

AMENDMENTS FOR A.Y. 18-19

Points to be noted before studying these amendments:

1. These amendments are introduced by the Finance Act, 2017.
2. Amendments have been summarized in the order of chapters in the main book drafted for AY 18-19.
3. These amendments are relevant for students appearing in May 2018 and Nov 2018 attempts.
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-Prof. Siddharth Narendra Surana (CA)
Mumbai-2

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1) INTRODUCTION

1. The rate of Tax in the in the slab upto Rs. 5,00,000 shall be reduced to **5%** from 10% for Individuals, HUF, AOP-BOI and AJP.
2. Rebate u/s 87A shall be available only for Res + Individuals + NTTI =< **Rs 3,50,000**. (Reduced from 5,00,000)
3. Rebate u/s 87A shall be Tax liability or Rs. **2,500** whichever is less. (Reduced from 5,000)
4. Surcharge @ 10% shall be applicable for Individuals, HUF, AOP-BOI and AJP in NTTI > 50 lakhs.

2) DOUBLE TAXATION AVOIDANCE AGREEMENTS

- 1) No amendments

3) MODE OF ACCEPTANCE AND REPAYMENT OF LOANS

- 1) No amendments

4) NRI TAXATION

1. **[Also in Capital Gains]**

Normally as asset becomes Long Term Capital Asset after holding period of >36months. However, in the following cases an asset will become LTCA after holding period of >12months:

- a) Listed Securities
- b) Units of an Equity Oriented Mutual Fund
- c) Zero Coupon Bond

W.E.F. A.Y. 18-19, Immovable Property i.e. Land/Building/Both will become LTCA after holding period of >24 months

5) SPECIAL RATES OF TAX

1. W.e.f. A.Y. 18-19 –Under Section 115BBDA – Dividend Income EXCEEDING RS. 10 LAKHS from a DOMESTIC CO. including Deemed Dividend u/s 2 (22) (a)/(b)/(c)/(d) on which DDT has been paid by the Co. shall be taxable @ 10% for **All Assesseees excl Domestic Cos, Charitable Trusts, Educational and Medical Institutions** (Till last year it was taxable only for Resident Individual, Resident HUF, Resident Firm)
2. W.e.f. A.Y. 18-19 – **New Section 115BBG** - Any Income by way of Transfer of Carbon Credits (Carbon Credit in respect of one unit shall mean reduction of one tone of emissions of carbon dioxide or equivalent gases which is validated by the United Nations Framework and can be traded in the market at the prevailing market price) shall be taxable @ 10% for All Assesseees.
3. Rate of Tax for Incomes u/s 115BBE shall be 60% + Surcharge 25% + EC 3%. Thus an effective rate of 77.25%

6) DIVIDEND DISTRIBUTION TAX / BUYBACK TAX / INCOME DISTRIBUTION TAX / SECURITISATION INCOME TAX

- 1) No amendments

ABOUT THE FACULTY

CA. SIDDHARTH N. SURANA (Mumbai) is an educationist who has specialized in the field of Taxation. He is an internationally renowned DIRECT TAX faculty and the video CDs of his Tax Lectures are being sold in all states of India and all countries where ICAI conducts exams. He is a Visiting Faculty at the Western India Regional Council (WIRC) of ICAI. He is an ex-faculty of Sukh Sagor Institute (SSI), Mumbai. He is an excellent orator and has substantial experience of teaching taxation to CA students. He is known for his humorous examples which make a treacherous subject like taxation very easy to understand. He is popularly known as "TAX GURU" among the CA student fraternity. He has produced meritorious students and numerous exemptions attempt after attempt. *On 6th Oct'17, he became the 1st faculty in India to revise full portion of DT for CA Final Nov'17 attempt on Facebook Live with students across the globe.*

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ONLY FACULTY who revises IPCC portion (i.e, Five heads of Income + Clubbing of Income + Set Off and Carry Forward of Losses + Deductions under Chapter VI-A, *which carried 41 marks in May'15, 38 marks in Nov'15, 40 marks in May'16 attempt, 40 marks in Nov'16 and 43 marks in May'17).*

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7) SPECIAL PROVISIONS RELATED TO STOCK MARKET DEALINGS

- 1) [Also in Capital Gains] W.e.f. A.Y. 18-19 the exemption u/s 10(38) in case of Equity Shares acquired on or after 01/10/2004 shall be available only if the purchase transaction has also suffered STT, subject to some notified exceptions for genuine cases like IPO, FPO, Bonus Issue or Rights Issue by listed company, acquisition of shares by a Non resident in accordance with the FDI policy of the government. Following are noteworthy points about this **VERY VERY IMPORTANT amendment**:
 - a) Applicable **only for shares** (thus not applicable on Units of Equity Oriented MF and Units of BT)
 - b) Applicable **only to Section 10(38)**, thus 15% Rate u/s 111A shall not be affected by this amendment.
 - c) Applicable **only for acquisitions on/after 01/10/2004** as there was no STT before that date.
 - d) Some exceptions will be notified for which this restriction shall not be applicable.

8) TAXATION OF BUSINESS TRUSTS

1. No amendments.

9) TAXATION OF INVESTMENT FUNDS

1. No amendments.

10) DIVIDEND AND BONUS STRIPPING

1. No amendments.

11) ASSESSMENT OF PARTNERSHIP FIRMS

1. No amendments.

12) ASSESSMENT OF RELIGIOUS & CHARITABLE TRUSTS

1. W.E.F. A.Y. 18-19, The ROI of the trust has to be filed on/before the due date u/s 139 in order to avail exemption u/s 11.
2. W.E.F. A.Y. 18-19, if a Trust registered u/s 12A adopts modification of its objects which do not conform to the conditions of granting registration, it will have to apply for fresh registration within a period of 30 days from such adoption of modification
3. W.e.f. A.Y. 18-19 Donations to other Trusts with a specific instruction that it shall form a part of the corpus of the trust shall not be treated as application of Income.

