

EXECUTIVE PROGRAMME

(OLD SYLLABUS)

SUPPLEMENT

FOR

TAX LAWS AND PRACTICE

(DIRECT TAX)

**(Relevant for Students appearing in December, 2020
Examination)**

MODULE 1- PAPER 4

Disclaimer-

This document has been prepared purely for academic purposes only and it does not necessarily reflect the views of ICSI. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.

Students appearing in December, 2020 Examination shall note the following:

- 1. For Direct taxes, Finance Act, 2019 is applicable.*
- 2. Applicable Assessment year is 2020-21 (Previous Year 2019-20).*
- 3. For Indirect Taxes: Goods and Services Tax 'GST' is applicable for Executive Programme (Old Syllabus)*
- 4. Students are also required to update themselves on all the relevant Rules, Notifications, Circulars, Clarifications, etc. issued by the CBDT, CBIC & Central Government, on or before six months prior to the date of the examination.*

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PART I – DIRECT TAXATION

INCOME TAX ACT, 1961 & RULES 1962

CIRCULARS

Sr. No.	Updates	Lesson No.
1.	<p>CIRCULAR NO. 1/2018 DATED: 10TH JANUARY, 2018</p> <p>PROCESSING OF INCOME TAX RETURNS UNDER SECTION 143(1) OF THE INCOME-TAX ACT WHICH WERE FILED IN FORMS ITR-1 TO 6 & APPLICABILITY OF SECTION 143(1)(A)(VI)</p> <p>As per section 143(1)(vi)(a) of the Income-tax Act, 1961 ('Act') introduced vide Finance Act, 2016, w.e.f. 01.04.2017 prescribes that the total income or loss shall be computed after making adjustment for addition of income appearing in Form 26AS or Form 16A or Form 16 while processing the return of income, which has not been included in computing the total income in the return. In this regard, CBDT has issued Instruction No. 9/2017 dated 11.10.2017 & 10/2017 dated 15.11.2017 for identification of instances in which section 143(1)(a)(vi) of the Act may be invoked by CPC-ITR, Bengaluru on the basis of information contained in the ITR Forms 1 to 6.</p> <p>Since section 143(1)(a)(vi) of the Act is being applied for the first time while processing the returns, it has been decided that before issuing an intimation of the proposed adjustment, initially an awareness campaign would be carried out to draw the attention of the taxpayer to such differences. This would be in form of an e-mail and SMS communication to the concerned taxpayer informing him about the variation in the tax-return vis-a-vis the information available in the three Forms and requesting him to submit response to the variation within one month of receiving the communication electronically. In case the taxpayer does not respond within the available time-frame or the response is not satisfactory, a formal intimation u/s 143(1)(a)(vi) proposing adjustment to the returned income would be issued to him.</p> <p>As per the second proviso to section 143(1)(a)(vi) of the Act, in a case where no response is received from the taxpayer within thirty days of issue of such an intimation, the proposed adjustment shall be made to the returned income. Therefore, it is of utmost necessity that the concerned taxpayer files a prompt, timely and satisfactory response to the awareness campaign or subsequent intimation proposing adjustment u/s 143(1)(a)(vi) of the Act.</p> <p>The manner for furnishing response by the taxpayer is as under:</p> <p>For furnishing the response electronically, taxpayer is required to login in his account in the e-filing site and choose the option (View>Returns/Forms). In a case where communication/intimation has been issued to the taxpayer u/s 143(1)(a)(vi) of the Act, the status will be displayed in the dashboard as 'Response to Communication/Intimation u/s 143(1)(a) is pending'. The taxpayer can click on the same and submit his response.</p>	Lesson 11

