AMENDMENTS FOR A.Y. 19-20

Points to be noted before studying these amendments:

1. These amendments are introduced by the Finance Act, 2018.

2. Amendments have been summarized in the order of chapters in the main book drafted for AY 19-20.

3. These amendments are relevant for students appearing in May 2019 and Nov 2019 attempts.

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   -Prof. Siddharth Narendra Surana (CA)
   Mumbai-2

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1) INTRODUCTION

1. Slab Rates and Surcharge remain unchanged.
2. Education Cess @3% **IS NOW DELETED**. However, instead of Education Cess a New levy called **"Health and Education Cess"** shall be attracted w.e.f. A.Y. 19-20 @4% of [Basic Tax + SC if applicable – Rebate if applicable] always.

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]***

   W.e.f. A.Y. 19-20, Long Term Capital Gains on Sale of Equity Shares, Units of Equity Oriented Mutual Fund, Units of Business Trust on a Stock Exchange which were earlier exempt u/s 10(38) but have now become taxable @ 10% under newly introduced Section 112A shall be ineligible for the benefit of indexation.
2. ***[Also in Capital Gains]***

Sec 112A: Tax on LTCG on Stock Market Sale (w.e.f. A.Y. 19-20)

Under the existing regime, long term capital gains arising from transfer of long term capital assets, being equity shares of a company or unit of equity oriented fund or unit of business trust, is exempt from income-tax u/s 10(38). In order to minimize economic distortions and curb erosion of tax base, it is proposed to withdraw the exemption under clause (38) of section 10 and to introduce a new section 112A in the Act to provide that such LTCG shall be taxed at 10 per cent on capital gains exceeding one lakh rupees

This concessional rate of 10 per cent will be applicable to such long term capital gains, if—
i) in a case where long term capital asset is in the nature of an equity share in a company , securities transaction tax has been paid on both acquisition and transfer of such capital asset; and

ii) in a case where long term capital asset is in the nature of a unit of an equity oriented fund or a unit of a business trust, securities transaction tax has been paid on transfer of such capital asset.

Further, sub-section (4) of the section 112A empowers the Central Government to specify by notification the nature of acquisitions in respect of which the requirement of payment of securities transaction tax shall not apply in the case of equity share in a company.

Similarly, the requirement of payment of STT at the time of transfer of long term capital asset, being an equity share or a unit of equity oriented fund or a unit of business trust, shall not apply if the transfer is undertaken on recognized stock exchange located in any International Financial Services Centre (IFSC) and the consideration of such transfer is received or receivable in foreign currency.

Further, the new provision of section 112A also proposes to provide the following:—
i) The long term capital gains will be computed without giving effect to the first and second provisos to section 48, i.e. indexation in respect of cost of acquisitions and cost of improvement, if any, and the benefit of computation of capital gains in foreign currency in the case of a non-resident, will not be allowed.

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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ÒNLY 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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ii) The cost of acquisitions in respect of the long term capital asset acquired by the assessee before the 1st day of February, 2018 , shall be deemed to be the higher of –

a) the actual cost of acquisition of such asset; and

b) the lower of –

(I) the fair market value of such asset; and

(II) the full value of consideration received or accruing as a result of the transfer of the capital asset.

iii) "equity oriented fund" has been defined to mean a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and,—

a) In a case where the fund invests in the units of another fund which is traded on a recognized stock exchange,-

(I) A minimum of 90 per cent of the total proceeds of such funds is invested in the units of such other fund; and

(II) such other fund also invests a minimum of 90 per cent of its total proceeds in the equity shares of domestic companies listed on recognized stock exchange; and

b) In any other case, a minimum of 65 per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on recognized stock exchange.

iv) Fair market value has been defined to mean –

a) In a case where the capital asset is listed on any recognized stock exchange, the highest price of the capital asset quoted on such exchange on the 31st day of January, 2018. However, where there is no trading in such asset on such exchange on the 31st day of January, 2018 , the highest price of such asset on such exchange on a date immediately preceding the 31st day of January, 2018 when such asset was traded on such exchange shall be the fair market value;

b) In a case where the capital asset is a unit and is not listed on recognized stock exchange, the net asset value of such asset as on the the 31st day of January, 2018.

c) In a case where the capital asset is an equity share which was unlisted at the time of acquisition, the FMV on 31st January, 2018 shall be determined by giving the benefit of indexation from acquisition till 2017-18

v) The benefit of deduction under chapter VIA shall be allowed from the gross total income as reduced by such capital gains. Similarly, the rebate under section 87A shall be allowed from the income tax on the total income as reduced by tax payable on such capital gains.