13) ASSESSMENT OF POLITICAL PARTIES

1. W.E.F. A.Y. 18-19 The ROI of a Political Party has to be submitted On/before the due date u/s 139 in order to avail exemption u/s 13A.
2. W.E.F. A.Y. 18-19 any Donation in excess of Rs. 2,000 shall be received by Account Payee Cheque / Account Payee Draft / Electronic Mode / Electoral Bond.
3. Records of Donors contributing in excess of Rs. 20,000 have to be maintained by a political party. However, **w.e.f. A.Y. 18-19 contributions received by way of electoral bond shall be immune from such rule**

14) ASSESSMENT OF ELECTORAL TRUSTS

1. No amendments.

15) MINIMUM ALTERNATE TAX(MAT)

1. The normal rate of tax for Domestic Companies is 30%. However, w.e.f. A.Y. 18-19, if the turnover of a domestic company does not exceed 50 crore in **P.Y. 15-16**, rate of tax shall be 25%. Further, **w.e.f. A.Y. 17-18** following section 115BA was introduced in the Act, wherein assessee company has an option to pay tax @ 25% if the following conditions are satisfied:
 - i) The Company is a domestic company,
 - ii) It has been set up and registered on or after 1st March, 2016,
 - iii) It is engaged in the business of manufacture or production of any article or thing and not engaged in any other business,
 - iv) In its total income the company has not claimed any benefit of SEZ deduction u/s 10AA, accelerated or additional depreciation, investment allowance, expenditure for scientific research or any income related deduction other than Section 80JJAA
 - v) The option is furnished in the prescribed manner before the due date of filing return of income
2. W.E.F. A.Y. 18-19, For a company whose financial statements are drawn up in compliance to the Indian Accounting Standards specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015, the book profit as computed u/s 115JB shall be further—
 - (a) increased by all amounts credited to other comprehensive income in the statement of profit and loss under the head "Items that will not be re-classified to profit or loss";
 - (b) decreased by all amounts debited to other comprehensive income in the statement of profit and loss under the head "Items that will not be re-classified to profit or loss";

- (c) increased by amounts or aggregate of the amounts debited to the statement of profit and loss on distribution of non-cash assets to shareholders in a demerger in accordance with Appendix A of the Indian Accounting Standards 10;
- (d) decreased by all amounts or aggregate of the amounts credited to the statement of profit and loss on distribution of non-cash assets to shareholders in a demerger in accordance with Appendix A of the Indian Accounting Standards 10:

Provided that nothing contained in clause (a) or clause (b) shall apply to the amount credited or debited to other comprehensive income under the head "Items that will not be re-classified to profit or loss" in respect of—

- (i) revaluation surplus for assets in accordance with the Indian Accounting Standards 16 and Indian Accounting Standards 38; or
- (ii) gains or losses from investments in equity instruments designated at fair value through other comprehensive income in accordance with the Indian Accounting Standards 109:

Provided further that the book profit of the previous year in which the asset or investment referred to in the first proviso is retired, disposed, realised or otherwise transferred shall be increased or decreased, as the case may be, by the amount or the aggregate of the amounts referred to in the first proviso for the previous year or any of the preceding previous years and relatable to such asset or investment.

Further, the book profit of the year of convergence and each of the following four previous years, shall be further increased or decreased, as the case may be, by one-fifth of the transition amount:

Provided that the book profit of the previous year in which the asset or investment referred to in sub-clauses (B) to (E) of clause (iii) of the Explanation is retired, disposed, realised or otherwise transferred, shall be increased or decreased, as the case may be, by the amount or the aggregate of the amounts referred to in the said sub-clauses relatable to such asset or investment:

Provided further that the book profit of the previous year in which the foreign operation referred to in sub-clause (F) of clause (iii) of the Explanation is disposed or otherwise transferred, shall be increased or decreased, as the case may be, by the amount or the aggregate of the amounts referred to in the said sub-clause relatable to such foreign operations.

Explanation.—For the purposes of this sub-section, the expression—

- (i) "year of convergence" means the previous year within which the convergence date falls;
- (ii) "convergence date" means the first day of the first Indian Accounting Standards reporting period as defined in the Indian Accounting Standards 101;
- (iii) "transition amount" means the amount or the aggregate of the amounts adjusted in the other equity (excluding capital reserve, and securities premium reserve) on the convergence date but not including the following,—
 - (A) amount or aggregate of the amounts adjusted in the other comprehensive income on the convergence date which shall be subsequently re-classified to the profit or loss;
 - (B) revaluation surplus for assets in accordance with the Indian Accounting Standards 16 and Indian Accounting Standards 38 adjusted on the convergence date;
 - (C) gains or losses from investments in equity instruments designated at fair value through other comprehensive income in accordance with the Indian Accounting Standards 109 adjusted on the convergence date;
 - (D) adjustments relating to items of property, plant and equipment and intangible assets recorded at fair value as deemed cost in accordance with paragraphs D5 and D7 of the Indian Accounting Standards 101 on the convergence date;
 - (E) adjustments relating to investments in subsidiaries, joint ventures and associates recorded at fair value as deemed cost in accordance with paragraph D15 of the Indian Accounting Standards 101 on the convergence date; and

(F) adjustments relating to cumulative translation differences of a foreign operation in accordance with paragraph D13 of the Indian Accounting Standards 101 on the convergence date.]

In the case of a resulting company, where the property and the liabilities of the undertaking or undertakings being received by it are recorded at values different from values appearing in the books of account of the demerged company immediately before the demerger, any change in such value shall be ignored for the purpose of computation of book profit of the resulting company under this section.

3. W.e.f. A.Y. 18-19 any MAT Credit arising due to difference between Foreign Tax Credit u/s 90/90A/91 as per normal provisions and Foreign Tax Credit u/s 90/90A/91 as per MAT shall be ignored.

This can be explained with the following illustration of a domestic company with Turnover exceeding 50 crores every year:

Normal Income – 115 lakhs, Book Profit – 430 lakhs. Both amounts are inclusive of Foreign Income of 30 lakhs in a Country where Tax Rate is 25% and India does not have a DTAA with that country.

<u>NTI as per Income Tax Act</u>		<u>Book Profit u/s 115JB</u>	
	115 Lakhs		430 Lakhs
	<u>X 30 %</u>		<u>X 18.5 %</u>
	34.5 Lakhs		79.55 Lakhs
Add: Surcharge	<u>2.415 Lakhs</u>		<u>5.5685 Lakhs</u>
Total	36.915 Lakhs		85.1185 Lakhs
Add: Education Cess	<u>1.10745 Lakhs</u>	(@3%)	<u>2.55355 Lakhs</u>
Total Tax	<u>38,02,245</u>	Total Tax	<u>87,67,206</u>

Thus the MAT Credit before giving effect to DTAA Credit is 87,67,206 – 38,02,245 = 49,64,961

However, assessee being a Resident shall be eligible for Relief u/s 91 as there is no DTAA between India and the country of Income.

