

Finance Act 2015

Introduction

The Finance Act, 2015 as passed by the Parliament, received the assent of the President on the **14th day of May, 2015** and has been enacted as **Act No. 20 of 2015**. We have attempted to explain the substance of the amendments made to the Income tax provisions as follows:

Changes made by the Act

The Act has-

- i. **Specified the rates** of income-tax for the assessment year 2015-16 and the rates of income-tax on the basis of which tax has to be deducted at source and advance tax has to be paid during financial year 2015-16.
- ii. **Amended sections** 2, 6, 9, 10, 11, 13, 32, 35, 36, 47, 49, 80C, 80CCC, 80CCD, 80D, 80DD, 80DDB, 80G, 80JJAA, 80U, 92BA, 95, 111A, 115A, 115ACA, 115JB, 115U, 115UA, 132B, 139, 153C, 154, 156, 192, 194A, 194C, 194I, 194LBA, 194LD, 195, 197A, 200, 200A, 203A, 206C, 220, 234B, 245A, 245D, 245H, 245HA, 245K, 245O, 246A, 253, 255, 263, 269T, 271, 271D, 271E, 272A, 273B, 288, and 295 of the Income-tax Act, 1961;
- iii. **Substituted new sections for** sections 151 and 269SS;
- iv. **Inserted new sections** 9A, 32AD, 158AA, 192A, 194LBB, 206CB, 271FAB, 271GA, 271-I and 285A in the Income-tax Act, 1961;
- v. Inserted Chapter XII-FB consisting of section 115UB in the Income-tax Act, 1961;
- vi. **Repealed the Wealth-tax Act, 1957;**
- vii. **Amended** sections 97, 98, 100 and 101 of the Finance (No.2) Act, 2004.

Analysis of Amendments

Sl.no	Relevant Section	Amendment
1.	Rates of Income Tax	- In case of payments in the nature of income by way of royalty or fee for technical services referred to in section 115A, made to non-residents (other than a company) or a foreign company, the TDS rate shall be 10% (Earlier it was 25%) Surcharge at the rate of twelve percent is applicable if income exceeds 1 Crore as against the rate of ten per cent for the financial year 2014-15 <u>for non-corporates</u> - Surcharge of seven per cent in case domestic company has total income exceeding one crore rupees but not exceeding ten crore rupees as against the rate of five per cent for the financial year 2014-15

		• Surcharge at the rate of twelve per cent shall be levied if the total income of the company exceeds ten crore rupees as against the rate of ten per cent for the financial year 2014-15 • Surcharge on Additional Income-tax Where additional income-tax has to be paid Under- <table><tr><td>section 115-O</td><td>Distribution of dividend by domestic companies</td></tr><tr><td>section 115-QA</td><td>Distribution of income by a company on buy-back of shares from shareholders</td></tr><tr><td>sub-section (2) of section 115R</td><td>Distribution of income by a mutual fund to its unit holders</td></tr><tr><td>section 115TA</td><td>Distribution of income by a securitization trust to its investors</td></tr></table> The additional tax so payable shall be increased by a surcharge of twelve percent of such tax as against the rate of ten per cent for the financial year 2014-15.	section 115-O	Distribution of dividend by domestic companies	section 115-QA	Distribution of income by a company on buy-back of shares from shareholders	sub-section (2) of section 115R	Distribution of income by a mutual fund to its unit holders	section 115TA	Distribution of income by a securitization trust to its investors
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2.	Amendment of section 2 relating to Definitions	Following definitions have been substituted : • Business Trust (13A) means a trust registered as,— (i) an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992; or (ii) a Real Estate Investment Trust under the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992, <u>and the units of which are required to be listed on a recognised stock exchange</u> in accordance with the aforesaid regulations. Following definitions have been amended: • Charitable Trust (15) To provide that the definition of charitable purpose shall include “yoga” as a separate category on the lines of education and medical relief.								

	To provide that the advancement of any other object of general public utility <i>shall not be a charitable purpose</i>, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention, of the income from such activity, unless— (i) such activity is undertaken in the course of actual carrying out of such advancement of any other object of general public utility; and (ii) The aggregate receipts from such activity or activities during the previous year <u>do not exceed twenty per cent of the total receipts</u>, of the trust or institution undertaking such activity or activities, of that previous year. - Income (24) Clause “(xviii) was inserted to provide that 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 <u>other than the subsidy or grant or reimbursement which is taken into account for determination of the actual cost of the asset in accordance with the provisions of Explanation 10 to clause (1) of section 43 shall be included in the income for the purpose of this act.</u> - Rate or Rate in Force(37A) clause (37A) of the said section was amended to provide that for the purposes of deduction of tax under section 194LBA, the “rates in force”, in relation to an assessment year or financial year shall mean the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year. - Short term capital Asset (42A) Explanation 1 of the said clause provides for determining the period for which the capital asset is held by the assessee. clause (i) of the said Explanation was amended to provide that in the case of a capital asset, being a unit or units, which becomes the property of the assessee in consideration of a transfer
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		<u>referred to in clause (xviii) of section 47, there shall be included the period for which the unit or units in the consolidating scheme of the mutual fund were held by the assessee.</u> These amendments are effective from 1-4-2016.
3.	Amendment of section 6 relating to Residential Status <i>“Explanation 2.—For the purposes of this clause, in the case of an individual, being a citizen of India and a member of the crew of a foreign bound ship leaving India, the period or periods of stay in India shall, in respect of such voyage, be determined in the manner and subject to such conditions as may be prescribed.”;</i> <i>(ii) for clause (3), the following clause shall be substituted with effect from the 1st day of April, 2016, namely:—</i> <i>‘(3) A company is said to be resident in India in any previous year, if—</i> <i>(i) it is an Indian company; or</i> <i>(ii) its place of effective management, in that year, is in India.</i> <i>Explanation.—For the purposes of this clause “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.’.</i>	The existing provisions contained in sub-clause (c) of clause (1) of the aforesaid section provide that an individual is said to be resident in India in any previous year if he, having within the four years preceding that year been in India for a period or periods amounting in all to three hundred and sixty-five days or more, is in India for a period or periods amounting in all to sixty days or more in that year. Clause (a) of Explanation to clause (1) of the said section provides that in the case of an individual, being a citizen of India, who leaves India in any previous year as a member of the crew of an Indian ship, the above mentioned condition of sixty days is extended to one hundred and eighty-two days. The said clause was amended by insertion of a new Explanation 2 so as to provide that in the case of an individual, being a citizen of India and a member of the crew of a foreign bound ship leaving India, the period or periods of stay in India shall, in respect of such voyage, be determined in the manner and subject to such conditions as may be prescribed. Under the existing provisions contained in clause (3) of the aforesaid section, a company is said to be resident in India in any previous year, if— (i) It is an Indian company; or (ii) During that year, the control and management of its affairs is situated wholly in India. The said clause (3) was amended to provide that a company shall be said to be resident in India, in any previous year, if— (a) it is an Indian company; or (b) its place of effective management, at any time in that year, is in India. An explanation was inserted to clarify the expression “place of effective management” to mean 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.
4.	Amendment of section 9 relating to income deemed to accrue or arise in India	Clause (i) of sub-section (1) of the aforesaid section provides a set of circumstances in which income accruing or arising, directly or indirectly, is taxable in India. Explanation 5 to the said clause provides that an asset or capital asset, being any share or interest in a company or entity registered or incorporated outside India, shall be deemed to be and shall always be deemed to have been situated in India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India. Explanation 6 was inserted to provide that the share or interest 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 is more than ten crore rupees and represents at least fifty per cent of the value of all the assets owned by the company or entity, as the case may be. The definition of value of assets and the specified date was also provided in the said Explanation. Explanation 7 was also inserted to provide that the income shall not accrue or arise to a non-resident in case of transfer of any share or interest referred to in Explanation 5, unless— (a) he along with its associate enterprises,— (i) neither holds the right of management or control; (ii) nor holds voting power or share capital or interest exceeding five per cent. of the total voting power or total share capital, in the foreign company or entity directly holding the Indian assets (direct holding company); (b) he along with its associate enterprises, in case of the transfer of shares or interest in a foreign entity which does not hold the Indian assets directly,— (i) neither holds the right of management or control in relation to such company, as the case may be, or the entity; (ii) nor holds any rights in such company which would entitle it to either exercise control and management of the direct holding company or entitle it to voting

		power exceeding five percent in the direct holding company or entity. Clause (v) of sub-section (1) of section 9 relates to the interest income and provides that the income by way of interest, if payable by persons specified in the said clause, shall be deemed to accrue or arise in India. The said clause was amended in order to provide that in the case of a non-resident, being a person engaged in the business of banking, any interest payable by the permanent establishment in India of such non-resident to the head office or any permanent establishment or any other part of such non-resident outside India shall be deemed to accrue or arise in India and shall be chargeable to tax in addition to any income attributable to the permanent establishment in India and the permanent establishment in India shall be deemed to be a person separate and independent of the non-resident person of which it is a permanent establishment and the provisions of the Act relating to computation of total income, determination of tax and collection and recovery shall apply accordingly. It was also provided that that “permanent establishment” shall have the same meaning assigned to it in clause (iiia) of section 92F
5.	Insertion of new section 9A (Certain Activities not to constitute business connection in India)	<i>Clause (i) of sub-section (1) of section 9 provides a set of circumstances in which income is deemed to accrue or arise in India, directly or indirectly, and is taxable in India. Sub-section (1) of the proposed new section 9A seeks to provide that in the case of an eligible investment fund, any fund management activity carried through an eligible fund manager acting on behalf of such fund shall not constitute business connection in India of the said fund.</i> <i>Sub-section (2) seeks to provide that an eligible investment fund shall not be said to be resident for the purposes of section 6, merely because the eligible fund manager undertaking fund management activities on its behalf, is situated in India.</i> <i>Sub-section (3) seeks to provide that the eligible investment fund shall mean a fund, established or incorporated or registered outside India, which collects funds from its members for investing it for their benefit and certain conditions specified in the said sub-section.</i> <i>Sub-section (4) seeks to provide that the eligible fund</i>