Further, in all the above cases if the asset is a Short Term Capital Asset i.e. the gain is Short Term Capital Gain, the provisions of Section 111A shall be applicable. The STCG shall be taxable at 15% if the sale transaction has suffered STT.

However, the requirement of STT is not applicable if the transfer is undertaken on recognized stock exchange located in any International Financial Services Centre (IFSC) and the consideration of such transfer is received or receivable in foreign currency.

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5) SPECIAL RATES OF TAX

1. **W.e.f. A.Y. 19-20** –Under Section 115A – Royalty or FTS received by a Non Resident or Foreign Co from the National Technical Research Organisation shall be exempt.
2. **W.e.f. A.Y. 19-20** – As Deemed Dividend u/s 2(22)(e) shall also suffer DDT u/s 115O, Non Residents will no longer pay tax on the same u/s 115A. Further, as the rate of DDT on 2(22)(e) is 30% it shall be fully exempt for the shareholders u/s 10(34) and the provisions of Section 115BBDA shall not be attracted on the same.
3. ***[Also in Capital Gains]***
   W.e.f. A.Y. 19-20– Under Section 115AC - Transfer of bonds or GDR or rupee denominated bonds of an Indian company or derivative made by a Non Resident on a recognized stock exchange located in any International Financial Services Centre (IFSC), where consideration is paid or payable in foreign currency is excluded from the definition of transfer.
4. Rate of Tax for Incomes u/s 115BBE shall be 60% + Surcharge 25% + HEC 4%. Thus an effective rate of 78%
5. **W.e.f. A.Y. 19-20** –Under Section 115AD – Tax on LTCG for FIIs shall be subject to the provisions of newly introduced section 112A.

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

1) The Cess for DDT/IDT/BBT shall also be 4% HEC instead on 3% EC.
2) **W.e.f. A.Y. 19-20**, DDT shall also be attracted on deemed dividend u/s 2(22) (e) @ 30%. However, there shall be no grossing up on such dividends. Surcharge at 12% and Cess at 4% shall be applicable. Further, as the rate of DDT on 2(22)(e) is 30% it shall be fully exempt for the shareholders u/s 10(34) and the provisions of Section 115BBDA shall not be attracted on the same.
3) **W.e.f. A.Y. 19-20**, Income Distribution tax shall also be payable by Equity Oriented Mutual Funds @ 10%, subject to grossing up. Surcharge @ 12% and HEC @ 4% shall be applicable.

7) SPECIAL PROVISIONS FOR TAX CONCESSION IN SPECIAL ECONOMIC ZONE (SEZ)

1. No amendments

8) TAXATION OF BUSINESS TRUSTS

1. No amendments.

9) TAXATION OF INVESTMENT FUNDS

1. No amendments.

10) DIVIDEND AND BONUS STRIPPING

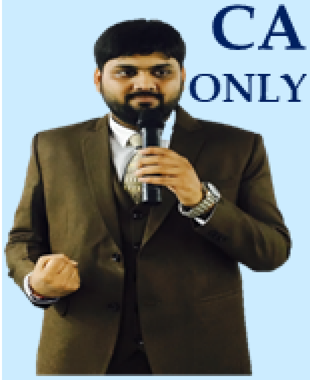
1. No amendments.

11) ASSESSMENT OF PARTNERSHIP FIRMS

1. Rate of Cess will be 4% HEC.
2. LTCG will be taxable u/s 112 as well as 112A.

12) ASSESSMENT OF RELIGIOUS & CHARITABLE TRUSTS

1. **W.e.f. A.Y. 19-20**, For the purpose of determining the amount of application u/s 11, the provisions of Sections 40(a)(ia), 40A(3) and 40A(3A) shall be applicable in the same manner as they applicable to computation income under PGBP.