<u>Normal Provision</u>		<u>MAT Provisions</u>	
Income	115 Lakhs		430 Lakhs
Total Tax	<u>38,02,245</u>		<u>87,67,206</u>
Average Rate of Tax in India	33.063%		20.39%
Rate of Tax in Foreign Country	<u>25%</u>		<u>25%</u>
Lower of the two rates	25%		20.39%
<u>Doubly Taxed Income included</u>			
in Total Income	<u>30,00,000</u>		<u>30,00,000</u>
Relief u/s 91	<u>7,50,000</u>		<u>6,11,700</u>
Final Tax Payable	<u>30,52,245</u>		<u>81,55,506</u>

It is now observed that the MAT Credit will become 81,55,506 – 30,52,245 = 51,03,261.

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However, the increase in MAT Credit from 49,64,961 to 51,03,261 ie Rs. 1,38,300 pertains to the difference in Foreign Tax credit against the two tax liabilities ($7,50,000 - 6,11,700 = 1,38,300$). Such difference shall be ignored and only Rs. 49,64,961 shall be available as MAT Credit.

4. W.e.f. A.Y. 18-19 MAT Credit shall be available **for fifteen years** instead of ten years.



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SUBJECT	FACULTY	START	END	DAYS	FEES
DT MAY/NOV'18 (Fast Track/ Full Course)	CA SIDDHARTH N SURANA	22 nd JAN'18	22 nd FEB'18	DAILY – 12:30 TO 6	25,000*
INTERNATIONAL TAXATION	CA SIDDHARTH N SURANA	23 rd JAN'18	1 st FEB'18	DAILY – 8 TO 12	4,000 (For GVA DT students) 8,000 (others)
IDT MAY'18 (Regular)	CA DR. MAHESH GOUR	2 nd FEB'18	22 nd FEB'18	DAILY – 8 TO 12	15,000#
AUDIT MAY'18 (Crash)	CA SANIDHYA SARAF	1 st MAR'18	6 th MAR'18	DAILY – 8 TO 2	6,000@
LAW MAY'18 (Crash)	CA SANIDHYA SARAF	7 th MAR'18	12 th MAR'18	DAILY – 8 TO 2	6,000@

1. Fees includes gst.
2. *DT MAY/NOV'18 Fees is **25,000 till 31st Dec'17**, thereafter 30,000.
3. International Taxation Fees is **4,000 / 8,000 till 31st Dec'17**, thereafter 6,000 / 10,000.
4. #IDT MAY'18 Fees is **15,000 till 31st Dec'17**, thereafter 20,000.
5. @AUDIT & LAW Fees is **6,000 per subject till 31st Dec'17**, thereafter 7,200 per subject.

16) ALTERNATE MINIMUM TAX (AMT)

1. W.e.f. A.Y. 18-19 AMT Credit shall be available **for fifteen years** instead of ten years.
2. W.e.f. A.Y. 18-19 any AMT Credit arising due to difference between Foreign Tax Credit u/s 90/90A/91 as per normal provisions and Foreign Tax Credit u/s 90/90A/91 as per MAT shall be ignored.

17) INCOME TAX AUTHORITIES, THEIR POWERS

1. No amendments.

18) SEARCH, SEIZURE & SURVEY

1. W.e.f. A.Y. 18-19, It is now specifically provided in the Act that the reasons to believe/suspect u/s 132 or u/s 132A for conducting a search/requisition, as recorded by the Income Tax Authority, shall not be disclosed to any person or any authority or the Appellate Tribunal
2. W.e.f. A.Y. 18-19, Where, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, the authorised officer, for reasons

to be recorded in writing, is satisfied that for the purpose of protecting the interest of revenue, it is necessary so to do, he may with the previous approval of the Principal Director General or Director General or the Principal Director or Director, by order in writing, attach provisionally any property belonging to the assessee, and for the said purpose.

3. W.e.f. A.Y. 18-19, Every provisional attachment made above shall cease to have effect after the expiry of a period of six months from the date of the order referred to above.

4. W.e.f. A.Y. 18-19, The authorised officer may, during the course of the search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed, make a reference to a Valuation Officer referred to in section 142A, who shall estimate the fair market value of the property in the manner provided under that section and submit a report of the estimate to the said officer within a period of sixty days from the date of receipt of such reference.

5. w.e.f. A.Y. 18-19 JDIT/DDIT/Asst DIT have the power to call for information u/s 133 even when no proceeding is pending.

6. W.e.f. A.Y. 18-19 a survey u/s 133A can also be conducted at a place where an activity for charitable purpose is being carried out.

7. w.e.f. A.Y. 18-19 the CBDT is empowered to make a scheme of centralized issuance of notices and processing of information or documents and making available the outcome of the processing to the A.O. for the purpose of section 133C

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19) ASSESSMENT PROCEDURE

1. U/s 139 (5), the time limit to file a revised return shall be before the end of the relevant A.Y.

or

before completion of assessment,

whichever is earlier. **[Very Imp amendment w.e.f. A.Y. 18-19]**

Thus, w.e.f. A.Y. 18-19 a ROI cannot be revised after the expiry of the relevant Assessment Year.

3. W.E.F. A.Y. 18-19, New Section 139AA: Quoting of Aadhar Number:

(1) Every person who is eligible to obtain Aadhaar number shall quote Aadhaar number—

- (i) in the application form for allotment of permanent account number;
- (ii) in the return of income:

Provided that where the person does not possess the Aadhaar Number, the Enrolment ID of Aadhaar application form issued to him at the time of enrolment shall be quoted in the application for permanent account number or in the return of income furnished by him.

(2) Every person who has been allotted permanent account number and who is eligible to obtain Aadhaar number, shall intimate his Aadhaar number to such authority in such form and manner as may be prescribed, on or before a date to be notified by the Central Government in the Official Gazette:

Provided that in case of failure to intimate the Aadhaar number, the permanent account number allotted to the person shall be deemed to be invalid and the other provisions of this Act shall apply, as if the person had not applied for allotment of permanent account number.

(3) The provisions of this section shall not apply to such person or class or classes of persons or any State or part of any State, as may be notified by the Central Government in this behalf, in the Official Gazette.

4. W.e.f. A.Y. 18-19 (also applicable for AY 17-18) (Also in refund chapter)

To protect the interest of the revenue, if the AO is of the opinion that grant of refund u/s 143(1) may adversely affect the recovery of revenue where he intends to conduct assessment u/s 143(3), he may with the reasons in writing and prior approval of PCIT/CIT withhold the refund upto the date on which assessment is made.