	<p>The scenario for furnishing response are as under:</p> <p>I. If the taxpayer fully agrees with the proposed adjustment, he is required to file a revised return in response.</p> <p>II. If the taxpayer partially agrees with the proposed adjustment, he is required to file a revised return for the part of the proposed adjustment with which he is in agreement & file a reconciliation statement (in the format to be provided by CPC-ITR on the e-filing site) for the part of the proposed adjustment with which he is not in agreement.</p> <p>III. If the taxpayer disagrees with the proposed adjustment, he is required to file a reconciliation statement (in the format to be provided by CPC-ITR on the e-filing site) in support of his contention.</p> <p>Based upon response of the taxpayer and the information so available with the CPC-ITR, thereafter, such returns shall be taken up for processing by CPC-ITR as per provisions of section(s) 143(1), 143(1)(a)(vi) read with Instruction No.9 & 10/2017 of CBDT.</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular1_2018.pdf</p>										
2.	<p>CIRCULAR NO. 2/2018 DATED: 15TH FEBRUARY, 2018</p> <p>EXPLANATORY NOTES TO THE PROVISIONS OF THE FINANCE ACT, 2017</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular2_2018.pdf</p>	<p>Lesson 1-15</p>									
3.	<p>CIRCULAR NO. 3/2018 DATED: 11TH JULY, 2018</p> <p>Revision of monetary limits for filing of appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court-measures for reducing litigation</p> <p>Reference is invited to Board's Circular No. 21 of 2015 dated 10.12.2015 wherein monetary limits and other conditions for filing departmental appeals before Income Tax Appellate Tribunal, High Courts and SLPs/ appeals before Supreme Court were specified.</p> <p>In supersession of the above Circular, it has been decided by the Board that departmental appeals may be filed on merits before Income Tax Appellate Tribunal and High Courts and SLPs/ appeals before Supreme Court keeping in view the monetary limits and conditions specified below. Henceforth, appeals/ SLPs shall not be filed in cases where the tax effect does not exceed the monetary limits given hereunder:</p> <table><tr><td>S. No.</td><td>Appeals/ SLPs in Income-tax</td><td>Monetary Limit (Rs.)</td></tr><tr><td>1.</td><td>Before Appellate Tribunal</td><td>20,00,000</td></tr><tr><td>2.</td><td>Before High Court</td><td>50,00,000</td></tr></table>	S. No.	Appeals/ SLPs in Income-tax	Monetary Limit (Rs.)	1.	Before Appellate Tribunal	20,00,000	2.	Before High Court	50,00,000	<p>Lesson 12</p>
S. No.	Appeals/ SLPs in Income-tax	Monetary Limit (Rs.)									
1.	Before Appellate Tribunal	20,00,000									
2.	Before High Court	50,00,000									

3.	Before Supreme Court	1,00,00,000
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It is clarified that an appeal should not be filed merely because the tax effect in a case exceeds the monetary limits prescribed above. Filing of appeal in such cases is to be decided on merits of the case.

For this purpose, 'tax effect' means the difference between the tax on the total income assessed and the tax that would have been chargeable had such total income been reduced by the amount of income in respect of the issues against which appeal is intended to be filed (hereinafter referred to as 'disputed issues') Further, 'tax effect' shall be tax including applicable surcharge and cess. However, the tax will not include any interest thereon, except where chargeability of interest itself is in dispute. In case the chargeability of interest is the issue under dispute, the amount of interest shall be the tax effect. In cases where returned loss is reduced or assessed as income, the tax effect would include notional tax on disputed additions. In case of penalty orders, the tax effect will mean quantum of penalty deleted or reduced in the order to be appealed against.

Further, where income is computed under the provisions of section 115JB or section 115JC, for the purposes of determination of 'tax effect', tax on the total income assessed shall be computed as per the following formula:

(A - B) + (C - D) where,

A = the total income assessed as per the provisions other than the provisions contained in section 115JB or section 115JC (herein called general provisions);

B = the total income that would have been chargeable had the total income assessed as per the general provisions been reduced by the amount of the disputed issues under general provisions;

C = the total income assessed as per the provisions contained in section 115JB or section 115JC;

D = the total income that would have been chargeable had the total Income assessed as per the provisions contained in section 115JB or section 115JC was reduced by the amount of disputed issues under the said provisions:

However, where the amount of disputed issues is considered both under the provisions contained in section 115JB or section 115JC and under general provisions, such amount shall not be reduced from total income assessed while determining the amount under item D.