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13) ASSESSMENT OF POLITCAL PARTIES

1. No amendments.

14) ASSESSMENT OF ELECTORAL TRUSTS

1. No amendments.

15) MINIMUM ALTERNATE TAX(MAT)

1. As a retrospective amendment w.e.f. 01/04/2001, For the removal of doubts, it is hereby clarified that the provisions of section 115JB shall not be applicable and shall be deemed never to have been applicable to an assessee, being a foreign company, where its total income comprises solely of profits and gains from business referred to in section 44B or section 44BB or section 44BBA or section 44BBB and such income ***has been offered to tax at the rates specified in those sections***
2. Rate of Cess for Normal Tax as well as MAT shall be 4% HEC instead of 3% EC.
3. The normal rate of tax for Domestic Companies is 30%. However, **w.e.f. A.Y. 19-20**, if the turnover of a domestic company does not exceed 250 crore in **P.Y. 16-17**, 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

The option is furnished in the prescribed manner before the due date of filing return of income. ***However, once the option is exercised it cannot be changed or withdrawn for any year in future. Further, other income of the company for which special rates of tax have been prescribed, shall continue to be taxed at such prescribed special rates.***

4. **W.e.f. A.Y. 19-20**, In case of a company against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016, **BOTH** the brought forward loss as well as the unabsorbed depreciation as per Books of Accounts shall be adjusted on the less side in the calculation of Book Profit u/s 115JB.

16) ALTERNATE MINIMUM TAX (AMT)

1. Rate of Cess for Normal Tax as well as MAT shall be 4% HEC instead of 3% EC
2. Rate of AMT for a unit located in IFSC deriving income solely in convertible foreign exchange, shall be 9%.

17) INCOME TAX AUTHORITIES, THEIR POWERS

1. No amendments.

18) SEARCH, SEIZURE & SURVEY

1. No amendments.

19) ASSESSMENT PROCEDURE

1. **W.e.f. A.Y. 19-20**, if an assessee files a belated ROI u/s 139(5), the assessee shall lose Income Related Deductions under Chapter VI-A.

2. **W.E.F. A.Y. 19-20**, Every person, being a resident, other than an individual, which enters into a financial transaction of an amount aggregating to two lakh fifty thousand rupees or more in a financial year; or who is the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer of such person or any person competent to act on behalf of such person shall be mandatorily required to acquire PAN u/s 139A.

3. ***W.e.f. A.Y. 19-20,*** The Central Government may make a scheme, for the purposes of making assessment of total income or loss of the assessee u/s 143(3) so as to impart greater efficiency, transparency and accountability by—

   (a) eliminating the interface between the Assessing Officer and the assessee in the course of proceedings to the extent technologically feasible;

   (b) optimising utilisation of the resources through economies of scale and functional specialisation;

   (c) introducing a team-based assessment with dynamic jurisdiction.

   The Central Government may, for the purpose of giving effect to the scheme made above, by notification in the Official Gazette, direct that any of the provisions of this Act relating to assessment of total income or loss shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in the notification, provided that no direction shall be issued after the 31st day of March, 2020. Every notification issued as per above provisions shall be laid before each House of Parliament.

4. **W.e.f. A.Y. 19-20**, to incorporate the provisions of Income Computation and Disclosure Standards, following provisions are enacted in the Act:

Section 145A - Method of Accounting in certain cases:

For the purpose of determining the income chargeable under the head "Profits and gains of business or profession",—

(i) The valuation of inventory shall be made at lower of actual cost or net realisable value computed in accordance with the ICDS u/s 145(2);

(ii) The valuation of purchase and sale of goods or services and of inventory shall be adjusted to include the amount of any tax, duty, cess or fee (by whatever name called) actually paid or incurred by the assessee to bring the goods or services to the place of its location and condition as on the date of valuation;

(iii) The inventory being securities not listed on a recognised stock exchange shall be valued at actual cost initially recognised in accordance with the ICDS u/s 145(2);

(iv) The inventory being securities other than those referred above, shall be valued at lower of actual cost or net realisable value in accordance with the ICDS u/s 145(2)

Provided that the inventory being securities held by a scheduled bank or public financial institution shall be valued in accordance with the ICDS u/s 145(2) after taking into account the guidelines issued by the RBI in this regard,

Further the comparison of actual cost and net realisable value of securities shall be made category-wise.