5. All time limits u/s 153 have been amended. The new time limits shall be as follows:

153(1)	Assessment Order u/s. 143(3) or u/s.144	<u>21 MONTHS</u> from the end of the relevant A.Y. <u>For A.Y. 18-19: 18 MONTHS from the end of the relevant A.Y.</u> <u>For A.Y. 19-20: 12 MONTHS from the end of the relevant A.Y.</u> However, if reference was made to Transfer Pricing Officer (T.P.O.) u/s. 92CA, then the time limit applicable will be <u>12 MONTHS</u> extra i.e. <u>33, 30 and 24 months respectively.</u> [Sec 153 (4)]
153(2)	Assessment Order or a Re-Assessment Order u/s. 147	<u>9 MONTHS</u> from the end of F.Y. in which the notice u/s. 148 was served. <u>For Notice served on/after 01/04/2019: 12 MONTHS from the end of F.Y. in which the notice u/s. 148 was served.</u> However, if reference was made to Transfer Pricing Officer (T.P.O.) u/s. 92CA, for the purpose of such assessment or reassessment u/s 147, then the time limit available will be <u>12 MONTHS</u> extra ie <u>21 and 24 months respectively.</u> [Sec 153 (4)]

153(3)	a)	Time limit to pass a Fresh Assessment Order in pursuance of an order of ITAT u/s. 254 canceling or setting aside the original Assessment Order and directing for a Fresh Assessment	<u>9 MONTHS</u> from the end of the F.Y. in which a copy of order of ITAT is received by PCCIT/CCIT/PCIT/CIT. <u>For Orders received on/after 01/04/2019: 12 MONTHS from the end of the F.Y. in which a copy of order of ITAT is received by PCCIT/CCIT/PCIT/CIT.</u>
	b)	Time limit to pass a Fresh Assessment Order in pursuance of a Revisional Order passed by PCIT/CIT u/s 263 or 264, canceling or setting aside the original Assessment Order and directing for a Fresh Assessment	<u>9 MONTHS</u> from the end of the F.Y. in which PCIT/CIT passes his Revisional Order u/s. 263 or 264. <u>For Orders passed on/after 01/04/2019: 12MONTHS from the end of the F.Y. in which PCIT/CIT passes his Revisional Order u/s. 263 or 264.</u> However, if a reference was being made to a Transfer Pricing Officer u/s. 92CA, for the purpose of carrying out such fresh Assessment, then the time limit available will be <u>12 MONTHS</u> extra ie <u>21 and 24 months</u> respectively. [Sec 153 (4)]
153B		Time Limit to pass order u/s 153A/153C in search cases	<u>21 MONTHS</u> from the <u>end of the Financial Year</u>, in which the <u>Search was concluded as recorded in the last 'panchnama' u/s. 132 or actual receipt of books of documents</u> and other documents in case of <u>requisition u/s. 132A</u>, <u>However, in respect of authorizations for Search/Requisition executed on/after 01/04/2018 the time limit shall be 18 MONTHS instead of 21 MONTHS.</u> <u>However, in respect of authorizations for Search/Requisition executed on/after 01/04/2019 the time limit shall be 12 MONTHS</u>

		<u>instead of 21 MONTHS.</u>
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20) APPEALS

1. No amendments

21) REVISION

2. No amendments

22) INCOME TAX SETTLEMENT COMMISSION

1. No amendments

23) AUTHORITY FOR ADVANCE RULINGS

1. w.e.f. A.Y. 18-19 the Chief Justice of a High Court or for at least seven years a Judge of a High Court can be appointed as Chairman of AAR.
2. w.e.f. A.Y. 18-19, a revenue member in AAR shall be appointed:
 - (i) from the Indian Revenue Service, who is, or is qualified to be, a Member of the Board; or
 - (ii) from the Indian Customs and Central Excise Service, who is, or is qualified to be, a Member of the Central Board of Excise and Customs
3. W.e.f. A.Y. 18-19:
 - a. In the event of the occurrence of any vacancy in the office of the Chairman by reason of his death, resignation or otherwise, the senior-most Vice-chairman shall act as the Chairman until the date on which a new Chairman, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.
 - b. In case the Chairman is unable to discharge his functions owing to absence, illness or any other cause, the senior-most Vice-Chairman shall discharge the functions of the Chairman until the date on which the Chairman resumes his duties.

24) TONNAGE TAX SCHEME

1. No amendments

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CA. SIDDHARTH N. SURANA (Mumbai) is an educationist who has specialized in the field of Taxation. He is an internationally renowned DIRECT TAX faculty and the video CDs of his Tax Lectures are being sold in all states of India and all countries where ICAI conducts exams. He is a Visiting Faculty at the Western India Regional Council (WIRC) of ICAI. He is an ex-faculty of Sukh Sagor Institute (SSI), Mumbai. He is an excellent orator and has substantial experience of teaching taxation to CA students. He is known for his humorous examples which make a treacherous subject like taxation very easy to understand. He is popularly known as "TAX GURU" among the CA student fraternity. He has produced meritorious students and numerous exemptions attempt after attempt. *On 6th Oct'17, he became the 1st faculty in India to revise full portion of DT for CA Final Nov'17 attempt on Facebook Live with students across the globe.*

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25) PENALTIES

- New Section 271DA (w.e.f. A.Y. 18-19)** [also in miscellaneous provisions]: If a person receives any sum in contravention to newly introduced section 269ST, penalty will be a sum equal to the amount of such receipt. No penalty shall be imposed if such person proves that there were good and sufficient reasons for such contravention. Penalty shall be imposed by the JCIT.
- Section 271F stands deleted w.e.f. A.Y. 18-19. However, to ensure timely filing of ROI following Section 234F has been introduced w.e.f. A.Y. 18-19: (also in Interest chapter).
Failure to file ROI within the time u/s 139(1) shall attract a fee of Rs.
5,000 – If the ROI is filed on/before 31st December of the relevant A.Y.
10,000 – In any other case.
However, if the Total Income of the assessee is $\leq$ Rs. 5,00,000, the fee payable shall not exceed Rs.
1,000
- New Section 271J (w.e.f. A.Y. 18-19):** Where the Assessing Officer or the Commissioner (Appeals), in the course of any proceedings under this Act, finds that a Chartered Accountant or a Merchant Banker or a

Registered Valuer has furnished incorrect information in any report or certificate furnished under any provision of this Act or the rules made thereunder, the Assessing Officer or the Commissioner (Appeals) may direct that such Chartered Accountant or Merchant Banker or Registered Valuer, as the case may be, shall pay, by way of penalty, a sum of ten thousand rupees for each such report or certificate.