This Circular will apply to SLPs/appeals/ cross objections/ references to be filed henceforth in SC/HCs/Tribunal and it shall also apply retrospectively to pending SLPs/appeals/cross objections/ references. Pending appeals below the specified tax limits in para 3 above may be withdrawn/ not pressed.

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_3_2018.pdf

4.	<p>CIRCULAR NO. 4/2018 DATED: 14TH AUGUST, 2018 Computation of admissible deduction u/s 10A of the Income Tax Act, 1961</p> <p>As per the provisions of sub-section (4) of section 10A of the Income Tax Act, 1961 the profits derived from export of articles or things or computer software shall be the amount which bears to the profits of the business of the undertaking, the same proportion as the export turnover in respect of such articles or things or computer software bears to the total turnover of the business carried on by the undertaking.</p> <p>Further as per clause (iv) to Explanation 2 to section 10A of the Act, "export turnover" means the consideration in respect of export by the undertaking of articles or things or computer software received in, or brought into, India by the assessee in convertible foreign exchange in accordance with sub-section (3), but does not include freight, telecommunication charges or insurance attributable to the delivery of the articles or things or computer software outside India or expenses, if any, incurred in foreign exchange in providing the technical services outside India.</p> <p>The issue whether freight, telecommunication charges and insurance expenses are to be excluded from both "export turnover" and "total turnover" while working out deduction admissible under section 10A of the Act on the ground that they are attributable to delivery of articles or things or computer software outside India has been highly contentious. Similarly, the issue whether charges for providing technical services outside India are to be excluded both from "export turnover" and "total turnover" while computing deduction admissible under section 10A of the Act on the ground that such charges are relatable towards expenses incurred in convertible foreign exchange in providing technical services outside India has also been highly contentious.</p> <p>The controversy has been finally settled by the Hon'ble Supreme Court vide its judgement dated 24.4.2018 in the case of Commissioner of Income Tax, Central-III Vs. MIs HCL Technologies Ltd. While deciding the issue the Apex Court has held as under:</p> <p>The similar nature of controversy, akin to this case, arose before the Karnataka High Court in CITvs. Tata Elxsi Ltd (2012). The issue before the Karnataka High Court was whether the Tribunal was correct in holding that while computing relief under Section 10A of the IT Act, the amount of communication expenses should be excluded from the total turnover if the same are reduced from the export turnover. While giving the answer to the issue, the High Court, inter-alia, held that when a particular word is not defined by the legislature and an ordinary meaning is to be attributed to nil, the said ordinary meaning is to be in conformity with the context in which it is used. Hence, what is excluded from 'export turnover' must also be excluded from 'total turnover', since one of the components of 'total turnover' is export turnover. Any other interpretation would run counter to the legislative intent and would be impermissible.</p> <p>Accordingly the formula for computation of the deduction under Section 10A of the Act would be as follows:</p> <p>Export Profit = Total Profit of the Business * Export turnover as defined in</p>	<p>Lesson 3</p>
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	<p>Explanation 2(IV) of Section 10A of IT Act / (Export turnover as defined in Explanation 2(IV) of Section 10A of the IT Act + domestic sale proceeds)</p> <p>In the instant case, if the deductions on freight, telecommunication and insurance attributable to the delivery of computer software under Section 10A of the IT Act are allowed only in Export Turnover but not from the Total Turnover then, it would give rise to inadvertent, unlawful, meaningless and illogical result which would cause grave injustice to the respondent which could have never been the intention of the legislature.</p> <p>Even in common parlance, when the object of the formula is to arrive at the profit from export business, expenses excluded from export turnover have to be excluded from total turnover also. Otherwise any other interpretation makes the formula unworkable and absurd. Hence, we are satisfied that such deduction shall be allowed from the total turnover in same proportion as well.</p> <p>On the issue of expenses on technical services provided outside, we have to follow the same principle of interpretation as followed in the case of expenses of freight, telecommunication etc. otherwise the formula of calculation would be futile. Hence, in the same way, expenses incurred in foreign exchange for providing the technical services outside shall be allowed to exclude from the total turnover.</p> <p>The issue has been examined by the Board and it is clarified that freight, telecommunication charges and insurance expenses are to be excluded both from "export turnover" and "total turnover", while working out deduction admissible under section 10A of the Act to the extent they are attributable to the delivery of articles or things or computer software outside India.</p> <p>Similarly, expenses incurred in foreign exchange for providing the technical services outside India are to be excluded from both "export turnover" and "total turnover" while computing deduction admissible under section 10A of the Act.</p> <p>Thus, all charges/expenses specified in Explanation 2(iv) to section 10A of the Act, are liable to be excluded from total turnover also for the purpose of computation of deduction u/s 10A of the Act.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/circular/circular-4_2018.pdf</p>	
5.	<p>CIRCULAR NO. 5/2018 DATED: 16TH AUGUST, 2018</p> <p>Clarification on the immunity provided u/s 270AA of the Income-tax Act, 1961</p> <p>Section 270AA of the Income-tax Act, 1961 inter alia provides that w.e.f. 1st April, 2017, the Assessing Officer, on an application made by an assessee, may grant immunity from imposition of penalty under section 270A (not being penalty for misreporting) and initiation of proceedings under section 276C or section 276CC, subject to the conditions specified therein.</p> <p>Apprehensions have been raised that where an assessee makes an application seeking immunity under section 270AA of the Act, and in the earlier year(s) penalty under</p>	<p>Lesson</p> <p>12</p>