		manager in respect of an eligible investment fund shall mean any person who is engaged in the activity of fund management and fulfil certain conditions specified in the said subsection. Sub-section (5) seeks to provide that every eligible investment fund shall furnish a statement in respect of its activities during a financial year in the prescribed form, to the prescribed income-tax authority within ninety days from the end of the financial year. Sub-section (6) seeks to provide that no such income shall be excluded from the total income which would have been so included irrespective of whether the activity or the eligible fund manager constituted the business connection in India of such fund or not. Sub-section (7) seeks to provide that the scope of total income or determination of total income in the case of the eligible fund manager shall not be affected by anything contained in this section. Sub-section (8) seeks to define certain terms such as "associate", "connected person", "corpus", "entity" and "specified regulations". These section is effective from 1st April, 2016.
6.	Amendment of section 10 (Incomes not included in total income)	A new clause (11A) was inserted so as to provide that any payment from an account opened in accordance with the Sukanya Samriddhi Account Rules, 2014 made under the Government Savings Bank Act, 1873, <u>shall not be included in the total income of the assessee.</u> The existing provisions of clause (23C) of the said section provide for exemption from tax in respect of the income of certain charitable funds or institutions like the Prime Minister's National Relief Fund; the Prime Minister's Fund (Promotion of Folk Art); the Prime Minister's Aid to Students Fund; the National Foundation for Communal Harmony etc. The aforesaid clause was amended by inserting two new sub-clauses (iiiaa) and (iiiaaa) so as to exempt income received by any person on behalf of the <u>Swachh Bharat Kosh</u>, set up by the Central Government and to exempt income received by any person on behalf of the <u>Clean Ganga Fund</u>, set up by the Central Government.

	These amendments are effective retrospectively from 1st of April, 2015 A new clause (23EE) was also inserted in the aforesaid section so as to provide for exemption in respect of any specified income of such Core Settlement Guarantee Fund, set up by a recognised clearing corporation in accordance with the regulations, as the Central Government may, by notification in the Official Gazette, specify in this behalf. Clause (23FB) of said section provides that any income of a venture capital company or venture capital fund from investment in a venture capital undertaking shall not be included in total income. A proviso to the said clause was also inserted to provide that the said clause shall not apply to a venture capital company or venture capital fund, being an investment fund specified in clause (a) of the Explanation 1 to section 115 UB, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2016. A new clause (23FBA) was also inserted to provide that any income of an investment fund other than the income chargeable under the head “Profits and gains of business or profession” shall not be included in the total income of such fund. A new clause (23FBB) was also inserted to provide that any income of a person 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” shall not be included in total income of such person. A new clause (23FCA) was also inserted so as to provide that 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 not be included in the total income. Clause (23FD) was also amended to provide that any distributed income, referred to in section 115UA, received by a unit holder from the business trust, being that proportion of the income which is of the same nature as income by way of renting or leasing or
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		letting out any real estate asset owned directly by the business trust, shall be included in total income and not be exempted. clause (38) was also amended to provide that any income in the nature of long term capital gain arising from transfer of units of a business trust which were acquired in consideration of exchange of shares of a special purpose vehicle and on which securities transaction tax has been paid shall not be included in the total income of the sponsor. These amendments are effective from 1st April, 2016
7.	Amendment of section 11 (Income from property held for charitable or religious purposes)	Sub-section (2) of the aforesaid section provides that where eighty-five percent of the income is not applied, or is not deemed to have been applied, to charitable or religious purposes in India during the previous year but is accumulated or set apart, for application to such purposes in India, then, such income accumulated or set apart shall not be included in the total income of the previous year of the person in receipt of the income. However, the said exemption is subject to fulfilment of the following conditions that : (i) such person specifies by notice in writing in Form 10, prescribed for such purpose, providing details of the purpose for which the income is being accumulated or set apart and that the period for which the income is to be accumulated or set apart does not exceed five years; and (ii) the money so accumulated or set apart is invested or deposited in the forms or modes specified in sub-section (5) of section 11. With a view to amend the conditions specified in sub-section (2) of the aforesaid section, a new clause was inserted to provide that the statement referred to in the said clause (a) is required to be furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year. The existing first and second provisos were also substituted with a new proviso to provide that in computing the period of five years referred to in the said clause (a), the period during which the income could not be applied for the purpose for which it is so accumulated or set apart, due to an order or

		injunction of any court, shall be excluded. These amendments are effective from 1st April, 2016 and accordingly apply in relation to the assessment year 2016-17 and subsequent years.
8.	Amendment of section 13 relating to section 11 not to apply in certain cases	A new sub-section was inserted to provide that nothing contained in sub-section (2) of section 11 shall operate so as to exclude any income from the total income of the previous year of a person in receipt thereof, if— (i) the statement referred to in clause (a) of the said subsection in respect of such income, is not furnished on or before the due date specified under sub-section (1) of section 139 for furnishing the return of income for the previous year; or (ii) the return of income for the previous year is not furnished by such person on or before the due date specified under subsection (1) of section 139 for furnishing the return of income for the said previous year. These amendments are effective from 1st April, 2016 and accordingly apply in relation to the assessment year 2016-17 and subsequent years.
9.	Amendment of section 32 relating to depreciation	Under the existing provisions contained in clause (iia) of subsection (1) of the aforesaid section, a further sum equal to twenty per cent of the actual cost of new machinery or plant (other than ships and aircraft) acquired and installed after the 31st day of March, 2005 by an assessee engaged in the business of manufacture or production of any article or thing or in the business of generation or generation and distribution of power, is allowed as deduction as further depreciation. A proviso in clause (iia) of sub-section (1) of the aforesaid section was inserted to provide that where an assessee, sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Telangana, and acquires and installs any new machinery or plant (other than ships and aircraft) for the purposes of the said undertaking or enterprise during the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area, then, the provisions of clause (iia) shall have effect as if for the words “twenty per

		cent.”, the words “thirty-five per cent.” had been substituted: Consequently, it is proposed to insert the reference of newly inserted proviso in clause (iia) in the second proviso to sub-section (1) of the aforesaid section 32. The existing provisions contained in the second proviso to subsection (1) of the aforesaid section 32 provide that where an asset referred to in clause (i) or clause (ii) or clause (iia), as the case may be, is acquired by the assessee during the previous year and is put to use for the purposes of business or profession for a period of less than one hundred and eighty days in that previous year, the deduction under sub-section (1) in respect of such asset shall be restricted to fifty per cent of the amount calculated at the percentage prescribed for an asset under clause (i) or clause (ii) or clause (iia), as the case may be. A proviso was inserted after the second proviso to sub-section (1) of section 32 so as to provide that where an asset referred to in clause (iia) or the first proviso to clause (iia), as the case may be, is acquired by the assessee during the previous year and is put to use for the purposes of business for a period of less than one hundred and eighty days in that previous year and the deduction under sub-section (1) in respect of such asset is restricted to fifty per cent. of the amount calculated at the percentage prescribed for an asset under clause (iia) for that previous year, then, the deduction for the balance fifty per cent of the amount calculated at the percentage prescribed for such asset under clause (iia) shall be allowed under sub-section (1) in the immediately succeeding previous year in respect of such asset. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent years.
10.	Insertion of new section 32AD	Investment in new plant or machinery in notified backward areas in certain States. <i>Sub-section (1) of the aforesaid section seeks to provide that where an assessee, sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1st day of April, 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Telangana, and acquires and installs any new asset for the purposes of the said undertaking or enterprise during</i>

	the period beginning on the 1st day of April, 2015 and ending before the 1st day of April, 2020 in the said backward area, then, there shall be allowed a deduction of a sum equal to fifteen per cent of the actual cost of such new asset for the assessment year relevant to the previous year in which such new asset is installed. Sub-section (2) of the aforesaid section provides that if any new asset acquired and installed by the assessee is sold or otherwise transferred, except in connection with the amalgamation or demerger or re-organisation of business referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47, within a period of five years from the date of its installation, the amount of deduction allowed under sub-section (1) in respect of such new asset shall be deemed to be the income of the assessee chargeable under the head "Profits and gains of business or profession" of the previous year in which such new asset is sold or otherwise transferred, in addition to taxability of gains, arising on account of transfer of such new asset. Sub-section (3) of the aforesaid section provides that in case the new asset is sold or otherwise transferred in connection with the amalgamation or demerger or reorganisation of business referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47, within a period of five years from the date of its installation, the provision of sub-section (2) shall apply to the amalgamated company or the resulting company or the successor referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47, as the case may be, as they would have applied to the amalgamating company or the demerged company or the predecessor referred to in clause (xiii) or clause (xiiib) or clause (xiv) of section 47. Sub-section (4) of the aforesaid section provides that for the purposes of this section, "new asset" means any new plant or machinery (other than a ship or aircraft) but does not include— (a) any plant or machinery which before its installation by the assessee, was used either within or outside India by any other person; (b) any plant or machinery installed in any office premises or any residential accommodation, including accommodation in the nature of a guest house; (c) any office appliances including computers or
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		computer software; (d) any vehicle; or (e) 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 the head "Profits and gains of business or profession" of any previous year. This section is effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent years.
11.	Amendment of section 35 relating to expenditure on scientific research	The existing proviso to sub-section (2AA) of the said section 35, inter alia, provides that the prescribed authority shall submit its report to Principal Director General or Director General. The reference of Principal Chief Commissioner or Chief Commissioner was inserted in the said proviso so as to enable the prescribed authority to submit its report to the Principal Chief Commissioner or Chief Commissioner or Principal Director General or Director General. The existing provision contained in clause (3) of sub-section (2AB) of the said section provides that no company shall be entitled for deduction under clause (1) of the said sub-section (2AB) unless it enters into an agreement with the prescribed authority for cooperation in such research and development facility and for audit of the accounts maintained for that facility. Clause (3) of sub-section (2AB) of the said section was amended to provide that no company shall be entitled for deduction under clause (1) of the said sub-section (2AB) unless it enters into an agreement with the prescribed authority for cooperation in such research and development facility and fulfils conditions with regard to maintenance and audit of accounts and furnishing of report, as may be prescribed. The existing provisions contained in clause (4) of sub-section (2AB) of the said section 35 further provides that the prescribed authority shall submit its report in relation to the approval of the research and development facility to the Principal Director General or Director General. The reference of Principal Chief Commissioner or Chief Commissioner in the said clause so as to enable