26) MISCELLANEOUS PROVISIONS

1. **New SECTION 269ST (w.e.f. A.Y. 18-19): Measure to curb cash transactions in the economy:** [also in penalties chapter]

No person shall receive an amount of two lakh rupees or more—

- (a) in aggregate from a person in a day; or
- (b) in respect of a single transaction; or
- (c) in respect of transactions relating to one event or occasion from a person, otherwise than by an account payee cheque or an account payee bank draft or use of electronic clearing system through a bank account:

Provided that the provisions of this section shall not apply to—

- (i) any receipt by—
 - (a) Government;
 - (b) any bank;
- (ii) transactions of the nature referred to in section 269SS;
- (iii) such other persons or class of persons or receipts, which the Central Government may, by notification in the Official Gazette, specify.

Contravention shall attract a penalty u/s 271DA of the amount equal to such receipt.

27) TDS / TCS

1. **New Section 194IB (w.e.f. 01/06/2017): TDS on Rent by Individual/HUF not covered under Tax Audit:**

Payer- Any Individual or HUF, where such Individual/HUF was not covered by Sec 44AB (i.e. Tax Audit) in the immediately preceding previous year.

Payee- Any Person Resident.

Amount: > 50,000/- per month or part

Nature of Payment: Rent i.e. payment under Lease / Sub-Lease / Tenancy or any Agreement or Arrangement for the use of Land/Building/Both.

Note: It is not necessary that the Payee should be the owner of any of the above-mentioned assets.

Rate: 5%

Points to be noted:-

- (1.) The TDS shall be deducted at the time of credit of rent, for the last month of the previous year or the last month of tenancy, if the property is vacated during the year, or at the time of payment, whichever is earlier.
- (2.) The Payer will not be required to acquire TAN.
- (3.) In a case where the tax is required to be deducted as per the provisions of section 206AA, such deduction shall not exceed the amount of rent payable for the last month of the previous year or the last month of the tenancy, as the case may be.

2. **New Section 194IC (w.e.f. A.Y. 18-19): TDS on Payments under a Joint Development Agreement:**

Payer- Any Person.

Payee- Any Person being Resident Individual or Resident HUF.

Amount: Any amount excluding consideration in kind

Rate: 10%

3. The rate of TDS u/s 194J for payee engaged only in the business of operation of a call centre, shall be 2% w.e.f. 01/06/2017.

4. W.e.f. A.Y. 18-19 there shall be no TDS u/s 194LA where a payment is made in respect of any award or agreement which has been exempted from levy of Income Tax under section 96 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

28) ADVANCE TAX

1. Assessee covered u/s 44ADA are now required to pay advance tax only once i.e. 100% till 15th March.

29) REFUND

1. W.e.f. A.Y. 18-19 (also applicable for AY 17-18) (Also in assessment procedure)

To protect the interest of the revenue, if the AO is of the opinion that grant of refund u/s 143(1) may adversely affect the recovery of revenue where he intends to conduct assessment u/s 143(3), he may with the reasons in writing and prior approval of PCIT/CIT withhold the refund upto the date on which assessment is made.

2. W.e.f. A.Y. 18-19, Where refund of any amount becomes due to the deductor in respect of any amount paid to the credit of the Central Government under TDS, such deductor shall be entitled to receive, in addition to the said amount, simple interest thereon calculated at the rate of 0.5% for every month or part of a month comprised in the period, from the date on which—

(a) claim for refund is made in the prescribed form; or

(b) tax is paid, where refund arises on account of giving effect to an order under section 250 or section 254 or section 260 or section 262, to the date on which the refund is granted.

30) INTEREST U/S 234 A / B / C

1. W.e.f. A.Y. 18-19 Interest u/s 234C shall be waived with respect to dividend income taxable u/s 115BBDA

2. W.e.f. A.Y. 18-19, Interest u/s 234C shall be attracted only for the March installment for assessee covered u/s 44ADA, as the other installments are not applicable to them.

3. New Section 234F: Levy of fees for default in furnishing Return Of Income (w.e.f. A.Y. 18-19)(also in penalties chapter):

Where a person required to furnish a return of income u/s 139(1), fails to do so within the time prescribed he shall pay, by way of fee, a sum of,—

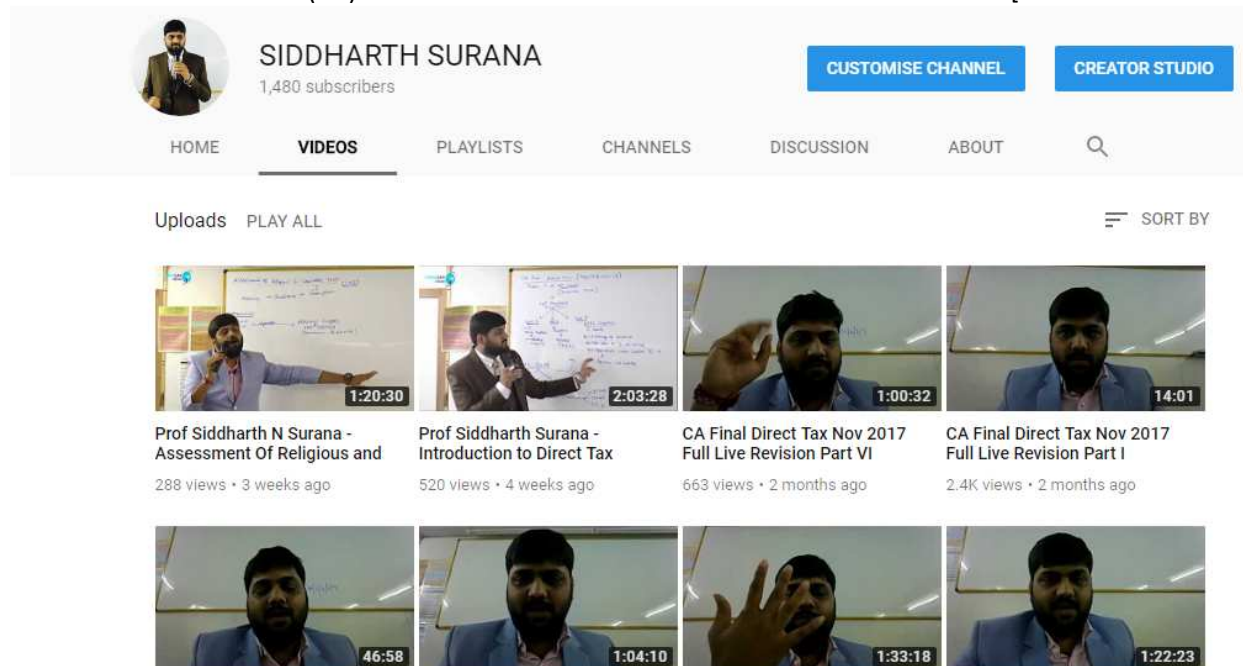
(a) five thousand rupees, if the return is furnished on or before the 31st day of December of the assessment year;

(b) ten thousand rupees in any other case:

Provided that if the total income of the person does not exceed five lakh rupees, the fee payable under this section shall not exceed one thousand rupees.