	<p>section 271(1)(c) of the Act has been initiated on the same issue, the Income-tax Authority may contend that the assessee has acquiesced on the issue in such earlier year (s), by seeking immunity under section 270AA of the Act and therefore, take an adverse view in the proceedings for penalty under section 271(1)(c) of the Act.</p> <p>In this matter, it is hereby clarified that where an assessee makes an application seeking immunity under section 270AA of the Act, it shall not preclude such assessee from contesting the same issue in any earlier assessment year. Further, the Income-tax Authority, shall not take an adverse view in the proceedings for penalty under section 271(1)(c) of the Act in earlier assessment years merely on the ground that the assessee has acquiesced on the issue in any later assessment year by preferring an immunity on such issue under section 270AA of the Act</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular-5-2018.pdf </p>	
6.	<p>CIRCULAR NO. 7/2018 DATED: 20TH AUGUST, 2018 Amendment to para 10 of the Circular No. 3 of 2018 dated 11.07.2018</p> <p>The monetary limits for filing of appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court have been revised by Board's Circular No.3 of 2018 dated 11.07.2018.</p> <p>Para 10 of the said Circular provides that adverse judgments relating to the issues enumerated in the said para should be contested on merits notwithstanding that the tax effect entailed is less than the monetary limits specified in para 3 thereof or there is no tax effect. Para 10 of the Circular No.3 of 2018 dated 11.07.2018 is hereby amended as under:</p> <p>10. Adverse judgments relating to the following issues should be contested on merits notwithstanding that the tax effect entailed is less than the monetary limits specified in para 3 above or there is no tax effect:</p> <p>(a) Where the Constitutional validity of the provisions of an Act or Rule is under challenge, or (b) Where Board's order, Notification, Instruction or Circular has been held to be illegal or ultra vires, or (c) Where Revenue Audit objection in the case has been accepted by the Department, or (d) Where addition relates to undisclosed foreign income/ undisclosed foreign assets (including financial assets)/ undisclosed foreign bank account</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/amendment-circular-3-2018.pdf </p>	<p>Lesson 12</p>
7.	<p>CIRCULAR NO. 2 DATED 4TH JANUARY 2019 SECTION 56 OF THE INCOME-TAX ACT, 1961 - INCOME FROM</p>	<p>Lesson 4(V)</p>

OTHER SOURCES - WITHDRAWAL OF CIRCULAR NO. 10/2018 DATED 31-12-2018 ON APPLICABILITY OF SECTION 56(2) (viiia) OF THE INCOME-TAX ACT, 1961 FOR ISSUE OF SHARES BY A COMPANY IN WHICH PUBLIC ARE NOT SUBSTANTIALY INTERESTED

Reference is invited to the Circular No. 10/2018 dated 31-12-2018 on the captioned subject.