		the prescribed authority to submit its report to the Principal Chief Commissioner or Chief Commissioner or Principal Director General or Director General. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent years.
12.	Amendment of section 47 relating to transactions not regarded as transfer	The existing provisions contained in section 47 of the Act provide that capital gains are not applicable to the transfers specified in the said section. Clause (via) of the said section provides that transfer of capital asset being shares of an Indian company by a foreign company to another foreign company under scheme of amalgamation shall not be treated as transfer subject to conditions provided in the said clause. Clause (vic) of the said section provides that transfer of capital asset being shares of an Indian company by a foreign company to another foreign company under a demerger shall not be treated as transfer subject to conditions provided in the said clause. The said section was amended in order to provide that the following transfers shall not be regarded as transfer under said section, namely:— (i) any transfer, in a scheme of amalgamation, of a capital asset, being a share of a foreign company, referred to in Explanation 5 to clause(i) of sub-section (1) of section 9, which derives, directly or indirectly, its value substantially from the share or shares of an Indian company, held by the amalgamating foreign company to the amalgamated foreign company, subject to conditions provided therein; (ii) any transfer in a demerger, of a capital asset, being a share of a foreign company, referred to in Explanation 5 to clause (i) of sub-section (1) of section 9, which derives, directly or indirectly, its value substantially from the share or shares of an Indian company, held by the demerged foreign company to the resulting foreign company, subject to conditions provided therein. It was further provided that capital gains shall not apply to any transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating scheme of a mutual fund, if the transfer is made in consideration of the allotment to him of any

		unit or units in the consolidated scheme of the mutual fund under the process of consolidation of the schemes of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992. Provided, the 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. • “consolidated scheme” means the scheme with which the consolidating scheme merges or which is formed as a result of such merger; • “consolidating scheme” means the scheme of a mutual fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992; • “equity oriented fund” shall have the meaning assigned to it in clause (38) of section 10; • “mutual fund” means a mutual fund specified under clause (23D) of section 10.’ These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent years.
13.	Amendment of section 49 relating to cost with reference to certain modes of acquisition	The existing provisions contained in sub-section (1) of the aforesaid section provide that where the capital asset became the property of the assessee under certain situations the cost of acquisition of the asset shall be deemed to be cost for which the previous owner of the property acquired it, as increased by the cost of any improvement of the assets incurred or borne by the previous owner or the assessee, as the case may be. Sub-clause (e) of clause (iii) of said sub-section (1) was amended so as to include the transfer referred to in clause (viab), (vib) & (vicc) of section 47. The said section was also amended so as to provide that where the capital asset, being share or shares of a company, is acquired by a non-resident assessee on redemption of Global Depository Receipts referred to in clause (b) of sub-section (1) of section 115AC held by such assessee, the cost of acquisition of the share or

		shares shall be the price of such share or shares prevailing on any recognised stock exchange on the date on which a request for such redemption was made The said section was also amended so as to provide that where the capital asset, being a unit or units in a consolidated scheme of a mutual fund, became the property of the assessee in consideration of a transfer referred to in clause (xviii) of section 47, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the unit or units in the consolidating scheme of the mutual fund. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent years
14.	Amendment of section 80C relating to deduction in respect of life insurance premia, deferred annuity, contributions to provident fund, etc	Sub-section (2) and sub-section (4) were amended so as to provide that a sum paid or deposited during the year as a subscription in the name of any girl child of the individual or in the name of any girl child for whom such individual is the legal guardian, would be eligible for deduction, if the scheme so specifies. These amendments are effective retrospectively from 1st April, 2015 and will, accordingly, apply in relation to assessment year 2015-16 and subsequent years
15.	Amendment of section 80CCC relating to deduction in respect of contribution to certain pension funds	Under the existing provisions contained in sub-section (1) of the aforesaid section, an assessee, being an individual is allowed a deduction up to one lakh rupees in the computation of his total income, of an amount paid or deposited by him to effect or keep in force a contract for any annuity plan of Life Insurance Corporation of India or any other insurer for receiving pension from a fund set up under a pension scheme. Sub-section (1) was amended so as to raise the limit of deduction from one lakh rupees to one hundred and fifty thousand rupees. This amendment is effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016-17 and subsequent years.
16.	Amendment of section 80CCD relating to deduction in respect of contribution to pension scheme of Central Government	The existing provisions contained in sub-section (1) of section 80CCD, inter alia, provides that in the case of an individual, employed by the Central Government on or after 1st January, 2004, or being an individual employed by any other employer or any other assessee being an individual who has in the previous year paid or deposited any amount in his account under a pension scheme

		notified or as may be notified by the Central Government, a deduction of such amount not exceeding ten per cent of his salary is allowed. Sub-section (1A) was omitted and a new subsection (1B) was inserted so as to provide that an assessee referred to in subsection (1), shall, be allowed an additional deduction in computation of his total income, of the whole of the amount paid or deposited in the previous year in his account under a pension scheme notified or as may be notified by the Central Government, which shall not exceed fifty thousand rupees. It was also provided that no deduction under this sub-section shall be allowed in respect of the amount on which deduction has been claimed and allowed under sub-section (1). Consequential amendments have been carried out subsection (3) and sub-section (4) of section 80CCD. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent assessment years.
17.	Amendment of section 80D relating to deduction in respect of health insurance premia	The existing provisions contained in the aforesaid section inter alia provide for deduction of up to fifteen thousand rupees to an assessee, being an individual or a Hindu undivided family in respect of health insurance premia, paid by any mode, other than cash, to effect or to keep in force an insurance on the health of the assessee or his family or any contribution made to the Central Government Health Scheme or any other notified scheme or any payment made on account of preventive health check-up of the assessee or his family. An additional deduction of fifteen thousand rupees is provided to an individual assessee to effect or to keep in force insurance on the health of the parent or parents of the assessee. The deduction is enhanced to twenty thousand rupees in both cases if the person insured is a senior citizen of age sixty years or above. It is also provided that the said section so as to raise the limit of deduction from fifteen thousand rupees to twenty-five thousand rupees. A 'very senior citizen' to mean an individual resident in India who is of the age of eighty years or more at any

		time during the relevant previous year. The limit of deduction in respect of senior citizens or very senior citizens was raised from twenty thousand rupees to thirty thousand rupees. It was also provided that any payment made on account of medical expenditure in respect of a very senior citizen, if no payment has been made to keep in force an insurance on the health of such person, as does not exceed thirty thousand rupees shall be allowed as deduction under section 80D. It was further provided that the aggregate of the deduction on account of health insurance premium and the medical expenditure in respect of the assessee or his family would not be more than thirty thousand rupees. Similarly, such aggregate deduction in respect of the parents shall not be more than thirty thousand rupees. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent years.
18.	Amendment of section 80DD relating to deduction in respect of maintenance including medical treatment of a dependant who is a person with disability	The existing provisions of section 80DD, inter alia, provide for a deduction to an individual or HUF, who is a resident in India, who has incurred only (a) expenditure for the medical treatment (including nursing), training and rehabilitation of a dependant, being a person with disability; or (b) any amount paid to LIC or any other insurer in respect of a scheme for the maintenance of a disabled dependant. The aforesaid section provides for a deduction of fifty thousand rupees if the dependant is suffering from disability and one lakh rupees if the dependant is suffering from severe disability. The limit of deduction was raised in respect of a dependant with disability from fifty thousand rupees to seventy-five thousand rupees. The limit of deduction in respect of a dependant with severe disability was also raised from one lakh rupees to one hundred and twenty-five thousand rupees. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent assessment years.

19.	Amendment of section 80DDB relating to deduction in respect of medical treatment, etc.	The existing provisions contained in section 80DDB provide for a deduction to an assessee, being an individual or Hindu undivided family of an amount actually paid, for expenditure incurred for the medical treatment of the individual himself or a dependent or any member of a Hindu undivided family in respect of disease or ailment as specified in the rules. The deduction is limited to forty thousand rupees. The deduction in respect of a senior citizen is allowable up to sixty thousand rupees. The deduction is allowed only if the assessee furnishes with the return of income, a certificate in the prescribed form, from a neurologist, an oncologist, a urologist, a haematologist, an immunologist or such other specialist working in a Government hospital. The first proviso to section 80DDB was substituted so as to provide that no such deduction shall be allowed unless the assessee obtains, a copy of the prescription for such medical treatment from a neurologist, an oncologist, an urologist, a haematologist, an immunologist or such other specialist as may be prescribed. It was further provided that where the aforesaid amount actually paid is in respect of the assessee or his dependant or any member of a Hindu undivided family of the assessee, who is a very senior citizen, a deduction up to eighty thousand rupees would be allowed. The definition of the term “Government hospital” was also omitted from the Explanation to the aforesaid section. A new clause was also inserted in the Explanation of the aforesaid section so as to define the term ‘very senior citizen’ to mean an individual resident in India who is of the age of eighty years or more at any time during the relevant previous year. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent assessment years.
20.	Amendment of section 80G relating to deduction in respect of donations to certain funds, charitable institutions, etc.	Under the existing provisions of the aforesaid section, an assessee is allowed a deduction from his total income in respect of donations made by him to certain funds and charitable institutions.

