for very senior citizen=80,000/-for senior citizen=60,000/- and for others 40,000/-
Scope of section 80 G expanded to allow *100% deduction* in respect of *donation to swachh Bharat Kosh ,clean Ganga fund and National Fund control of Druge abuse*	Section 10(23C) provide income of such organization also exmept from tax.
Deduction for employment of new regular workmen extended to all assessees deriving profits and gains from manufacturing of goods and factory **[section 80JJAA**]	Earlier this benefit is only to the corporate assessee but now the benefit is extended to all assessee whose gross total income include profits and gains drived from manufacturing of goods in a factory. An exlpanation has amended to provide that additional wages shall means the wages paid to *new regular workmen in excess of 50 workmen* employed during the year.

There is notification in regard to increase in limit for investment in bank term depoist	The central government increase the limit from Rs1,00,000/- to 1,50,000/- which is eligible for deduction under section 80C

ASSESSEMENT OF VARIOUS ENTITES

Special taxation regime for Investment funds {*section 115UB & 10(23FB)* }  	*Section 10(23FBA) states that income of investment fund is exempt other than the income drived from PGBP*
	Section 10(23FBB) states that income of unit holder of the investment fund is exempt only if that portion only consist of the income under head PGBP.
	Tax to be deducted at source @10% on distribution of income of investment fund on income drived other than under head PGBP as per section 194LBB.
	section 115UB(5) states the income distribute by the investment fund to its holder would not subject to dividend distribution tax
	If the income of an investment fund is not paid or credited to the unit holder than it is deemed to have been credited to the unit holder on the last day of the previous year as per section 115UB(6)
	Investment fund compulosrily required to file return of income as per section 139(4F)
Special taxation regime for Business trusts {*section 115UA* }	*The amendment is to ensure parity in tax treatment. When the sponsor(holder of shares in SPV), gets the units in business trust in lieu of shares will be given same treatment as the person gets on IPO[initial public offer]. Now the sponsor will get exemption under section 10(38) for long term gain on thoses*
	As per section 10(23FCA) rental income of REIT from direct owned real estate asset would be exempt in hands of business trust. But on distribution of such income drived to the unit holders would be taxed in their hands under section 115UA(3) and on this distribution of income tax would be deducted at source under section 194LBA from 1-06-2015 onwards.
	As per section 194 I rental income received or credited to REIT (being business trust) would not amount to deduction at source.

Decrease in rate of *tax on royalty income and fees for technical services in case of non-residents* [section-115A]	*from 25% to 10%*
Share of member of an AOP/BOI in the income of AOP/BOI to be reduce from net profit for computing book profit for levy of MAT [section 115JB]	*Explanation 1 has been provided in section 115JB to provide that the share of a member of an AOP/BOI , on which no income tax is payable in accordance with the provisions of section 86, should be reduce while computing book profit for levy of MAT undr section 115JB, if any such amount is credited to profit and loss account.*
Income accuring or arising to a foreigen company from capital gain arising on transactions in securities or interest, royalty and fees for technical services chargeable to tax at the rate specified in the chapter XII to be exculded from levy of MAT [section 115JB]	
Definition of gobal depositary receipts amend to restrict the benefit under section 115ACA to only such GDR as defined in the earlier depositary scheme	GDR could be issed against the foreign currency convertible bonds of issuing company.

TRANSFER PRICING AND OTHER PROVISIONS TO CHECK AVOIDANCE OF TAX

Incearse in threshold for domestic transaction [section 92BA]	*from 5 crore to 20 crore*
There is an notification in regared to safe harbour rules notified for specified domestic transaction in respect of a government company engaged in business of genreation, transmission or distribution of electricity	

ASSESSEMNET PROCEDURE

Approval regime for issue of notice for re-assessment simplified *[section-151]*	*Issue of notice u/s 148 can be issue by an AO below rank of JC(upto four years)if JC is satisfied and in case of beyond four years AO can issue only if Principle chief commissioner/chief commissioner/commissioner is satisfied.*
Beneficial owner / Beneficinary of any asset located outsde India required to file return of income in then prescribed form and manner **[section-139(1)]**	*Now every person has to file reurn of income irrespective of residential status.*

