

AMENDMENTS BY FINANCE ACT, 2012

**FOR CA IPCC/INTER
FOR MAY & NOVEMBER 2013**

by

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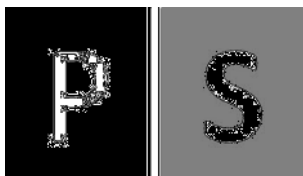
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For latest amendments, expected questions &
revisionary notes

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INCOME-TAX

Relevant Assessment Year – AY 2013-14

Relevant Previous Year – PY 2012-13

Rates of Taxation

Individual, HUF, AOP, BOI, Artificial Juridical Person

<u>Resident + age ≥ 60yrs.</u>	<u>Resident + age ≥ 80yrs.</u>	<u>Any other</u>	<u>Tax rate</u>
Upto Rs. 2.5L	Upto Rs. 5L	Upto Rs. 2L	Nil
Rs. 2.5L – 5L	---	Rs. 2L – 5L	10%
Rs. 5L – 10L	Rs. 5L – 10L	Rs. 5L – 10L	20%
> Rs. 10L	> Rs. 10L	> Rs. 10L	30%

W.e.f. AY 2013-14, both male & female have been treated at par.

Tax rate for non-resident/foreign company in case of unlisted securities – Section 112

Assessee	–	Non-resident or foreign company
Nature of CG	–	LTCG
Capital Asset	–	Unlisted securities
Tax rate	–	Mandatorily 10% without indexation

Residential Status & Scope of Total Income

Offshore transactions

Section 9 (Income deemed to accrue or arise in India) – Following explanation has been added for transaction “income from the transfer of any capital asset situated in India”

A capital asset (being share in a company incorporated outside India) shall be deemed to be situated in India, if the share derives its value substantially from the assets located in India.

Section 2(14) (Definition of Capital asset) – Following explanation has been added

"Property" includes any rights in an Indian company, including rights of management or control.

Section 2(47) (Definition of Transfer) – Following explanation has been added

"Transfer" includes

- disposing of or parting with an asset or any interest therein,
- or creating any interest in any asset in any manner whatsoever,
- directly or indirectly, absolutely or conditionally, voluntarily or involuntarily,
- by way of an agreement (whether entered into in India or outside India) or otherwise,
- notwithstanding that such transfer of rights is dependent upon transfer of shares of a company incorporated outside India.

Section 195 (TDS deduction in case of payment to non-resident)

It has been clarified that u/s 195 TDS shall be deducted even if payment is being made by a non-resident, provided amount receivable by non-resident payee is taxable under Income-tax Act, 1961.

It shall not matter whether or not the non-resident person has -

- (i) a residence or place of business or business connection in India; or
- (ii) any other presence in any manner whatsoever in India.

Definition of Royalty clarified – Section 9

Following explanations added:

Transfer of rights in respect of any right, property or information includes transfer of right for use or right to use a computer software

(including granting of a licence) irrespective of the medium through which such right is transferred.

Royalty includes consideration in respect of any right, property or information, whether or not -

- (a) the possession or control of such right, property or information is with the payer;
- (b) such right, property or information is used directly by the payer;
- (c) the location of such right, property or information is in India.

The expression "process" includes transmission by satellite (including up-linking, amplification, conversion for down-linking of any signal), cable, optic fibre or by any other similar technology, whether or not such process is secret.

Profits & Gains of Business or Profession

Additional Depreciation – Section 32(1)(iia)

Benefit of additional depreciation extended to power sector undertakings w.e.f. AY 2013-14 provided they are following block of assets method and not SLM method. Earlier additional depreciation was restricted to assessee engaged in business of manufacturing only.

For other amendments of Income-tax & Service-tax,
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SCHEDULE OF AMENDMENT CLASSES FOR CA IPCC/INTER

VENUE

AOC Connaught Place

Arya Public School, Raja Bajar, Baba Kharak Singh
Marg, Connaught Place, New Delhi – 110 001

Ph.: 2336 2250, 93138 30650

Also at AOC Satellite Centers

DATE & TIME

February 19 to 21, 2013

3.00pm – 8.00pm

FEES/CHARGES - FREE

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