		The deduction is allowed at the rate of hundred per cent of the amount of donations made to certain funds and institutions formed for a social purpose of national importance, like the Prime Ministers' National Relief Fund, National Foundation for Communal Harmony etc. Sub-section (1) and sub-section (2) of the said section was amended so as to provide for a deduction of hundred per cent • in respect of the sum donated by an assessee to the Swachh Bharat Kosh set up by the Central Government, other than the sum spent by such assessee in pursuance of Corporate Social Responsibility under sub-section (5) of section 135 of the Companies Act, 2013. • in respect of the sum donated by a resident assessee to the Clean Ganga Fund set up by the Central Government, other than the sum spent by such assessee in pursuance of Corporate Social Responsibility under sub-section (5) of section 135 of the Companies Act, 2013. • In respect of donations made to the National Fund for Control of Drug Abuse constituted under section 7A the Narcotics Drugs and Psychotropic Substances Act, 1985. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent years.
21.	Amendment of section 80JJAA relating to deduction in respect of employment of new workmen	The existing provisions contained in sub-section (1) of the aforesaid section, inter alia, provide for deduction to an Indian Company, deriving profits from manufacture of goods in a factory. The quantum of deduction allowed is equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in such factory, in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Clause (a) of sub-section (2), inter alia, provides that no deduction under sub-section (1) shall be available if the factory is hived off or transferred from another existing entity or acquired by the assessee company as a result of amalgamation with another company. The Explanation to the said section defines "additional wages" to mean the wages paid to the new regular

		workmen in excess of one hundred workmen employed during the previous year. Sub-section (1) of the said section was amended so as to provide that where the gross total income of any assessee includes any profits and gains derived from the manufacture of goods in a factory, the assessee shall be allowed a deduction equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in such factory, in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Clause (a) of sub-section (2) was amended so as to provide that no deduction under sub-section (1) shall be allowed, if the factory is acquired by the assessee by way of transfer from any other person or as a result of any business reorganisation. Clause (i) of the said Explanation was amended so as to provide “additional wages” to mean the wages paid to the new regular workmen in excess of fifty workmen employed during the previous year. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent years.
22.	Amendment of section 80U relating to deduction in case of a person with disability	The existing provisions of section 80U, inter alia, provide for a deduction to an individual, being a resident, who, at any time during the previous year, is certified by the medical authority to be a person with disability. The section provides for a deduction of fifty thousand rupees if the person is suffering from disability and one lakh rupees if the person is suffering from severe disability. The said section was amended so as to raise the limit of deduction for a person with disability from fifty thousand rupees to seventy-five thousand rupees. The said section was further amended so as to raise the limit of deduction for a person with severe disability from one lakh rupees to one hundred and twenty-five thousand rupees. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 17 and subsequent assessment years.

23.	Amendment of section 92BA relating to meaning of specified domestic transaction	The existing provisions of the said section define “specified domestic transaction” in case of an assessee to mean any of the specified transactions, not being an international transaction, where the aggregate of such transactions entered into by the assessee in the previous year exceeds a sum of five crore rupees. The said section was amended in order to provide that the aggregate of specified transactions entered into by the assessee in the previous year should exceed a sum of twenty crore rupees for such transaction to be treated as ‘specified domestic transaction’. The amendment will take effect from 1st April, 2016 and will, accordingly, apply in relation to assessment year 2016-17 and subsequent assessment years.
24.	Amendment of section 95 relating to applicability of General Anti Avoidance Rule	The said section provides that an arrangement entered into by an assessee may be declared to be an impermissible avoidance arrangement and the consequence in relation to tax arising therefrom may be determined subject to the provisions of Chapter X-A. Sub-section (2) was inserted so as to provide that the provisions of Chapter X-A shall apply in respect of any assessment year beginning on or after the 1st day of April, 2018. This amendment will take effect from 1st April, 2015
25.	Amendment of section 111A relating to tax on short-term capital gains in certain cases	The second proviso to sub-section (1) of the said section provides that the provisions of the aforesaid section shall not be applicable in respect of any income arising from transfer of units of a business trust which were acquired by the assessee in exchange of the shares of a special purpose vehicle. The said second proviso was inserted to provide that the provisions of the said section shall now be applicable in respect of any income arising from transfer of units of a business trust which were acquired by the assessee in exchange of the shares of a special purpose vehicle. This amendment is effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016-17 and subsequent assessment years
26.	Amendment of section 115A relating to tax on dividends, royalty and technical service fees in the case of foreign companies	The existing provisions of the aforesaid section provide for determination of tax in case of a non-resident taxpayer where the total income includes any income by way of Royalty and Fees for technical services received by such non-resident from Government or an Indian

		concern after the 31st March, 1976, and which is not effectively connected with permanent establishment, if any, of the non-resident in India. The rate of tax currently provided is twenty-five per cent and is applicable on the gross amount of such income. The said section was amended so as to provide that in case of a non-resident taxpayer, where the total income includes any income by way of Royalty and Fees for technical Services received under an agreement entered after the 31st March, 1976, and which are not effectively connected with permanent establishment, if any, of the non-resident in India, the rate of tax on the gross amount of such income shall be ten per cent. This amendment will take effect from 1st April, 2016 and will, accordingly, apply in relation to assessment year 2016-17 and subsequent assessment years
27.	Amendment of section 115ACA relating to tax on income from Global Depository Receipts purchased in foreign currency or capital gains arising from their transfer	Clause (a) of the Explanation to the aforesaid section defines the expression “Global Depository Receipts” for the purposes of the section to mean an instrument in the form of a depository receipt or certificate created by the Overseas Depository Bank outside India and issued to non-resident investors against the issue of ordinary shares or foreign currency convertible bonds of issuing company. The definition of “Global Depository Receipts” was amended to provide that it will mean an instrument in the form of a depository receipt or certificate created by the Overseas Depository Bank outside India and issued to investors against the issue of,— (i) Ordinary shares of issuing company, being a company listed on a recognised stock exchange in India; or (ii) Foreign currency convertible bonds of issuing company. This amendment is effective from 1st April, 2016 and will, accordingly, apply in relation to assessment year 2016-17 and subsequent assessment years.
28.	Amendment of section 115JB relating to special provision for payment of tax by certain companies.	Under the existing provisions contained in sub-section (1) of the aforesaid section, in case of a company, if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after the 1st

	April, 2012, is less than eighteen and one-half per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable by the assessee for the relevant previous year <u>shall be eighteen and one-half per cent of its book profit.</u> A new clause (fa) was inserted in Explanation 1 so as to provide that the book profit shall be increased by the amount or amounts of expenditure relatable to, income, being share of income of an assessee on which no tax is payable in accordance with the provisions of section 86. A new clause (iic) was inserted in Explanation 1 so as to provide that the amount of income, being the share of income of an assessee on which no income-tax is payable in accordance with the provisions of section 86, if any such amount is credited to the profit and loss account, shall be reduced from the book profit. A new clause (fb) was inserted in Explanation 1 so as to provide that the book profit shall be increased by the amount or amounts of expenditure relatable to income from transactions in securities, (other than short term capital gains arising on transactions on which securities transaction tax is not chargeable), accrued or arising to an assessee being a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992. A new clause (iid) in Explanation 1 so as to provide that the amount of income from transactions in securities, (other than short term capital gains arising on transactions on which securities transaction tax is not chargeable), accrued or arising to an assessee being a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, if any such amount is credited to the profit and loss account, shall be reduced from the book profit. It was also provided that the expression “Foreign Institutional Investor” shall have the meaning assigned to it in clause (a) of the Explanation to section 115AD and the expression “securities” shall have the meaning assigned to it in clause (h) of section
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		2 of the Securities Contracts (Regulations) Act, 1956. These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016- 2017 and subsequent assessment years.
29.	Amendment of section 115U relating to tax on income in certain cases.	Section 115U of the Act provides that income accruing or arising or received by a person out of investment made in venture capital company or venture capital fund shall be taxable in the same manner, on current year basis, as if the person had made direct investment in the venture capital undertaking. The section further exempts the distribution by Venture capital company and the Venture capital fund to its investors from dividend distribution tax and tax deduction at source requirement. The said section was amended so as to provide that the existing pass through scheme contained in the provisions of section 10 (23FB) and section 115U shall not apply to such investment fund to which the new regime provided in section 10(23FBA) and section 115UB applies. The amendments are effective from 1st April, 2016 and accordingly apply in relation to the assessment year 2016-17 and subsequent years.
30.	Amendment of section 115UA relating to tax on income of unit holder and business trust	The aforesaid section was amended so as to provide that the distributed income or any part thereof, received by a unit holder from the business trust, being a real estate investment trust, which is in the nature of income by way of renting or leasing or letting out any real estate asset owned directly by such business trust, shall be deemed to be income of such unit holder and shall be charged to tax. This amendment is effective from 1st April, 2016 and will, accordingly, apply in relation to the assessment year 2016-17 and subsequent assessment years.
31.	Insertion of new Chapter XII-FB consisting of a new section 115UB relating to tax on income of investment funds and income received from such funds.	Tax on income of investment fund and its unit holders. Sub-section (1) of the proposed new section seeks to provide that 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 investment made by the investment fund been made