Explanation 1.—For the purposes of this section, any tax, duty, cess or fee (by whatever name called) under any law for the time being in force, shall include all such payment notwithstanding any right arising as a consequence to such payment.

Section 145B - Taxability of certain income:

1) Notwithstanding anything to the contrary contained in section 145, the interest received by an assessee on any compensation or on enhanced compensation, as the case may be, shall be deemed to be the income of the previous year in which it is received.

(2) Any claim for escalation of price in a contract or export incentives shall be deemed to be the income of the previous year in which reasonable certainty of its realisation is achieved.

(3) Governments grants excluding, grants related to specific fixed asset or grants or subsidy for the purpose of corpus of a trust shall be deemed to be the income of the previous year in which it is received, if not charged to income-tax in any earlier previous year.

FURTHER PROVISIONS OF ICDS RELATED AMENDMENTS HAVE BEEN DISCUSSED IN PGBP CHAPTER

20) APPEALS

1. No amendments

21) REVISION

1. No amendments

22) INCOME TAX SETTLEMENT COMMISSION

1. No amendments

23) AUTHORITY FOR ADVANCE RULINGS

1. No amendments

24) TONNAGE TAX SCHEME

1. No amendments

25) PENALTIES

1. Under Section 271FA penalty for late filing of Statement of Financial Transaction or Reportable Account shall be **Rs. 500/- per day** of default. Further, if A.O. issues a notice to furnish such statement and there is a failure to furnish statement in response to such notice, penalty shall be Rs. **1,000/- per day** of default

26) MISCELLANEOUS PROVISIONS

1. U/s 286, the CBC Report shall be submitted within 12 months from the end of the reporting accounting year.

27) TDS / TCS

1. **W.e.f. A.Y. 19-20**, No TDS on 7.75% Savings (Taxable) Bonds, 2018.
2. **W.e.f. A.Y. 19-20**, U/s 194A in respect of TDS on Bank Interest if the Payee is a **Resident of the age 60 years or above**, then the limit will be **>50,000/- p.a. per Branch, per payee**

28) ADVANCE TAX

1. No amendments

29) REFUND

1. No amendments

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

1. No amendments

31) RECOVERY PROCEEDINGS

1. No amendments.

32) TRANSFER PRICING

1. No amendments

33) SALARY

1. **W.e.f. A.Y. 19-20**: U/s 16(ia) Standard Deduction from Salary i.e. a deduction of forty thousand rupees or the amount of the salary, whichever is less is introduced.
2. Exemption of Rs. 15,000 in respect of medical reimbursements, where applicable, **NOW STANDS WITHDRAWN.**

34) HOUSE PROPERTY

1. No amendments

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

1. **W.e.f. A.Y. 19-20**, If any item of inventory is converted in capital asset, the FMV on the date of conversion shall be taxable under PGBP. The aforesaid, FMV shall become COA for Capital Gains purposes and holding period shall commence from date of conversion. ***[Also in Capital Gains]***

2. **W.e.f. A.Y. 19-20,** Any compensation received in connection with the termination or modification of the terms and conditions, of any contract relating to BUSINESS shall be taxable under PGBP.

3. **W.e.f. A.Y. 19-20**, to incorporate the provisions of Income Computation and Disclosure Standards, following provisions are enacted in the Act:

a) **36(1) (xviii)** – Deduction will be available in respect of MTM loss or other expected loss as computed in accordance with the income computation and disclosure standards. Related amendment by inserting Section 40A(13) specifying that no deduction shall be allowed for MTM losses other than those stated u/s 36(1) (xviii)

b) **43AA**-

1) Any gain or loss arising on account of any change in foreign exchange rates shall be treated as income or loss, as the case may be, and such gain or loss shall be computed in accordance with the income computation and disclosure standards.