It has been brought to the notice of the Board that the matter relating to interpretation of the term "receives" used in section 56(2)(viiia) of the Income-tax Act, 1961 is subjudice in certain higher judicial forums. Further, representations have been received from stakeholders seeking clarification on other similar provisions in section 56 of the Act.

Accordingly, the matter has been reconsidered by the Board. Given the fact that the matter relating to interpretation of the term 'receives' used in section 56(2) (viiia) of the Act is pending before judicial forums and stakeholders have sought clarifications on similar provisions in section 56 of the Act, the Board is of the view that the matter is required to be examined afresh so that a comprehensive circular on the matter can be issued.

In view of the above, the Circular No. 10/2018 dated 31st December, 2018 issued is hereby withdrawn and the aid circular shall be considered to have been never issued. A fresh comprehensive circular on the subject shall be issued in due course.

For details:

https://www.incometaxindia.gov.in/communications/circular/circular_2_2019.pdf

8. CIRCULAR NO. 3 DATED 21ST JANUARY 2019

SECTION 56 OF THE INCOME-TAX ACT, 1961 - INCOME FROM OTHER SOURCES - CHARGEABLE AS - APPLICABILITY OF SECTION 56(2) (viiia) OR SIMILAR PROVISIONS UNDER SECTION 56(2) FOR ISSUE OF SHARES BY A COMPANY

As mentioned in Circular No. 02/2019, a comprehensive review of the subject matter relating to interpretation of the term "receives" as used in, inter alia, section 56(2)(viiia) of the Income-tax Act, 1961 (the Act) and similar provisions contained in section 56(2) of the Act has been made by the Board in view of pendency of this issue in various judicial forums and clarifications sought by stakeholders. Based on the above, the following position is hereby clarified.

Keeping in view the plain reading as well as the legislative intent of section 56(2)(viiia) and similar provisions contained in section 56(2) of the Act, being anti-abuse in nature, it has been decided that the view, as was taken in Circular No. 10/2018 [subsequently withdrawn by Circular No. 02/2019] that section 56(2)(viiia) of the Act would not apply to fresh issuance of shares, would not be a correct approach, as it could be subject to abuse and would be contrary to the express provisions and the legislative intent of section 56(2)(viiia) or similar