		directly by him. Sub-section (2) of the proposed new section seeks to provide that where in any previous year, the net result of computation of total income of the investment fund [without giving effect to the provisions of clause (23FBA) of section 10] is a loss, such loss shall be allowed to be carried forward and it shall be set-off by the investment fund in accordance with the provisions of Chapter VI and such loss shall not be allowed to be passed through to the investors. Sub-section (3) of the proposed new section seeks to provide that the 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 unit holder as it had been received by, or had accrued or arisen to, the investment fund during the previous year subject to the provisions of sub-section (2). Sub-section (4) of the proposed new section seeks to provide that the total income of the investment fund shall be charged to tax– (i) at the rate or rates as specified in the Finance Act of the relevant year, where such fund is a company or a firm; or (ii) at maximum marginal rate in any other case. Sub-section (5) of the proposed new section seeks to provide that the provisions of Chapter XIID or Chapter XIIE shall not apply to the income paid by an investment fund under this Chapter. Sub-section (6) of the proposed new section seeks to provide that the income accruing or arising to, or received by, the investment fund, during a previous year, if not paid or credited to the investor, shall subject to the provisions of the proposed subsection (2), be deemed to have been credited to the account of the said person 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. Sub-section (7) of the proposed new section seeks to provide that the person responsible for crediting or making payment of income on behalf of an investment fund and the investment fund shall furnish within such time as may be prescribed, to the person who is liable to tax in respect of such income and to the prescribed income-tax authority, a statement in the prescribed form and verified in such manner, giving details of the nature of the income paid or credited during the previous year and such other relevant details as may be prescribed.
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		Explanation 1 to the proposed new section seeks to define certain terms such as “investment fund”, “trust” and “unit”. Further, Explanation 2 to the proposed new section clarifies that if any income has been included in total income on accrual basis in case of a person, the same shall not be included in total income when such income is actually received by the person. This amendment will take effect from 1st April, 2016 and accordingly apply in relation to the assessment year 2016-17 and subsequent years.
32.	Amendment of section 132B relating to application of seized or requisitioned assets	The existing provisions contained in the aforesaid section provides that the assets seized under section 132 or requisitioned under section 132A may be adjusted against the amount of existing liability under the Income-tax Act, the Wealth-tax Act, etc., and the amount of liability determined on completion of assessment. The said section was amended so as to provide that the asset seized under section 132 or requisitioned under section 132A may be adjusted against the amount of liability arising on an application made before the Settlement Commission under sub-section (1) of section 245C. This amendment will take effect from 1st June, 2015
33.	Amendment of section 139 relating to return of income. Section 139, inter alia, specifies certain persons which are required to file return of income.	The existing provisions contained in sub-section (4C) of the aforesaid section, inter alia, provide for filing return of income by certain entities where income is exempt under section 10 of the Act. The said sub-section (4C) was amended so as to provide that a university, hospital or other institution referred to in sub-clauses (iiiab) and (iiiac) of clause (23C) of section 10 shall be required to furnish a return of income if the total income of such university, hospital or other institution without giving effect to provisions of section 10, exceeds the maximum amount which is not chargeable to income-tax. It was also provided that every investment fund referred to in section 115UB, which is not required furnish return of income or loss under any other provisions of this section, shall furnish the return of its income in respect of its income or loss in every previous year and all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (1) of section 139.

		These amendments are effective from 1st April, 2016 and will, accordingly, apply in relation to assessment year 2016-17 and subsequent years.
34.	Substitution of new section for section 151 relating to sanction for issue of notice	The existing provisions contained in section 151 of the Act provide for sanction from certain authorities before issue of notice under section 148. The section specifies different sanctioning authorities for the cases where earlier assessment has been made under sub-section (3) of section 143 or section 147 and other cases (where no assessment has been so made). Requirement of sanction are also dependent on whether notice is proposed to be issued within or after four years from the end of relevant assessment year. The rank of the Assessing Officer proposing to issue such notice is also relevant to decide whose sanction is required. It is proposed to amend the said section so as to provide that no notice shall be issued under section 148 by an Assessing Officer, after the expiry of a period of four years from the end of the relevant assessment year, unless the Principal Chief Commissioner or Chief Commissioner or Principal Commissioner or Commissioner is satisfied, on the reasons recorded by the Assessing Officer, that it is a fit case for the issue of such notice. It is further provided that in any other case, no notice shall be issued under section 148 by an Assessing Officer, who is below the rank of Joint Commissioner, unless the Joint Commissioner is satisfied on the reasons recorded by such Assessing Officer that it is a fit case for the issue of such notice. This section is effective from 1st day of June, 2015
35.	Amendment of section 153C relating to assessment of income of any other person	The existing provisions contained in section 153C provide that in the course of an assessment proceeding, in the case of a person in whose case search action under section 132 or action under section 132A have been conducted, and whether the Assessing Officer is satisfied that the assets or books of account or documents seized belong to another person, then, the assets or books of account or documents seized shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed against such other person, if he is satisfied that the books of accounts or documents or assets seized have a bearing on determination on the total income of such other person.

		Sub-section (1) of the said section was amended so as to provide that where the Assessing Officer is satisfied that, (a) any money, bullion, jewellery or other valuable article or thing, seized or requisitioned, belongs to; or (b) any books of account or documents, seized or requisitioned, pertains or pertain to, or any information contained therein, relates to, a person other than the person referred to in section 153A, then, the books of account or documents or assets, seized or requisitioned, shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed against each such other person and issue notice and assess or reassess the income of the other person in accordance with the provisions of section 153A, if that Assessing Officer is satisfied that the books of account or documents or assets, seized or requisitioned, have a bearing on the determination of the total income of such other person for the relevant assessment year or years referred to in sub-section (1) of section 153A. This amendment is effective from 1st June, 2015.
36.	Amendment of section 154 relating to rectification of mistake.	A new clause (d) was inserted in sub-section (1) of the aforesaid section so as to provide that an income-tax authority may amend an intimation issued under sub-section (1) of section 206CB. Further sub-section (2) of the aforesaid section was amended to insert the reference of “collector” in addition to assessee or deductor, so as to enable him to file an application under the said section. Sub-section (3) of the aforesaid section was also amended to insert the reference of “collector” in addition to assessee or deductor, so as to provide a reasonable opportunity of being heard to collector in accordance with the provision of said subsection. Sub-section (5) of the aforesaid section was also amended to insert the reference of “collector” in addition to assessee or deductor, so as to enable issue of refund to the collector in accordance with the provisions of said sub-section. Sub-section (6) of the aforesaid section was also amended to insert the reference of “collector” in addition to assessee or deductor, so as to enable service of notice of demand on the collector in accordance with the provisions of said sub-section.

		Sub-section (8) of the aforesaid section was also to insert the reference of “collector” in addition to assessee or deductor so as to provide that where an application for amendment under the aforesaid section is filed by the collector, the income-tax authority shall pass an order within the time specified therein. This amendment is effective from 1st June, 2015
37.	Amendment of section 156 relating to notice of demand	The existing provisions contained in the proviso to the aforesaid section provide that where any sum is determined to be payable by the assessee or by the deductor under sub-section (1) of section 143 or sub-section (1) of section 200A, the intimation under those sub-sections shall be deemed to be a notice of demand for the purposes of this section. The aforesaid proviso to section 156 was amended so as to provide that where any sum is determined to be payable by the assessee or the deductor or the collector under sub-section (1) of section 143 or sub-section (1) of section 200A or sub-section (1) of section 206CB, the intimation under those sub-sections shall be deemed to be a notice of demand for the purposes of this section. This section is effective from 1st June, 2015
38.	Insertion of new section 158AA Procedure when in an appeal by revenue an identical question of law is pending before Supreme Court	Sub-section (1) seeks to provide that where the Commissioner or Principal Commissioner is of the opinion that any question of law arising in the case of an assessee for any assessment year is identical with a question of law arising in his case for another assessment year which is pending before the Supreme Court in an appeal under section 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, he may, instead of directing the Assessing Officer to file appeal to the Appellate Tribunal, direct the Assessing Officer to make an application to the Appellate Tribunal in the prescribed form within sixty days from the date of receipt of order of the Commissioner (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. Sub-section (2), inter alia, seeks to provide that the Commissioner or Principal Commissioner shall direct the Assessing Officer to make an application under subsection(1) only if an acceptance is received from

		the assessee to the effect that the question of law in the other case is identical to that arising in the relevant case; and in case no such acceptance is received, the Commissioner or Principal Commissioner shall proceed in accordance with the provisions contained in subsection(2) or sub section(2A) of section 253. Sub-section (3) seeks to provide that where the order of the Commissioner (Appeals) referred to in sub-section (1) is not in conformity with the final decision on the question of law in the other case, the Commissioner or Principal Commissioner may direct the Assessing Officer to appeal to the Appellate Tribunal against such order and, save as otherwise provided in this section, all other provisions of Part B of chapter XX shall apply accordingly. Sub-section (4) seeks to provide that every appeal under sub-section (3) shall be filed within sixty days of the date on which the order of the Supreme Court in the other case is communicated to the Commissioner or Principal Commissioner. This section is effective from 1st June, 2015.
39.	Amendment of section 192 relating to TDS on Salaries	Under the existing provisions contained in sub-section (1) of the aforesaid section, any person responsible for paying any income chargeable under the head “Salaries” shall, at the time of payment, deduct income-tax on the amount payable at the average rate of income-tax computed on the basis of the rates in force for the financial year in which the payment is made on the estimated income of the assessee under the head “Salaries” for that financial year. Sub-section (2D) was inserted in the said section to provide that the person responsible for making the payment referred to in sub-section (1) of the said section shall, for the purposes of estimating income of the assessee or computing tax deductible under sub-section (1), obtain from the assessee the evidence or proof or particulars of prescribed claims (including claim for set-off of loss) under the provisions of the Act in such form and manner as may be prescribed. This amendment is effective from 1st June, 2015
40.	Insertion of new section 192A	Payment of accumulated balance due to an employee It provides that notwithstanding anything contained in any other provisions of this Act, the trustees of the Employees’ Provident Fund Scheme, 1952 framed

		under section 5 of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, or any person authorised under the scheme to make payment of accumulated balance due to employees, shall, in a case where the accumulated balance due to an employee participating in a recognised provident fund is includible in his total income owing to the provisions of rule 8 of Part A of the Fourth Schedule not being applicable, at the time of payment of accumulated balance due to the employee, deduct <u>income-tax thereon at the rate of ten per cent.</u> It further provides that no deduction under the aforesaid section shall be made where the amount of such payment or, as the case may be, the aggregate amount of such payment to the payee is less than thirty thousand rupees. It is further proposed to provide that any person entitled to receive any amount on which tax is deductible under this section shall furnish his Permanent Account Number to the person responsible for deducting such tax, failing which tax shall be deducted at the maximum marginal rate. This amendment is effective from 1st June, 2015
41.	Amendment of section 194A relating to interest other than interest on securities	Under the existing provisions contained in the proviso to clause (i) of sub-section (3) of the aforesaid section, income credited or paid in respect of time deposits with a banking company or cooperative society or deposits with a public company, as the case may be, shall be computed with reference to the branch of the banking company or co-operative society or public company, as the case may be. <u>One more proviso was inserted</u> after the existing proviso to the said clause (i) of sub-section (3) so as to provide that the amount referred to in the first proviso shall be computed with reference to the income credited or paid by the banking company or the co-operative society or the public company, as the case may be, where such banking company or the co-operative society or the public company has adopted core banking solutions. The existing provisions of clause (v) of sub-section (3) of the aforesaid section provide that the provisions of sub-section (1) of the aforesaid section shall not apply to income credited or paid by a co-operative society to a member thereof or to any other cooperative society.