31) RECOVERY PROCEEDINGS

1. No amendments.



The image shows the YouTube channel page for Prof. Siddharth N Surana. The channel has 1,480 subscribers. The page features a header with navigation tabs: HOME, VIDEOS, PLAYLISTS, CHANNELS, DISCUSSION, and ABOUT. Below the header, there are two rows of video thumbnails. The first row contains four videos: 'Prof Siddharth N Surana - Assessment Of Religious and' (1:20:30), 'Prof Siddharth Surana - Introduction to Direct Tax' (2:03:28), 'CA Final Direct Tax Nov 2017 Full Live Revision Part VI' (1:00:32), and 'CA Final Direct Tax Nov 2017 Full Live Revision Part I' (14:01). The second row contains four more video thumbnails with durations: 46:58, 1:04:10, 1:33:18, and 1:22:23. The channel name 'SIDDHARTH SURANA' is prominently displayed at the top.

(www.youtube.com/users/siddharthsuran)

32) TRANSFER PRICING

1. New Section 92CE. Secondary Adjustment (w.e.f. AY. 18-19):

1. Whenever, the Transfer Price of an assessee is adjusted in the ROI/By the AO and accepted by the assessee/according to APA u/s 92CC/as per safe harbor rules u/s 92CB/changes in an assessment due to the procedure laid down in an agreement u/s 90 or 90A resulting in increase in income or reduction of loss of the assessee such an adjustment will be known as primary adjustment.
2. In the event of a primary adjustment, the assessee shall make an adjustment in its books of accounts and its associated enterprise to reflect that the actual allocation of profits between the assessee and its associated enterprise are consistent with the transfer price determined as a result of primary adjustment, thereby removing the imbalance between the cash account and actual profit of the assessee. Such adjustment will be known as Secondary Adjustment.
3. Further, in the event of above adjustments, the excess money, being the difference between the arm's length price determined and the price at which the international transaction was undertaken, which is available with the associated enterprise, if not repatriated to India within the prescribed time, shall be deemed to be an advance made by the assessee to such associated enterprise and the interest on such advance shall be computed in a prescribed manner.
4. This Section shall be applicable only if the amount of primary adjustment exceeds Rs. 1 crore for the previous year. This Section shall be applicable for A.Y. 17-18 also.

2. New Section 94B. Limitation on Interest Deduction in certain cases (w.e.f. AY. 18-19)

1. Where an Indian company, or a permanent establishment of a foreign company in India, being the borrower, incurs any expenditure by way of interest or of similar nature exceeding one crore rupees which is deductible in computing income chargeable under the head "Profits and gains of business or profession" in respect of any debt issued by a non-resident, being an associated enterprise of such borrower, the interest shall not be deductible in computation of income under the said head to the extent it exceeds thirty per cent of earnings before interest, taxes, depreciation and amortisation of the borrower in the previous year or interest paid or payable to associated enterprises for that previous year, whichever is less. Provided that where the debt is issued by a lender which is not associated but an associated enterprise either provides an implicit or explicit guarantee to such lender or deposits a corresponding and matching amount of funds with the lender, such debt shall be deemed to have been issued by an associated enterprise.

2. This Section shall NOT apply to an Indian company or a permanent establishment of a foreign company which is engaged in the business of banking or insurance.
3. The amount of interest expenditure disallowed under this provision, shall be carried forward to the following assessment years, and it shall be allowed as a deduction against the profits and gains, if any, of any business or profession for that assessment year to within the limit of this section. This interest can be carried forward upto eight assessment years immediately succeeding the assessment year for which the excess interest expenditure was first computed.

33) SALARY

1. No amendments

34) HOUSE PROPERTY

1. W.E.F. A.Y. 18-19, where property consisting of any building or land appurtenant thereto is held as stock in trade and the property or any part of the property is not let out during the whole or any part of the previous year, the annual value of such property or part of the property, for the period upto one year from the end of the financial year in which the certificate of completion of construction of the property is obtained from the competent authority, shall be taken to be NIL

35) PROFITS AND GAINS OF BUSINESS OR PROFESSION **(PGBP)**

1. Rates of depreciation in all Blocks of Assets have been reduced to a maximum of 40% for all assessees, whether Section 115BA is applicable or not. Thus, maximum depreciation rate for any assessee for any asset shall be 40%. **(Note: This amendment was introduced in the Budget of 2016 but made applicable from A.Y. 18-19. As a consequence, though this amendment has not come in the 2017 Budget which is relevant for May and Nov 2018 attempt, it should still be considered as an amendment by students for their studies)**
2. W.e.f. A.Y. 18-19, if the assessee incurs any expenditure for acquisition of any asset or part thereof in respect of which a payment or aggregate of payments made to a person in a day, otherwise than by an account payee cheque drawn on a bank or an account payee bank draft or use of electronic clearing system through a bank account, exceeds ten thousand rupees, such expenditure shall be ignored for the purposes of determination of actual cost and no deduction shall be available u/s 32 or 35AD.
3. The quantum of deduction in almost all sub sections / clauses of Section 35 has been reduced as follows:
 - (a) Deduction under Sec. 35(1) (ii), Shall be restricted to 150% from P.Y. 17-18 to P.Y. 19-20 i.e. A.Y. 18-19 to A.Y. 20-21 and shall be restricted to 100% from P.Y. 20-21 i.e. A.Y. 21-22 onwards
 - (b) Deduction under Sec.35(1)(iia), Shall be restricted to 100% from P.Y. 17-18 i.e. A.Y. 18-19
 - (c) Deduction under Sec.35(1)(iii), Shall be restricted to 100% from P.Y. 17-18 i.e. A.Y. 18-19
 - (d) Deduction under Sec. 35(2AA), Shall be restricted to 150% from P.Y. 17-18 to P.Y. 19-20 i.e. A.Y. 18-19 to A.Y. 20-21 and shall be restricted to 100% from P.Y. 20-21 i.e. A.Y. 21-22 onwards]
 - (e) Deduction under Sec. 35(2AB), Shall be restricted to 150% from P.Y. 17-18 to P.Y. 19-20 i.e. A.Y. 18-19 to A.Y. 20-21 and shall be restricted to 100% from P.Y. 20-21 i.e. A.Y. 21-22 onwards.**(Note: This amendment was introduced in the Budget of 2016 but made applicable from A.Y. 18-19. As a consequence, though this amendment has not come in the 2017 Budget which is relevant for May and Nov 2018 attempt, it should still be considered as an amendment by students for their studies)**
4. The deduction u/s 35AC shall be removed. **(Note: This amendment was introduced in the Budget of 2016 but made applicable from A.Y. 18-19. As a consequence, though this amendment has not come in the 2017 Budget which is relevant for May and Nov 2018 attempt, it should still be considered as an amendment by students for their studies)**

5. Following amendments have taken place u/s 35AD:

- a) The weighted deduction of 150% for five businesses shall be reduced to 100%.
- b) A new business i.e. Developing or maintaining and operating or developing, maintaining and operating a new infrastructure facility shall become a specified business eligible for deduction u/s 35AD.