**Lesson
4(V)**

	<p>provisions contained in section 56(2) of the Act.</p> <p>Therefore, any view expressed by the Board in Circular No. 10/2018 shall be considered to have never been expressed and accordingly, the said circular shall not be taken into account by any Income-tax authority in any proceedings under the Act.</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular_3_2019.pdf </p>	
9.	<p>CIRCULAR NO. 4 DATED 6TH JANUARY, 2019</p> <p>Clarification regarding liability and status of Official Assignees under the Income tax Act</p> <p>Under provisions of the Presidency Towns Insolvency Act, 1909 and the Provincial Insolvency Act, 1920, where an order of Insolvency is passed against a debtor by the concerned Court, property of the debtor gets vested with the Court appointed Official Assignee. The Official Assignee then realizes property of the insolvent and allocates it amongst the creditors of the insolvent. Consequentially, Official Assignee has the responsibility to handle income-tax matters of the estate assigned to him. In this regard, a clarification has been sought regarding applicability of clause (iii) of section 160(1) of the Income-tax Act, 1961 (Act) which applies on a 'Representative Assessee' in the case of an Official Assignee. Further, clarity regarding status of the Official Assignee's i.e. their fallibility in the appropriate category of 'persons', as defined in section 2(31) of the Act, has also been sought.</p> <p>As per provisions of section 160(1)(iii) of the Act, a 'Representative Assessee' amongst other situations specified therein, becomes liable in respect of any income which the Assignee receives or is entitled to receive while managing the property for benefit of any person. As per the two insolvency Acts, Official Assignee manages the property of the debtor for the benefit of the creditors. Further, the Insolvency Act, 1909, in unambiguous terms, provides that an insolvent ceases to have an ownership interest in the estate once an order of adjudication is made under section 17 of the Insolvency Act. Thus, it is hereby clarified that since Official Assignee does not receive the income or manage the property on behalf of the debtor, they cannot be considered as a 'Representative Assessee' of the debtor under the Act while computing the tax-liability arising from the estate of the debtor.</p> <p>As property of the insolvent is vested with the Official Assignee as per specific provisions of the Act/Law regulating functioning of the Official Assignee's, they have to be treated as a 'juristic entity' for purposes of the income-tax Act. Hence, it is clarified that for purpose of discharge of tax-liability under the Act, the status of Official Assignees is that of an 'artificial juridical person' as prescribed in section 2(31)(vii) of the Act, not being one of the 'persons' falling in sub-clauses (i) to (vi) of section 2(31) of the Act.</p> <p>Therefore, Official Assignee is required to file income-tax return electronically in the ITR Form applicable to 'artificial juridical person' separately for each of the estate of the insolvent and the income shall be taxed as per the rates</p>	<p>Lesson</p> <p>1</p>

	<p>applicable in a particular year to an 'artificial juridical person'.</p> <p>In view of the above position, Official Assignees would have to obtain a separate PAN for each of the estate of the insolvent.</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular_4_2019.pdf </p>	
10.	<p>CIRCULAR NO.6 DATED 31ST MARCH, 2019</p> <p>Giving effect to the judgement(s)/order(s) of Hon'ble Supreme Court on Aadhaar-PAN for filing return of income</p> <p>As per clause (ii) of sub-section (1) of section 139AA of the Income-tax Act, 1961, with effect from 01.07.2017, every person who is eligible to obtain Aadhaar number has to quote the Aadhaar number in return of income.</p> <p>In a series of judgments i.e. (i) Binoy Viswam Vs. Union of India reported in (2017) 396 ITR 66 (ii) Final Judgment and order of the Constitution Bench of Hon'ble Supreme Court dated 26.09.18 in Justice K. S. Puttaswamy (Retd.) and another {Writ Petition (Civil) No. 494 of 2012}; & (iii) Shreya Sen & Anr. In SLP (Civil) Diary No(s) 34292/2018 dated 04.02.2019, Hon'ble Supreme Court has upheld validity of Section 139AA.</p> <p>In light of the aforesaid judgement(s)/order(s) of Hon'ble Supreme Court, from 01.04.2019 onwards, to give effect to the above judgements/orders, it has been decided by the Board that provision of clause (ii) Of sub-section (1) of section 139AA of the Act would be implemented and it is mandatory to quote Aadhaar while filing the return of income unless specifically exempted as per any notification issued under sub-section (3) of section 139AA of the Act. Thus, returns being filed either electronically or manually cannot be filed without quoting the Aadhaar number.</p> <p>Returns which were filed prior to 01.04.2019 without quoting of Aadhaar number as an outcome of any decision of different High Courts in a specific case or returns which were filed during the period when the online functionality for filing the return without quoting of Aadhaar number was so available in the aftermath of decision of Delhi High Court dated 24.07.18 in W.P. C.M 7444/2018 & C.M. Application No. 28499/2018 in case of Shreya Sen vs. Union of India & Ors., till it was withdrawn post decision of Constitution Bench of the Hon'ble Supreme Court dated 26.09.18, would also be taken up for processing without causing any adverse consequence for non-quoting of Aadhaar as per provision of section 139AA of the Act.</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular_6-2019.pdf</p>	<p>Lesson 10</p>