(2) Gain or loss arising on account of the effects of change in foreign exchange rates shall be in respect of all foreign currency transactions, including those relating to—

(i) monetary items and non-monetary items;
(ii) translation of financial statements of foreign operations;
(iii) forward exchange contracts;
(iv) foreign currency translation reserves.

c) **43CB-**

(1) The profits and gains arising from a construction contract or a contract for providing services shall be determined on the basis of percentage of completion method in accordance with the income computation and disclosure standards

Provided that profits and gains arising from a contract for providing services,—

(i) with duration of not more than ninety days shall be determined on the basis of project completion method;
(ii) involving indeterminate number of acts over a specific period of time shall be determined on the basis of straight line method.

(2) For the purposes of percentage of completion method, project completion method or straight line method—

(i) the contract revenue shall include retention money;
(ii) the contract costs shall not be reduced by any incidental income in the nature of interest, dividends or capital gains

4. U/s 43CA, **W.e.f. A.Y. 19-20**, If the value adopted or assessed or assessable by the authority for the purpose of payment of stamp duty does not exceed one hundred and five per cent of the consideration received or

accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the purposes of computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration. Further, for the purpose of adopting the Stamp Duty Value on the date of agreement instead of the date of possession the advance has to be received ***by way of an account payee cheque or an account payee bank draft or by use of electronic clearing system through a bank account.***

5. **W.e.f . A.Y. 19-20**, U/s 44AE, For Heavy Vehicles (i.e. Gross vehicle weight / unladen weight exceeding 12,000 Kgs), the estimated profit will be taken as 1,000 per ton of gross vehicle weight/unladen weight per month (part of a month taken as a full month) per truck or income disclosed (whichever is higher).

36) CAPITAL GAINS

1. ***[Also in Special Rates of Tax]***

W.e.f. A.Y. 19-20– Transfer of bonds or GDR or rupee denominated bonds of an Indian company or derivative made by a Non Resident on a recognized stock exchange located in any International Financial Services Centre (IFSC), where consideration is paid or payable in foreign currency is excluded from the definition of transfer.

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b) the lower of –

(I) the fair market value of such asset; and

(II) the full value of consideration received or accruing as a result of the transfer of the capital asset.

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(I) A minimum of 90 per cent of the total proceeds of such funds is invested in the units of such other fund; and

(II) such other fund also invests a minimum of 90 per cent of its total proceeds in the equity shares of domestic companies listed on recognized stock exchange; and

c) In any other case, a minimum of 65 per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on recognized stock exchange.

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d) In a case where the capital asset is a unit and is not listed on recognized stock exchange, the net asset value of such asset as on the the 31st day of January, 2018.

e) In a case where the capital asset is an equity share which was unlisted at the time of acquisition, the FMV on 31st January, 2018 shall be determined by giving the benefit of indexation from acquisition till 2017-18

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[GOOD NEWS: THIS BEING A VERY IMPORTANT AND COMPLICATED AMENDMENT, A VIDEO EXPLAINING THIS CONCEPT IS ALREADY UPLOADED BY THE FACULTY ON HIS YOUTUBE CHANNEL **– WWW.YOUTUBE.COM/SIDDHARTHSURAN]**

4. **W.e.f. A.Y. 19-20**, In the case of conversion of Stock in Trade into capital Asset, the holding period shall commence from the date of conversion.

5. **W.e.f. A.Y. 19-20,** U/s 50C - If the value adopted or assessed or assessable by the stamp valuation authority does not exceed one hundred and five per cent of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall, for the

purposes of section 48, be deemed to be the full value of the consideration.

6. Cost Inflation Index for the Financial Year 2018-19 will be 280.

7. **W.e.f. A.Y. 19-20**, If any item of inventory is converted in capital asset, the FMV on the date of conversion shall be taxable under PGBP. The aforesaid, FMV shall become COA for Capital Gains purposes and holding period shall commence from date of conversion. ***[Also in PGBP]***

8. **W.e.f. A.Y. 19-20**, the Asset transferred should be Land/Building/Both for the purpose of exemption u/s 54EC. The lock in period for any bond issues on/after 01/04/2018 shall be 5 years.