Assessment of income of a person other than the person in whose case search has been initiated or books of accounts, other documents or assets have been requisitioned. [sectin 153C]	If it belongs to, relates to, pertain to other person.
Procedure fo appeal by revenue when an identical question of law is pending before high court [*new section 158AA*]	*This has been inserted to provide that notwithstanding anything contained in the act, where any question of law arising in the case of an assessee for any assessement year is identical with the question of law arising in his case for another assessement year which is pending before the supreme court, in an appeal or in SPL u/s 136 of the constitution filed by revenue, the commissioner or principle commissioner may, instead of directing AO to appeal to appellate tribunal u/s 253(2) or 253(2A), direct the AO to make an application to the appellate tribunal in the prescribed form within 60 days from the day of receipt of order of commissioner (appeal) stating that an appeal on question of law arising in the relevant case may be filed when the decision on the question of law become final in the earlier case subject to the acceptance is received from the assessee to the effect that the quesion of law in other case is identical to that arising in the relevant case.*

SETTLEMENT COMMISSION

Deemed date of concealment of settlement proceeding [explanation to **section 245A**]	
Clause(i)	Notice u/s 148 for proceeding u/s 147 shall be deemed to *have commenced on the date of issue of such notice and the assessee can approach the settlement commission for other A/Y as well* subject to condition of furnishing of ROI u/s 139 or in response to notice u/s 142.
Clause(iv)	Proceeding for assessement for any A/Y, other than refered in previous clauses of this section shall deemed to have commenced from the date of furnishing ROI u/s 139 or in respond to notice u/s 142 and conculded on the date on which the asseseement is made in case where assessement is made and in other cases on expiry of 2 years from end of the relevant assessement year.

Rationalisation of provisions relating to settlement commission	
Section 245D(6B)	Settlement commission can rectify its order within 6 months from the end of month in which the order is passed or *the application for rectification is made by the principle commissioner or commissioner or applicant.*
Section 245H(1)	Now settlement commission *shall record the reasons in writing* while granting immunity from prosecution to any person.
Section 245HA(1)	New clause provide that where application u/s 245C made and order u/s 245D(4) made without providing the terms of settlement then the proceeding before settlement commission sahll abate on the day on which such was passed.
Section 245K	Any person related to the person who has already approached the settlement commission once, also can't approach the settlement commission subsequently.{related is who hold more than 50% of share/profit in company/AOP/BOI/Firm/LLP and karta in case of HUF}
Section 132B	The asset seized u/s 132 or u/s132A may also be adjusted against the amount of liability arising on an application made before the settlement commission u/s 245C(1).

ADVANCE RULINGS

Qualification for appointment as law member of AAR [section 245-O(3)]	The amendment is to provide that the person shall be qualified for appointment as a law member from the Indian legal service, who is, or is qualified to be, an Additional Secretary to the government of India.

APPEALS AN REVISION

Order appealable before the appellate tribunal to include orders passed by the prescribed authority under section 10(23C)(vi)&(via) [***section-253(1)***]	*Now if an assessee aggrieved by an order passed by the prescribed authority refusing approval under section 10(23C)(vi)/(via) may appeal to Appellate tribunal against such order. Effective from 01-06-2015.*

Raising the total income limit of the cases that may be decided by the single member bench of appellate tribunal [**section 255(3)**]	Limit enhance(As total income computed by the assessing officer) from 5 lakh to 15 lakh. Effective from 01-06-2015.
Circumstance when an order passed by an assessing officer shall be deemed to be erroneous in so far as it is prejudicial to the interest of revenue [**section-263(1)**]	Effective from 01-06-2015. An explanation has been inserted to provide the circumstances which in the opinion of principle commissioner or commissioner are prejudical to revenue which are as follows:-
	the order has not been passed in accordance with any decision, prejudicial to the assessee, of high court or supreme court
	the order is passed without making inquiries or verfication which should have been made
	the order has not been made inaccordance with any order, direction, or instruction issued by the board under section 119
	the order is passed allowing any relief without inquiring into claim.