		<u>The said sub-clause was amended</u> so as to provide that the provisions of sub-section (1) of section 194A shall not apply to income credited or paid by a co-operative society (<u>other than a co-operative bank</u>) to a member thereof or to such income credited or paid by a co-operative society to any other co-operative society. <u>One explanation was inserted</u> below clause (v) of sub-section (3) of aforesaid section 194A to define the expression “co-operative bank”. The existing provisions of clause (ix) of sub-section (3) of section 194A provides that the provisions of sub-section (1) of section 194A shall not apply to income credited or paid by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal where the amount of such income or, as the case may be, the aggregate of the amounts of such income paid during the financial year does not exceed fifty thousand rupees. The aforesaid clause was substituted so as to provide that the provisions of sub-section (1) of section 194A shall not apply to income credited by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal. A new clause was also inserted (clause (ixa)) in sub-section (3) of section 194A to provide that the provisions of sub-section (1) of section 194A shall not apply to income paid by way of interest on the compensation amount awarded by the Motor Accidents Claims Tribunal where the amount of such income or, as the case may be, the aggregate of the amounts of such income paid during the financial year does not exceed fifty thousand rupees. Explanation 1 to sub-section (3) of the aforesaid section defines the expression ‘time deposits’ for the purposes of clauses (i), (vii) and (viia) of the said sub-section (3) as deposits (<u>excluding</u> recurring deposits) repayable on the expiry of fixed periods. The said definition was also amended of ‘time deposits’ so as to provide that for the purposes of said clauses the expression ‘time deposits’ <u>shall not exclude but include recurring deposits.</u> These amendments is effective from 1st June, 2015
42.	Amendment of section 194C relating to payments to contractors	Under the existing provisions contained in sub-section (6) of the aforesaid section, no deduction shall be made from

		any sum credited or paid or likely to be credited or paid during the previous year to the account of a contractor during the course of business of plying, hiring or leasing goods carriages, on furnishing of his Permanent Account Number, to the person paying or crediting such sum. Sub-section (6) of the said section was amended so as to provide that no deduction shall be made from any sum credited or paid or likely to be credited or paid during the previous year to the account of a contractor during the course of business of plying, hiring or leasing goods carriages, where such contractor owns ten or less than ten goods carriages at any time during the previous year and furnishes a declaration to that effect along with his Permanent Account Number, to the person paying or crediting such sum. This amendment is effective from 1st June, 2015
43.	Amendment of section 194-I	The aforesaid section provides for deduction of tax at source on payment of any income by way of rent to a resident. A proviso was inserted to provide that no deduction shall be made under the section where the income by way of rent is credited or paid to a business trust, being a real estate investment trust, in respect of any real estate asset, referred to in clause (23FCA) of section 10, owned directly by such business trust. This amendment is effective from 1st June, 2015.
44.	Amendment of section 194LBA	Sub-section (1) of the aforesaid section was amended to provide that where any distributed income referred to in section 115UA, being of the nature referred to in clause (23FCA) of section 10, is payable by a business trust to its unit holder being a resident, the person responsible for making the payment shall at the time of credit of such payment to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, <u>deduct income-tax thereon at the rates of ten per cent.</u> It was further amended to provide that where any distributed income referred to in section 115UA, being of the nature referred to in clause (23FCA) of section 10, is payable by a business trust to its unit holder, being a non-resident (not being a company), or a foreign company, the person responsible for making the payment shall at the time of credit of such

		payment to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, <u>deduct income-tax thereon at the rates in force.</u> This amendment is effective from 1st June, 2015.
45.	Insertion of new section 194LBB	Income in respect of units of investment fund <i>The new section seeks to provide that where any income other than that proportion of income which is of the same nature as income referred to in clause (23FBB) of section 10, is payable to a unit holder in respect of units of an investment fund specified in clause (a) of the Explanation 1 to section 115UB, the person responsible for making the payment shall, at the time of credit of such income to the account of payee, 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, deduct income-tax thereon at the rate of ten per cent.</i> This section is effective from 1st June, 2015
46.	Amendment of section 195	The existing provisions contained in sub-section (6) of the aforesaid section provide that the person referred to in sub-section (1) shall furnish the information relating to payment of any sum in such form and manner as may be prescribed by the Board. sub-section (6) of the aforesaid section was substituted so as to provide that 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 this Act, shall furnish the information relating to payment of such sum, in such form and manner, as may be prescribed. This amendment is effective from 1st June, 2015.
47.	Amendment of section 197A	The existing provisions contained in sub-sections (1A) and (1C) of the aforesaid section provide that no deduction of tax shall be made under the sections referred to in the said sub-sections in the case of a person specified therein, if such person furnishes to the persons responsible for paying any income of the nature referred to in specified sections, a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income is to be included in computing his total income will be nil. Sub-section (1A) and sub-section (1C) of the said

		section was amended so as to give the reference of section 192A and section 194DA also in the said sub-sections. This amendment is effective from 1st June, 2015.
48.	Amendment of section 194LD	Under the existing provisions contained in sub-section (2) of the aforesaid section, the interest income eligible for lower withholding tax rate of five per cent as provided in sub-section (1) has been specified to be the interest payable on or after the 1st day of June, 2013 but before the 1st day of June, 2015. Sub-section (2) was amended to provide that the concessional rate of five per cent. Withholding tax on interest payment in respect of investments in Government securities and rupee denominated corporate bonds shall now be available on interest payable before the 1st day of July, 2017. This amendment is effective from 1st June, 2015
49.	Amendment of section 200	The existing provisions contained in sub-section (1) of the aforesaid section provide that any person deducting any sum in accordance with the provisions of Chapter XVII shall pay within the prescribed time the sum so deducted to the credit of the Central Government or as the Board directs. The existing provisions contained in sub-section (2) of the said section provide that the employer referred to in sub-section (1A) of section 192 shall pay within the prescribed time, the tax to the credit of the Central Government or as the Board directs. Sub-section (2A) was inserted in the said section to provide that in case of an office of the Government, where the sum deducted in accordance with the foregoing provisions of this Chapter or tax referred to in sub-section (1A) of section 192 has been paid to the credit of the Central Government without the production of a challan, the Pay and Accounts Officer or the Treasury Officer or the 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 Government, shall deliver or cause to be delivered to the prescribed income-tax authority, or to the person authorised by such authority, a statement in such form, verified in such manner, setting forth such particulars and within such time as may be prescribed.

		This amendment is effective from 1st June, 2015
50.	Amendment of section 200A relating to processing of statements of tax deducted at source	The existing provisions contained in sub-section (1) of the aforesaid section provide that statement of tax deduction at source or a correction statement made under section 200 shall be processed in the manner specified therein. sub-section (1) was amended to provide that statement of tax deduction at source or correction statement made under section 200 shall be processed and sum deductible under Chapter XVII shall be computed after also taking into account the fee, if any, payable in accordance with the provisions of section 234E. The sum payable or refundable shall be determined after adjusting the aforesaid computed sum against any amount paid under section 200 or section 201 or section 234E and any amount paid otherwise by way of tax or interest or fee. This amendment is effective from 1st June, 2015.
51.	Amendment of section 203A relating to tax deduction and collection account number.	Under the existing provisions contained in sub-section (1) of the aforesaid section, every person deducting or collecting tax in accordance with Chapter XVII, who has not been allotted a “tax deduction account number” or, as the case may be, a “tax collection account number”, is required to apply for “tax deduction and collection account number”. Sub-section (2) of the said section provides that a person, to whom “tax deduction account number” or, as the case may be, “tax collection account number” or “tax deduction and collection account number” is allotted, is required to quote such number in the challans, certificates, statements, returns or documents as specified in clauses (a) to (d) of the said sub-section. Sub-section (3) was inserted in the said section so as to provide that the provisions of the said section shall not apply to a person notified by the Central Government in this behalf. This amendment is effective from 1st June, 2015.
52.	Amendment of section 206C relating to profit and gains from the business of trading in alcoholic liquor, forest produce, scrap, etc.	The existing provisions contained in sub-section (3) of the aforesaid section provide that any person collecting any amount under sub-section (1) or sub-section (1C) or sub-section (1D) shall pay within the prescribed time, the amount so collected to the credit of the Central Government or as the Board directs. Sub-section (3A) was inserted in the said section to