37) INCOME FROM OTHER SOURCES

1. **W.E.F.A.Y. 19-20**, any compensation or other payment, due to or received by any person, by whatever name called, in connection with the termination of his employment or the modification of the terms and conditions relating thereto shall be taxable u/s 56.
2. Immovable property received as gift for inadequate consideration shall be taxable if the Stamp Duty Value exceeds the Actual amount paid by Rs. 50,000 or 5% of Actual amount, whichever is higher.

38) CLUBBING OF INCOME

1. No amendments.

39) SET OFF & C/F OF LOSSES

1. **W.e.f. A.Y. 19-20**:

Section 79 shall not be applicable to a company where a change in the shareholding takes place in a previous year pursuant to a resolution plan approved under the Insolvency and Bankruptcy Code, 2016 (31 of 2016), after affording a reasonable opportunity of being heard to the jurisdictional Principal Commissioner or Commissioner.

40) DEDUCTIONS UNDER CHAPTER VI-A

1. **W.e.f. A.Y. 19-20:** Income related deductions shall be available only if the assessee files ROI on/before the 139(1) due date.
2. **W.e.f. A.Y. 19-20:** The deduction limit for Resident Senior Citizens u/s 80D shall be increased from Rs. 30,000 to Rs. 50,000.
3. **W.E.F. A.Y. 19-20**, U/s 80D in case of lumpsum premium payment for multiple years, the total amount paid shall be equally apportioned as deduction for the years for which premium is paid beginning from the year of payment.
4. **W.e.f. A.Y. 19-20:** The limit on qualifying amount for Resident Senior Citizens and Very Senior Citizens u/s 80DDB shall be merged and increased to Rs. 1,00,000.
5. **W.e.F. A.Y. 19-20**: U/s 80JJAA:
   a) The criteria of completing minimum 150 days instead of 240 days will be relaxed for footwear and leather industry also (like it was earlier relaxed for apparel industry).
   b) Where an employee is employed during the previous year for a period of less than two hundred and forty days or one hundred and fifty days, as the case may be, but is employed for a period of two hundred and forty days or one hundred and fifty days, as the case may be, in the immediately succeeding year, he shall be deemed to have been employed in the succeeding year and the provisions of this section shall apply accordingly
6. **W.e.f. A.Y 19-20 New SECTION 80PA - Deduction in respect of certain income of Producer Companies.**

   ALLOWED TO: Producer Companies as defined u/s 581A of the Companies Act, 1956.
   DEDUCTION: 100% of the profits of eligible business for A.Y. 19-20 to A.Y. 24-25
   CONDITIONS:
   1. The turnover of the Company Should be less than Rs. 100 crore.

REMARKS:

1. "eligible business" means—

(a) the marketing of agricultural produce grown by the members; or

(b) the purchase of agricultural implements, seeds, livestock or other articles intended for agriculture for the purpose of supplying them to the members; or

(c) the processing of the agricultural produce of the members;

2. Deduction will be restricted to the profit shown in the eligible business less any other Chapter VIA deduction claimed by the company

7. **<u>W.e.f. A.Y 19-20 New SECTION 80TTB: Deduction in respect of interest on deposits in case of senior citizens.</u>**

<u>ALLOWED TO</u>: Resident Senior Citizens

<u>DEDUCTION</u>: Interest income in the savings account, subject to maximum 50,000

<u>CONDITIONS</u>:

(1) The savings account can be maintained with

(a) a banking company, or

(b) a co-operative society engaged in the business of banking; or

(c) a post office

(2) If the deposit in savings account is held by or on behalf of a firm or association of persons or a body of individuals, the deduction shall not be allowed to the partner or the member

(3) This deduction unlike 80TTA is also available on time deposits e.g. FD and RD accounts.

<u>EXTRA CHAPTERS APPLICABLE ONLY FOR NEW COURSE</u>

<u>41) OVERVIEW OF MODEL TAX CONVENTIONS</u>
<u>42) TAX TREATIES: APPLICATION AND INTERPRETATION</u>
<u>43) FUNDAMENTALS OF BASE EROSION AND PROFIT SHIFTING (BEPS)</u>

1. No amendments in all three chapters. However, as per new ICAI study material the portion of these three chapters is substantially reduced as compared to the study material of last year.