11.	<p>CIRCULAR NO. 8 DATED 10TH MAY, 2019</p> <p>Clarification regarding definition of "Fund Manager" under Section 9A (4)(b) of the Income-tax Act, 1961</p> <p>Representations have been received in the Board for inclusion of an Asset Management Company (AMC) approved in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 for the purpose of Section of 9A(4)(b) of the Income-tax Act, 1961.</p> <p>The matter has been examined in the Board in consultation with SEBI. SEBI has stated that an AMC is engaged in the activity of fund management of Mutual Funds and hence is in substance, a Fund Manager, and entitled for benefits u/s 9A of the Income-tax Act. Therefore, it is hereby clarified that the phrase "fund manager" in Section 9A (4) (b) of the Income-tax Act includes an AMC as approved by SEBI under the SEBI (Mutual Funds) Regulations, 1996. A notification (No. 27/2019 dated 20th March 2019) has already been issued to include the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 in the definition of "specified regulations" in Section 9A(9)(e) of the Income-tax Act.</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular_8_10-05-2019.pdf</p>	Lesson 2
12.	<p>CIRCULAR NO. 9 DATED 14TH MAY, 2019</p> <p>Order under section 119 of the Income-tax Act, 1961</p> <p>Section 44AB of the Income-tax Act, 1961 ('the Act') read with rule 6G of the Income-tax Rules, 1962 ('the Rules') requires specified persons to furnish the Tax Audit Report along with the prescribed particulars in Form No. 3CD. The existing Form No. 3CD was amended vide notification no. GSR 666(E) dated 20th July, 2018 with effect from 20th August, 2018. However, the reporting under clause 30C and clause 44 of the Tax Audit Report was kept in abeyance till 31st March, 2019 vide Circular No. 6/2018 dated 17.08.2018.</p> <p>Representations were received by the Board that the implementation of reporting requirements under clause 30C (pertaining to General Anti-Avoidance Rules (GAAR and clause 44 (pertaining to Goods and Services Tax (GST) compliance) of the Form No. 3CD may be deferred further.</p> <p>The matter has been examined and it has been decided by the Board that the reporting under clause 30C and clause 44 of the Tax Audit Report shall be kept in abeyance till 31st March, 2020.</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular_9_2019.pdf</p>	Lesson 4(III)
13.	<p>CIRCULAR NO. 11 DATED 19TH JUNE, 2019</p> <p>Clarification regarding non-allow ability of set-off of losses against the deemed income under section 115BBE of the Income-tax Act,</p>	Lesson 5

	<p>1961 prior to assessment-year 2017-18</p> <p>With effect from 01.04.2017, sub-section (2) of section 115BBE of the Income-tax Act, 1961 (Act) provides that where total income of an assessee includes any income referred to in section(s) 68/69/69A/69B/69C/69D of the Act, no deduction in respect of any expenditure or allowance or set off of any loss shall be allowed to the assessee under any provisions of the Act in computing the income referred to in section 115BBE (1) of the Act.</p> <p>In this regard, it has been brought to the notice of the Central Board of Direct Taxes (the Board) that in assessments prior to assessment year 2017-18, while some of the Assessing Officers have allowed set off of losses against the additions made by them under Section(s) 68/69/69A/69B/69C/69D, in some cases, set off of losses against the additions made under Section 115BBE(1) of the Act have not been allowed. As the amendment inserting the words 'or set off of any loss' is applicable with effect from 1ST of April, 2017 and applies from assessment year 2017-18 onwards, conflicting views have been taken by the Assessing Officers in assessments for years prior to assessment year 2017-18. The matter has been referred to the Board so that a consistent approach is adopted by the Assessing Officers while applying provision of section 115BBE in assessments for period prior to the assessment year 2017-18.</p> <p>The Board has examined the matter. The Circular No. 3/2017 of the Board dated 20th January, 2017 which contains Explanatory notes to the provisions of the Finance Act, 2016, at para 46.2, regarding amendment made in section 115BBE(2) of the Act mentions that currently there is uncertainty on the issue of set-off of losses against income referred to in section 115BBE. It also further mentions that the pre-amended provision of section 115BBE of the Act did not convey the intention that losses shall not be allowed to be set-off against income referred to in section 115BBE of the Act and hence, the amendment was made vide the Finance Act, 2016.</p> <p>Thus keeping the legislative intent behind amendment in section 115BBE (2) vide the Finance Act, 2016 to remove any ambiguity of interpretation, the Board is of the view that since the term 'or set off of any loss' was specifically inserted only vide the Finance Act 2016, w.e.f. 01.04.2017, an assessee is entitled to claim set-off of loss against income determined under section 115BBE of the Act till the assessment year 2016-17</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular_11_2019.pdf</p>	
14.	<p>CIRCULAR NO.12 DATED 19TH JUNE, 2019</p> <p>Assessment of Firms'-some of the important issues to be kept under consideration by the Assessing Officers while framing assessment</p> <p>C&AG had carried out a Performance Audit regarding 'Assessment of Firms' under the Income tax Act, 1961 and in its Report NO.7 of 2014, has made certain suggestions so that in future, assessments in these cases are handled in</p>	<p>Lesson</p> <p>7</p>