(Note: This amendment was introduced in the Budget of 2016 but made applicable from A.Y. 18-19. As a consequence, though this amendment has not come in the 2017 Budget which is relevant for May and Nov 2018 attempt, it should still be considered as an amendment by students for their studies)

6. Deductions u/s 35CCC and 35CCD shall be reduced to 100% from 150%. **However, these amendments shall be applicable from A.Y. 21-22 and not the A.Y 17-18. As a consequence, this amendment shall become applicable from May 2021 attempt and not relevant for May 2018 or Nov 2018 attempt. [However, introduced in 2016 Budget]**

7. W.e.f. A.Y. 18-19 A **Scheduled Bank (other than a Foreign Bank) / Non-Scheduled Bank / Co-Operative Bank** shall get a deduction of RDD @8.5% instead of 7.5% of Total Income before Chapter VI-A deduction.

8. Cash Payment limit to same person on the same day has been reduced from 20,000 to 10,000 w.e.f. A.Y. 18-19. However, the limit of Rs. 35,000 for payment to transporters has remained unchanged.

9. W.e.f. AY. 18-19 Interest on loan taken from a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank shall also be subjected to the provision of section 43B ie deduction shall be available only if payment is made upto the 139(1) due date.

10. W.e.f. A.Y. 18-19, the limits for income from non specified profession or business and the total sales, turnover or gross receipts, shall be Rs. 2,50,000 and 25,00,000 respectively for the purpose of section 44AA i.e. compulsory maintenance of books of accounts.

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36) CAPITAL GAINS

1. W.E.F. A.Y. 18-19 New Section 45(5A): Joint Development Agreement:

Where the capital gain arises to an assessee, being an individual or a Hindu undivided family, from the transfer of a capital asset, being land or building or both, under an agreement in which a person owning land or building or both, agrees to allow another person to develop a real estate project on such land or building or both, in consideration of a share, being land or building or both in such project, whether with or without payment of part of the consideration in cash, the capital gains shall be chargeable to income-tax as income of the previous year in which the certificate of completion for the whole or part of the project is issued by the competent authority; and for the purposes of section 48, the stamp duty value, on the date of issue of the said certificate, of his share, being land or building or both in the project, as increased by the consideration received in cash, if any, shall be deemed to be the full value of the consideration received or accruing as a result of the transfer of the capital asset :

Provided that the provisions of this sub-section shall not apply where the assessee transfers his share in the project on or before the date of issue of said certificate of completion, and the capital gains shall be deemed to be the income of the previous year in which such transfer takes place and the provisions of this Act, other

than the provisions of this sub-section, shall apply for the purpose of determination of full value of consideration received or accruing as a result of such transfer.

2. W.e.f. A.Y. 18-19 following shall not be a taxable transfer u/s 47

- a) Any transfer, made outside India, of a capital asset being rupee denominated bond of an Indian company issued outside India, by a non-resident to another non-resident.
- b) Any transfer by way of conversion of preference shares of a company into equity shares of that company

3. **[Also in NRI Taxation]**

Normally as asset becomes Long Term Capital Asset after holding period of >36months. However, in the following cases an asset will become LTCA after holding period of >12months:

- a) Listed Securities
- b) Units of an Equity Oriented Mutual Fund
- c) Zero Coupon Bond
- d) Unlisted Shares of a Company

W.E.F. A.Y. 18-19, Immovable Property i.e. Land/Building/Both will become LTCA after holding period of >24 months

4. **W.E.F. A.Y. 18-19 Special provision for full value of consideration for transfer of share other than quoted share [New Sec.50CA]:**

Where the consideration received or accruing as a result of the transfer by an assessee of a capital asset, being UNLISTED share of a company, is less than the fair market value of such share determined in such manner as may be prescribed, the value so determined shall, for the purposes of section 48, be deemed to be the full value of consideration received or accruing as a result of such transfer.

5. W.e.f. A.Y. 18-19, the Base year for indexation purposes under Capital Gains has been changed from 1981-82 to 2001-02. Following are the consequent changes:

- a) Cost Inflation Index Table changes completely:

Financial Year / Previous Year	Cost Inflation Index
2001-2002	100
2002-2003	105
2003-2004	109
2004-2005	113
2005-2006	117
2006-2007	122
2007-2008	129
2008-2009	137
2009-2010	148
2010-2011	167
2011-2012	184
2012-2013	200
2013-2014	220
2014-2015	240
2015-2016	254
2016-2017	264
2017-2018	272

b) U/s 55(2), assessee can now take COA as FMV on 01/04/2001 instead of actual Cost due to change in base year.

c) Any COI before 01/04/2001 shall be ignored.

6. W.E.F. A.Y. 18-19, Where the capital asset, being equity share of a company, became the property of the assessee in consideration of a transfer referred to in clause (xb) of section 47, the cost of acquisition of the asset shall be deemed to be that part of the cost of the preference share in relation to which such asset is acquired by the assessee.

7. W.E.F. A.Y. 18-19, Where the capital gain arises from the transfer of a specified capital asset referred to in clause (c) of the Explanation to clause (37A) of section 10, which has been transferred after the expiry of two years from the end of the financial year in which the possession of such asset was handed over to the assessee, the cost of acquisition of such specified capital asset shall be deemed to be its stamp duty value as on the last day of the second financial year after the end of the financial year in which the possession of the said specified capital asset was handed over to the assessee.

Explanation.—For the purposes of this sub-section, "stamp duty value" means the value adopted or assessed or assessable by any authority of the State Government for the purpose of payment of stamp duty in respect of an immovable property.

8. W.E.F. A.Y. 18-19, Where the capital gain arises from the transfer of a capital asset, being share in the project, in the form of land or building or both, referred to in sub-section (5A) of section 45, not being the capital asset referred to in the proviso to the said sub-section, the cost of acquisition of such asset, shall be the amount which is deemed as full value of consideration in that sub-section.