PENALITIES

Manner for determination of amount of tax sought to be evaded for the levy of penalty for concealment of income under section 274(1)(iii)	*Amount of tax sought to be evaded = Tax sought to be evaded under the general provision + Tax sought to be evaded under section 115JB/115JC.*

MISCELLANEOUS PROVISIONS

Acceptance of specified sum and repayment of sepecified advance in relation to immovable property transactions to be effected through specifeid modes [***section 269SS & 269T***]	Effective from 01-06-2015. In order to curb the black money in immvoable property transaction no person shall accept from / repay to any person any specified amount (i.e. 20,000 or more) otherwise than account payee cheque, bank draft, or by use of electronic clearance system through bank account. In case of contravention penalty will be levied.
CBDT empowered to notify rules for giving foreigen tax credit [section-295(2)]	Effective from 01-06-2015.
Definition of accountant is amended to exclude specified related persons [section 288]	Effective from 01-06-2015. Accountant means a Chartered Accountant as definfed in section 2(1)(b) of the chartered accountant act,1949

DEDUCTION, COLLECTION AND RECOVERY OF TAX

Person responsible for paying income chargeable under the head salaries to obtain proof or evidence or particulars of prescribed deductions/ exemptions/set-off losses claimed by the assessee [**section 192(2D)**]	Effective from 01-06-2015. Now the person paying salary(i.e. the employer) will cast responsible for the evidence, proof or particulars of prescribed claims.
Tax to be deducted at the rate of 10% on premature taxable withdrawal from emplyees provident fund [***section192A***]	Effective from 01-06-2015. TDS will be charged only if amount is 30,000/- or more however no TDS will be charged if the employee is age of 60 or more.(197A)
Rationalisation of the provision of **section 194A**	Co-operative banks to deduct tax at source on interest on time deposits credited/paid to its member.
	TDS on interest on recurring deposits.
	Tax deduction form interest on compensation awarded by the Motor Accident Claims Tribunal to be made at the time of payment, where interest or aggreate interest payment > 50,000/-
	Threshold limit for non-deduction of tax to be reckoned with reference to the aggreate interest credited or paid by all branches of bank/co-operative bank/public company whichh has adopted CBS.
Exemptions of applicability of TDS provision under section 194C to be available in respect of payments to transport operators owning ten or less goods carriages at any time during the previous year, on furnishing of PAN [section 194C(6)]	Effective from 01-06-2015.
Extension of eligible period of concessional tax rate@5% under **section 194LD**	Effective from 01-06-2015. Period of benefit extends from 30-06-2015 to 30-06-2017.
Person responsible for paying any sum, whether or not charge to tax, to an non corporate non-resident or to a foreigen company, to furnish the information relating to payment to such sum in the prescribed form and prescribed manner[**section 195(6)**]	Effective from 01-06-2015.
Facilitating filling of form 15G/15H for payment made under life insurance policy [section 197A]	Section 197A has amended to provide that recipient of payment under life insurance policy also eligible for filling self-declaration in Form no.15G/15H for non-deduction of tax at source. Effective from 01-06-2015.
Notified deductor and collector not required to obtain and quote TAN [section 203A]	In order to alleviate the compliance burden of deductor section 203A has been amended and such notification would be made by central government. Effective from 01-06-2015.

Enabling provision for computation of fees payable under section 234E at the time of processing TDS/TCS statements [section 200A &206CB]	Effective from 01-06-2015. Section 200A enable computaion of fees payable u/s234E at the time proceessing of TDS statement. Section 206CB facilitate processing of statement of TCS as per section234E at the time of processing TCS statement.
Enabling provision for filling TCS correction statement [section 206C(3B)]	Effective from 01-06-2015.
Processing of statements of tax collected at source [section 206CB]	Effective from 01-06-2015.
Pay and account officer / Treasury officer/ cheque drawing and disbursing officer to furnish statement in prescribed form to the prescribed authority, where tax deducted/ collected has been paid without production of challan [section 200(2A)& 206C(3A)]	Effective from 01-06-2015.
Intimation generated after processing of TCS statement- deemed as notice of demand ; appealable and subject to rectification [section 154,156 & 246A]	Effective from 01-06-2015. In order to remove possiblity of double interest it is inserted in section 220 that where interest is charged for any period under section 206C(7) on the amount of tax specified in the intimation issued under 206CB(1), no interest shall be charged under section220(2).
Interest under section 234B payable from 1st April next following then finacial year, in a case where the total income is increased on reassessment under section 147 or 153A	Effective from 01-06-2015. In order to encourage advance tax payment on due time. The period of interest begin from 1st April next following the financial year to the date of reassesseement or recomputation under section 147 or 153A
Period for which interest under section 234B is to be charged where an application is filled under section 245C(1)[section 234B]	Effeective from 01-06-2015. Now the assessee is required to pay simple interest for every month or part of the month commencing from 1st April of such assesseement year till period of making such applicaation.