		provide that in case of an office of the Government, where the amount collected under sub-section (1) or sub-section (1C) or sub-section (1D) has been paid to the credit of the Central Government without the production of a challan by the Pay and Accounts Officer or the Treasury Officer or the Cheque Drawing and Disbursing Officer or any other person, by whatever name called, who is responsible for crediting such tax to the credit of the Central Government, shall deliver or cause to be delivered to the prescribed income-tax authority, or to the person authorised by such authority, a statement in such form, verified in such manner, setting forth such particulars and within such time as may be prescribed. The existing provisions contained in the proviso to sub-section (3) of the said section provide that any person collecting tax on or after 1st April, 2005 in accordance with the provisions of the said section shall, after paying the tax collected to the credit of the Central Government within the prescribed time, prepare such statements for such period as may be prescribed and deliver or cause to be delivered to the prescribed authority, or to the person authorised by such authority, such statement in such form and verified in such manner and setting forth such particulars and within such time as may be prescribed. Sub-section (3B) was inserted in the said section so as to provide that the person referred to in proviso to sub-section (3) may also deliver to the prescribed authority under the said proviso, a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under the said proviso in such form and verified in such manner, as may be specified by the authority. This amendment is effective from 1st June, 2015
53.	Insertion of new section 206CB relating to processing of statements of tax collected at source	The existing provisions contained in the Income-tax Act provide the method of processing of statements of tax deducted at source. Since there is no procedure specified with respect to the processing of tax collected at source A new section 206CB was inserted relating to processing of statements of tax collected at source and the said section provide that statement of tax collection at source or a correction statement made under section 206C shall be processed in the manner

		specified therein. This amendment is effective from 1st June, 2015
54.	Amendment of section 220	Sub-section (2C) was inserted in the aforesaid section so as to provide that notwithstanding anything contained in subsection (2) of section 220, where interest is charged under subsection (7) of section 206C on the amount of tax specified in the intimation issued under sub-section (1) of section 206CB for any period, then, no interest shall be charged under the said subsection (2) on the same amount for the same period. This amendment is effective from 1st June, 2015
55.	Amendment of section 234B relating to interest for defaults in payment of advance tax	A new sub-section (2A) was inserted in the aforesaid section so as to provide that,— (a) Where an assessee has made an application under subsection (1) of section 245C for any assessment year, he shall be liable to pay simple interest at the rate of one per cent. for every month or part of a month comprised in the period commencing on the 1st day of April of such assessment year and ending on the date of making such application, on the additional amount of income-tax referred to in that sub-section; (b) Where as a result of an order of the Settlement Commission under sub-section (4) of section 245D for any assessment year, the amount of total income disclosed in the application under sub-section (1) of section 245C is increased, the assessee shall be liable to pay simple interest at the rate of one per cent. for every month or part of a month comprised in the period commencing on the 1st day of April of such assessment year and ending on the date of such order, on the amount by which the tax on the total income determined on the basis of such order exceeds the tax on the total income disclosed in the application filed under sub-section (1) of section 245C. The existing provisions contained in sub-section (3) of the said section provides that where the total income is increased on reassessment under section 147 or section 153A, the assessee shall be liable for interest at the rate of one per cent. on the amount of the increase in total income for the period commencing from the date of determination of total income under sub-section (1) of section 143 or on regular assessment and ending on the date of reassessment under section 147 or section 153A.

		Sub-section (3) of the said section was amended so as to provide that the period for which the interest is to be computed will begin from the 1st day of April next following the financial year and end on the date of determination of total income under section 147 or section 153A. This amendment is effective from 1st day of June, 2015.
56.	Amendment of section 245A relating to definitions in respect of settlement of cases.	The existing provision contained in clause (b) of the aforesaid section defines a case for the purpose of Chapter XIX-A as any proceeding for assessment under this Act, of any person in respect of any assessment year or assessment years which may be pending before an Assessing Officer on the date on which an application under sub-section (1) of section 245C is made. The Explanation to the said clause provides for deemed commencement of proceedings under different situations. clause (i) of the Explanation to clause (b) was amended to provide that a proceeding for assessment or reassessment or recomputation under section 147 shall be deemed to have commenced— (a) from the date on which a notice under section 148 is issued for any assessment year; (b) from the date of issuance of such notice referred to in sub-clause (a), for any other assessment year or assessment years for which a notice under section 148 has not been issued but such notice could have been issued on such date, if the return of income for the other assessment year or assessment years has been furnished under section 139 or in response to a notice under section 142. The existing provisions contained in clause (iv) of the Explanation to clause (b) of section 245A provide that a proceeding for assessment for any assessment year, other than the proceedings of assessment or reassessment referred to in clause (i) or clause (iii) or clause (iiia) of the Explanation, shall be deemed to have commenced from the 1st day of the assessment year and concluded on the date on which the assessment is made. clause (iv) of the said Explanation was amended to provide that the proceeding for assessment shall be deemed to have commenced from the date on which a return of income for that assessment year is furnished under section 139 or in response to notice under

		section 142 and concluded on the date on which the assessment is made, or on the expiry of two years from the end of relevant assessment year in case where no assessment is made. This amendment is effective from 1st June, 2015
57.	Amendment of section 245D	The existing provision contained in sub-section (6B) of section 245D of the Income-tax Act provides that the Settlement Commission may, at any time within a period of six months from the date of the order, with a view to rectifying any mistake apparent from the record, amend any order passed by it under sub-section (4). Sub-section (6B) was amended to provide that the Settlement Commission may, with a view to rectify any mistake apparent from the record, amend any order passed by it under sub-section (4)— (a) at any time within a period of six months from the end of month in which the order was passed; (b) on an application made by the Principal Commissioner or Commissioner before the end of the period of six months from the end of the month in which such application was made. This amendment is effective from 1st June, 2015.
58.	Amendment of section 245H relating to power of Settlement Commission to grant immunity from prosecution and penalty	The existing provision contained in sub-section (1) of section 245H of the Income-tax Act provides that the Settlement Commission may, if it is satisfied that any person who made the application for settlement under section 245C has co-operated with the Settlement Commission in the proceedings before it and has made a full and true disclosure of his income and the manner in which such income has been derived, grant to such person, immunity from prosecution. The said sub-section was amended to provide that the Settlement Commission may, if it is satisfied that any person who made the application for settlement under section 245C has co-operated with the Settlement Commission in the proceedings before it and has made a full and true disclosure of his income and the manner in which such income has been derived, grant to such person, for the reasons to be recorded in writing, immunity from prosecution. This amendment is effective from 1st June, 2015.
59.	Amendment of section 245HA relating to abatement of proceeding	The existing provision contained in sub-section (1) of section 245HA of the Income-tax Act provides for

	before Settlement Commission.	abatement of proceedings in different situations. Sub-section (1) of section 245HA was amended to provide that where in respect of any application made under section 245C, an order under sub-section (4) of section 245D has been passed not providing for the terms of settlement then, the proceedings before the Settlement Commission shall abate on the day on which the order under sub-section (4) of section 245D was passed not providing for the terms of settlement. This amendment is effective from 1st June, 2015.
60.	Amendment of section 245K relating to bar on subsequent application for settlement.	The existing provisions contained in the aforesaid section provides that where an application of a person has been allowed to be proceeded with under sub-section (1) of section 245D, then, such person shall not be subsequently entitled to make an application before the Settlement Commission. It further provides that in certain situations the person shall not be entitled to apply for settlement before the Settlement Commission. Section 245K of the Income-tax Act was amended to provide that any person related to the person who is barred on subsequent application for settlement also cannot make any application subsequently before the Settlement Commission. The expression “related person” with respect to a person has also been clarified to mean, — (i) Where such person is an individual, any company in which such person holds more than fifty per cent. of the shares or voting power at any time, or any firm or association of person or body of individual in which such person is entitled to more than fifty per cent of the profits at any time, or any Hindu undivided family in which such person is a karta; (ii) Where such person is a company, any individual who held more than fifty per cent. of the shares or voting power in such company at any time before the date of application before the Settlement Commission by such person; (iii) Where such person is a firm or association of person or body of individual, any individual who was entitled to more than fifty per cent. of the profits in such firm, association of persons or body of individuals, at any time before the date of application

		before the Settlement Commission by such person; (iv) Where such person is an undivided Hindu family, the karta of that Hindu undivided family. This amendment is effective from 1st June, 2015
61.	Amendment of section 246A relating to appealable order before Commissioner (Appeals) In section 246A of the Income-tax Act, in sub-section (1), with effect from the 1st day of June, 2015,— (a) In the opening portion, after the words “or any deductor”, the words “or any collector” shall be inserted; (b) In clause (a), for the words, brackets, figures and letter “sub-section (1) of section 200A, where the assessee or the deductor”, the words, brackets, figures and letters “sub-section (1) of section 200A or sub-section (1) of section 206CB, where the assessee or the deductor or the collector” shall be substituted.	The existing provisions of aforesaid section, inter alia, provide for appeal to be preferred by any assessee or deductor to the Commissioner (Appeals) as against the orders passed under various provisions of the Income-tax Act as specified in sub-section (1) thereof. The reference of “any collector” was included in addition to any assessee or any deductor, in subsection (1) of the said sub-section so as to enable such collector also to prefer an appeal under the said section. Clause (a) of sub-section (1) was also amended so as to provide that the collector may prefer an appeal to the Commissioner (Appeals) against an intimation issued under sub-section (1) of section 206CB. This amendment is effective from 1st June, 2015
62.	Amendment of section 253 relating to appeals to the Appellate Tribunal <i>In section 253 of the Income-tax Act, in sub-section (1), after clause (e), the following clause shall be inserted with effect from the 1st day of June, 2015, namely:—</i> <i>“(f) an order passed by the prescribed authority under sub-clause (vi) or sub-clause (via) of clause (23C) of section 10.”</i>	The existing provision contained in sub-section (1) of section 253 specifies the orders appealable before the Income-Tax Appellate Tribunal. Sub-section (1) was amended by inserting a new clause (f) so as to provide that an assessee aggrieved by the order passed by the prescribed authority under sub-clause (vi) or sub-clause (via) of clause (23C) of section 10 may prefer an appeal to the Appellate Tribunal. This amendment is effective from 1st June, 2015
63.	Amendment of section 255 relating to the procedure of Appellate Tribunal <i>In section 255 of the Income-tax Act, in sub-section (3), with effect from the 1st day of June, 2015, for the words “five hundred thousand rupees”, the words “fifteen lakh rupees” shall be substituted</i>	The existing provision contained in sub-section (3) of section 255 of the Income-tax Act provides for constitution of a single member Bench and a Special Bench. It provides that the single member Bench may dispose of any case which pertains to an assessee whose total income as computed by the Assessing Officer does not exceed five hundred thousand rupees. Sub-section (3) was amended so as to provide that a single member Bench may dispose of a case where the total income as computed by the Assessing Officer does not exceed fifteen lakh rupees. This amendment will take effect from 1st June, 2015.