9. W.E.F. A.Y. 18-19, Where the capital gain arises from the transfer of an asset, being the asset held by a trust or an institution in respect of which accreted income has been computed and the tax has been paid thereon in accordance with the provisions of Chapter XII-EB, the cost of acquisition of such asset shall be deemed to be the fair market value of the asset which has been taken into account for computation of accreted income as on the specified date referred to in sub-section (2) of section 115TD

10. **New Section 10(37A):** Any income chargeable under the head "Capital gains" in respect of transfer of a specified capital asset arising to an assessee, being an individual or a Hindu undivided family, who was the owner of such specified capital asset as on the 2nd day of June, 2014 and transfers that specified capital asset under the Land Pooling Scheme covered under the Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules, 2015 made under the provisions of the Andhra Pradesh Capital Region Development Authority Act, 2014 (Andhra Pradesh Act 11 of 2014) and the rules, regulations and Schemes made under the said Act.

Explanation.—For the purposes of this clause, "specified capital asset" means,—

(a) the land or building or both owned by the assessee as on the 2nd day of June, 2014 and which has been transferred under the scheme; or

(b) the land pooling ownership certificate issued under the scheme to the assessee in respect of land or building or both referred to in clause (a); or

(c) the reconstituted plot or land, as the case may be, received by the assessee in lieu of land or building or both referred to in clause (a) in accordance with the scheme, if such plot or land, as the case may be, so received is transferred within two years from the end of the financial year in which the possession of such plot or land was handed over to him;]

11. [Also in Stock Market chapter] W.e.f. A.Y. 18-19 the exemption u/s 10(38) in case of Equity Shares acquired on or after 01/10/2004 shall be available only if the purchase transaction has also suffered STT, subject to some notified exceptions for genuine cases like IPO, FPO, Bonus Issue or Rights Issue by listed company, acquisition of shares by a Non resident in accordance with the FDI policy of the government. Following are noteworthy points about this **VERY VERY IMPORTANT amendment**:

a) Applicable **only for shares** (thus not applicable on Units of Equity Oriented MF and Units of BT)

b) Applicable **only to Section 10(38)**, thus 15% Rate u/s 111A shall not be affected by this amendment.

c) Applicable **only for acquisitions on/after 01/10/2004** as there was no STT before that date.

d) Some exceptions will be notified for which this restriction shall not be applicable

37) INCOME FROM OTHER SOURCES

1. Section 56(2)(vii) and (viiia) for taxable gifts have been removed and new clause 56(2)(x) has been introduced with only two changes:

a) Gifts are now taxable for ALL ASSESSEES.

b) For immovable property received for an inadequate consideration, option to take agreement stamp duty value instead of possession date stamp duty value shall be available if the advance was paid by only three modes i.e. A/c payee cheque, A/c payee draft, Electronic mode.

38) CLUBBING OF INCOME

1. No amendments.

39) SET OFF & C/F OF LOSSES

1. W.E.F. A.Y 18-19, the maximum House Property Loss that can be adjusted against other heads of Income u/s 71 is Rs. 2,00,000

2. **New Section 79 w.e.f. A.Y. 18-19:**

If a change in shareholding has taken place in a year,—

(a) in the case of a private company other than a company referred to in point (b), the loss incurred in any past year shall not be carried forward and set off against the income of the current year, unless on the last day of the current year, minimum fifty-one per cent of the shares of the company are held by those shareholders who were holding minimum fifty-one per cent of the shares of the company on the last day of the year or years in which the loss was incurred;

(b) in the case of a private company, being an eligible start-up as referred to in section 80-IAC, the loss incurred in any past year shall be carried forward and set off against the income of the current year only if, all the shareholders of such company who held shares carrying voting power on the last day of the year in which the loss was incurred,—

(i) continue to hold those shares on the last day of the current year; and

(ii) such loss has been incurred during the period of seven years beginning from the year in which such company is incorporated:

Provided that nothing contained in this section shall apply to a case where a change in the said voting power and shareholding takes place in a previous year consequent upon the death of a shareholder or on account of transfer of shares by way of gift to any relative of the shareholder making such gift,

Provided further that nothing contained in this section shall apply to any change in the shareholding of an Indian company which is a subsidiary of a foreign company as a result of amalgamation or demerger of a foreign company subject to the condition that fifty-one per cent shareholders of the amalgamating or demerged foreign company continue to be the shareholders of the amalgamated or the resulting foreign company.

40) DEDUCTIONS UNDER CHAPTER VI-A

1. Deduction u/s 80CCD(1) for non employees shall be a maximum of 20% of GTI instead of the existing 10%.

2. Cash donation limit has been brought down from Rs. 10,000 to Rs. 2,000.

3. Deduction u/s 80IAC for start ups can be taken for any three consecutive years out of first **SEVEN** years instead of first five years.

4. Deduction u/s 80IBA shall be available if the project is completed within **FIVE** years from approval instead of existing three years.

5. For deduction u/s 80IBA, limits will be on carpet area instead of built up area.



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SUBJECT	FACULTY	START	END	DAYS	FEES
DT MAY/NOV'18 (Fast Track/ Full Course)	CA SIDDHARTH N SURANA	22 nd JAN'18	22 nd FEB'18	DAILY – 12:30 TO 6	25,000*
INTERNATIONAL TAXATION	CA SIDDHARTH N SURANA	23 rd JAN'18	1 st FEB'18	DAILY – 8 TO 12	4,000 (For GVA DT students) 8,000 (others)
IDT MAY'18 (Regular)	CA DR. MAHESH GOUR	2 nd FEB'18	22 nd FEB'18	DAILY – 8 TO 12	15,000#
AUDIT MAY'18 (Crash)	CA SANIDHYA SARAF	1 st MAR'18	6 th MAR'18	DAILY – 8 TO 2	6,000@
LAW MAY'18 (Crash)	CA SANIDHYA SARAF	7 th MAR'18	12 th MAR'18	DAILY – 8 TO 2	6,000@

1. Fees includes gst.
2. *DT MAY/NOV'18 Fees is **25,000 till 31st Dec'17**, thereafter 30,000.
3. International Taxation Fees is **4,000 / 8,000 till 31st Dec'17**, thereafter 6,000 / 10,000.
4. #IDT MAY'18 Fees is **15,000 till 31st Dec'17**, thereafter 20,000.
5. @AUDIT & LAW Fees is **6,000 per subject till 31st Dec'17**, thereafter 7,200 per subject.

PROF. SIDDHARTH N SURANA