SLAB RATE

For individual/HUF/AOP/BOI and every artifical juridical person

level of income	*rate of tax*
upto 2,50,000/-	nil
from 2,50,001 to 500,000/-	10% of income exceed Rs2,50,000/-
from 5,00,001 to 10,00,000/-	25,000/- plus 20% of income exceed Rs5,00,000/-
above 10,00,000/-	1,25,000/- plus 30% of income exceeds Rs10,00,000/-

For resident individual above 60 years of age but not beyond 80 years of age

level of income	*rate of tax*
upto 3,00,000/-	nil
from 3,00,001 to 5,00,000/-	10% of income exceed Rs3,00,000/-
from 5,00,001 to 10,00,000/-	20,000/- plus 20% of income exceed Rs5,00,000/-
above 10,00,000/-	1,20,000/- plus 30% of income exceed Rs10,00,000/-

For resident individual above 80 years of age

level of income	*rate of tax*
upto 5,00,000/-	nil
from 5,00,001 to 10,00,000	20% of income exceed Rs5,00,000/-
above 10,00,000/-	1,00,000/- plus 30% of income exceeds Rs10,00,000/-

CO-OPERATIVE SOCIETY

level of income	*rate of tax*
upto 10,000/-	10% of income
from 10,001 to 20,000/-	1,000/- plus 20% of income exceed Rs10,000/-
above 20,000/-	3,000/- plus 30% of income exceed Rs20,000/-

FIRMS/LIMITED LAIBILITY PARTNERSHIP

30% of the whole of the income

LOCAL AUTHORITY

30% of the whole of the income

COMPANY

type of company	*rate of tax*
domestic company	30% of the total income
other than domectic company	40% of the total income

SURCHARGE[marginal relief is also available]

If the income or aggreagate of income paid or likely to be paid and subject to deduction exceed 1 crore and the recipitent of such income is *non corporate non resident* the surcharge would be levied @12%

In case of *individual/HUF/AOP/BOI/Artificial person/co-operative society/ local authority/Firms /LLP* if income exceeds 1 crore than the surcharge be leived @ 12%

In case of *domestic company* if income is exceed 1 core but not exceed 10 crore the surchage be7% otherwise 12%

In case of *foreigen company* if income is exceed 1 crore but not exceed 10 crore then surcharge be 2% otherwise it would be 5%

Applicability of surcharge and cess on distribution tax

Section	*Particulars*	*Rate of tax*	Effective rate of tax
115-O	Tax on distribution of income by domestic company by way of dividend	15%	17.304%
115-QA	Tax on distribution of income by domestic company for buyback of share	20%	23.072%
115-R	Tax on distributed income of mutual fund		
	Distribution by debt fund to individual/HUF	25%	28.84%
	Distribution by debt fund to others	30%	34.608%
	Distribtion by infrasturcture debt to non corporate non residence and foreigen company	5%	5.768%
115-TA	Tax on income distributed by securitization trusts		
	Distribution to person exempt from tax	Nil	NIL
	Distribution to individual and HUF	25%	28.84%
	Distribution to other persons	30%	34.608%

There are 10 ICDS which are as follows

1. Accounting policies
2. Valuation of inventories
3. Construction contracts
4. Revenue recogination
5. Tangiable fixed assets
6. The effect of change in accounting policies
7. Government grants
8. Securities
9. Borrowing cost
10. Provision, Contingent laibilities and contingent assets

This is brief content of amendments, for detail study refer ICAI amendement material.
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