64.	Amendment of section 263 relating to revision of orders prejudicial to revenue.	The existing provisions contained in sub-section (1) of section 263 provide that if the Principal Commissioner or Commissioner considers that any order passed by the assessing officer is erroneous in so far as it is prejudicial to the interest of revenue, he may, after giving the assessee an opportunity of being heard and after making or causing to be made an enquiry, as he deems necessary, pass an order modifying the assessment made by the assessing officer or cancelling the assessment and directing fresh assessment. sub-section (1) was amended to insert an Explanation so as to provide that <i>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 Principal Commissioner or Commissioner,—</i> (a) <i>The order is passed without making inquiries or verification which, should have been made;</i> (b) <i>The order is passed allowing any relief without inquiring into the claim;</i> (c) <i>The order has not been made in accordance with any order, direction or instruction issued by the Board under section 119; or</i> (d) <i>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.</i> This amendment is effective from 1st June, 2015.
65.	Substitution of new section for section 269SS with effect from the 1st day of June, 2015	To provide that no person shall accept from any person any loan or deposit or any sum of money, whether as advance or otherwise, in relation to transfer of an immovable property otherwise than by an account payee cheque or account payee bank draft or by electronic clearing system through a bank account, if the amount of such loan or deposit or such specified sum is twenty thousand rupees or more.
66.	Amendment of section 269T with effect from the 1st day of June, 2015	To provide that no person shall repay any loan or deposit made with it or any specified advance received by it, otherwise than by an account payee cheque or account payee bank draft or by electronic clearing system through a bank account, if the amount or aggregate amount of loans or deposits or specified advances is twenty thousand rupees or more.

		The specified advance shall mean any sum of money in the nature of an advance, by whatever name called, in relation to transfer of an immovable property whether or not the transfer takes place.
67.	Amendment of section 271 in relation to failure to furnish returns, comply with notices, concealment of income, etc	The existing provisions contained in clause (iii) of sub-section (1) of the aforesaid section provide that if a person has concealed the particulars of his income or furnished inaccurate particulars of such income such person shall pay by way of penalty a sum of one hundred per cent to three hundred per cent of tax sought to be evaded. Explanation 4 to aforesaid sub-section provides for the meaning of the expression amount of tax sought to be evaded. It was provided that the amount of tax sought to be evaded shall be determined in accordance with the following formula– $(A - B) + (C - D)$ where A = amount of tax on the total income assessed as per the provisions other than the provisions contained in section 115JB or section 115JC (hereinafter called general provisions); B = amount of 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 = amount of tax on the total income assessed as per the provisions contained in section 115JB or section 115JC; D = amount of tax that would have been chargeable had the total income assessed as per the provisions contained in section 115JB or section 115JC been reduced by the amount of income in respect of which particulars have been concealed or inaccurate particulars have been furnished; Provided that where 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 general provisions and under the provisions contained in section 115JB or section 115JC, such amount shall not be reduced from

		total income assessed while determining the amount under item D: Provided further that where the provisions contained in section 115JB or section 115JC are not applicable, the item (C - D) in the formula shall be ignored. It was also provided that where in any case 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, the amount of tax sought to be evaded shall be determined in accordance with the formula contained in clause (a) with the modification that the amount to be determined for item (A - B) in that formula 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. It was also provided that where in any 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, tax deducted at source, tax collected at source and self-assessment tax paid before the issue of notice under section 148. This amendment is effective from 1st April, 2016
68.	Amendment of section 271D	To provide penalty for failure to comply with the amended provisions of section 269SS
69.	Amendment of section 271E	To provide penalty for failure to comply with the amended provisions of 269T
70.	Insertion of new section 271FAB	Penalty for failure to furnish statement or information or document by an eligible investment fund. <i>if any eligible investment fund which is required to furnish a statement or any information and document under sub-section (5) of section 9A fails to furnish such statement or information and the document within the time prescribed under that sub-section, the income-tax authority prescribed under the said sub-section may direct that such fund shall pay, by way of penalty, a sum equal to five hundred thousand rupees.</i> This Section is effective from 1st April, 2016
71.	Insertion of new section 271GA	Penalty for failure to furnish information or document under section 285A

		<i>If any Indian concern which is required to furnish any information or document under the proposed section 285A, fails to do so, the Income-tax authority as may be prescribed in the said section 285A, may direct that such Indian concern shall pay, by way of penalty, – (i) a sum equal to two per cent. 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; (ii) a sum of five hundred thousand rupees in any other case.</i> This Section is effective from 1st April, 2016
72.	Insertion of new section 271-I	Penalty for failure to furnish information or furnishing inaccurate information under sec 95 <i>If a person, who is required to furnish information under subsection (6) of section 195, fails to furnish such information; or furnishes inaccurate information; the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of one lakh rupees.</i> This Section is effective from 1st June, 2015
73.	Amendment of section 272A	This section relates to penalty for failure to answer questions, sign statements, furnish information, returns or statements, allow inspections, etc. A new clause (m) in sub-section (2) was inserted to provide that if any person fails to deliver or cause to be delivered a statement within the time as may be prescribed <u>under sub-section (2A) of section 200 or sub-section (3A) of section 206C</u>, then, such person shall pay, by way of penalty, a sum of one hundred rupees for every day of such default. First proviso to sub-section (2) was also amended to provide that the amount of penalty for failure to file statements under sub-section (2A) of section 200 or under sub-section (3A) of section 206C shall <u>not exceed the amount of tax deductible or tax collectible</u>, as the case may be. This amendment is effective from 1st June, 2015
74.	Amendment of section 273B	The section provides for non-levy of penalty under various sections of the Income-tax Act enumerated in the said section, if the assessee is able to show existence of reasonable cause for the failure for which penalty is leviable. The aforesaid section was amended so as to include the

		proposed new section 271FAB relating to penalty for failure to furnish statement or information or document by an eligible investment fund. It was further amended to include the reference of the proposed new section 271 GA relating to penalty for failure to furnish information or document under section 285A. This amendment is effective from 1st April, 2016 It was also amended to include the reference of new section 271-I. This amendment is effective from 1st June, 2015
75.	Insertion of new section 285A w.e.f 1-4-2015	Furnishing of information or documents by an Indian concern in certain cases. <i>Where any share or interest in a company or entity registered or incorporated outside India derives, directly or indirectly, its value substantially from the assets located in India as referred to in the Explanation 5 to clause (i) of sub-section (1) of section 9, and such company or, as the case may be, entity holds such assets in India through or in an Indian concern, then, any such Indian concern shall, for the purposes of determination of income accruing or arising in India, under the clause (i) of sub-section (1) of section 9, <u>furnish within the prescribed period to the prescribed income-tax authority the relevant information or document, in such manner and form as is prescribed in this behalf.</u></i>
76.	Amendment of section 288 relating to appearance by authorised representative	The existing Explanation below sub-section (2) of aforesaid section was substituted so as to provide that the expression <u>“accountant” means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under sub-section (1) of section 6 of that Act.</u> <i>It was further provided that the <u>accountant shall not include the following persons</u> (except for the purposes of representing an assessee under sub-section (1))—</i> <i>(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 the provisions of sub-section (3) of section 141 of the Companies Act, 2013; or</i> <i>(b) in any other case,</i> <i>(i) the assessee himself or in case of the assessee, being a firm or association of persons or Hindu undivided family, any partner of the firm, or member of the association or</i>

	the family; (ii) in case of the assessee, being a trust or institution, any persons referred to in clauses (a),(b), (c) and (cc) of sub-section (3) of section 13; (iii) in case of a person other than persons referred to in sub-clause (i) and (ii), the person who is competent to verify the return under section 139 in accordance with the provisions of the section 140; (iv) any relative of any of the persons referred to in sub-clauses (i),(ii) 93 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. It is also provided that the relative may hold security or interest in the assessee of the face value not exceeding one hundred thousand rupees; an individual who, or his relative or partner is indebted to the assessee. It is also provided that the relative may be indebted to the assessee for an amount not exceeding one hundred thousand rupees; an individual who, or his relative or partner has given a guarantee or provided any security in connection with the indebtedness of any third person to the assessee. It is also provided that the relative may give guarantee or provide any security in connection with the indebtedness of any third person to the assessee for an amount not exceeding one hundred thousand rupees; (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 ten years has not elapsed from the date of such conviction. It was also provided that a person who has been convicted by a court of an offence involving fraud shall not be qualified to represent an assessee under sub-section (1) of the said section for a period of ten years from the date of conviction. One explanation at the end of the said section was also
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		inserted so as to provide that the expression “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. This amendment is effective from 1st June, 2015
77.	Amendment of section 295 after clause (h), the following clause shall be inserted with effect from the 1st day of June, 2015, namely:— “(ha) the procedure for granting of relief or deduction, as the case may be, of any income-tax paid in any country or specified territory outside India, under section 90 or section 90A or section 91, against the income-tax payable under this Act;”.	The existing provisions contained in sub-section (1) of the aforesaid section provide that the Board may make rules for the whole or any part of India for carrying out the purposes of this Act. Sub-section (2) of the said section specifies the matters in respect of which such rules may be provided. Sub-section (2) was amended so as to provide that the <u>Board may, by rules, provide the procedures for the granting of relief or deduction, as the case may be, of any income tax paid in any country or specified territory outside India, under section 90 or section 90A or section 91, against the income-tax payable under this Act.</u> This amendment is effective from 1st June, 2015