a more effective manner by the Assessing Officers (AOs). Various recommendations made by the C&AG in its Report have been duly considered by the Board. In order to improve the quality of assessments being framed in these cases and also to reduce the scope for committing errors, the Board desires that Assessing Officers should duly take into consideration the following issues while making assessments in case of firms:

(i) Expenses in the hands of the firm such as interest on capital paid to the partners, remuneration payable to the working partners etc. are taxable in the hands of respective partners. Therefore, while framing assessment in case of firms, a cross-verification of such amounts with income-tax return of firm's partner will be desirable and any discrepancy between the tax return of a firm and its partners should be dealt with as per provisions of the Act. Further, AOs should invariably call for a copy of the partnership deed during the course of assessment proceedings and examine it carefully so that instances of payment of remuneration to any non-working partner or remuneration payment for period prior to the date of partnership deed but claimed as deductible are identified and cognizance of these are duly taken in assessment.

(ii) Section 40(b)(iv) stipulates following three conditions for allow ability of interest to the partners of a firm:

- a) the payment should be in accordance with the terms of the partnership deed; and
- b) it should relate to any period falling after the date of such partnership deed; and
- c) it should not exceed the amount calculated at the rate of twelve percent simple interest per annum.

Instances have been noticed where the interest in the partnership deed was stated to be below twelve percent, yet, the same was allowed at the rate of twelve percent by the AO. Such mistakes should be avoided. Further, in case the rate prescribed in the partnership deed is in excess of twelve percent, the excess should be disallowed in assessment. The AO is also required to ascertain whether payment of interest is duly authorized by the partnership deed or not. Further, while calculating interest payable to the partners for purposes of section 40(b)(iv) of the Act, ADs are taking different yardsticks for calculating interest viz. opening balance of capital, closing balance of capital, fixed capital or current capital etc. In this regard, section 40(b)(iv) of the Act prescribes that payment of interest to partners should be authorized by and be in accordance with the partnership deed. Therefore, while framing assessment, ADs should refer to the terms of the partnership deed for purpose of computation of interest on capital payable to a partner.

(iii) Clause (ii) and (v) of section 40(b) of the Act lays down that payment of remuneration to a working partner should be authorized by the partnership deed, be in accordance with the terms of the partnership deed, should relate to a period after the partnership deed and should also not exceed the maximum amounts prescribed therein. However, it has been noticed that in some assessments, ADs had allowed expenditure on remuneration to the working partners though the same was either not authorized by the partnership deed or

was in excess of the amount specified therein. In order to prevent recurrence of mistakes and allowing the expenditure strictly as per provisions of the Act, the ADs should ensure that claim under section 40(b)(v) of the Act is allowed only after a thorough verification of the partnership deed. Further, while computing remuneration which is allowable to a working partner under section 40(b) (v) of the Act, the term 'in accordance with the terms of the partnership deed' in clauses (ii) and (v) of section 40(b) of the Act implies that remuneration should not be undetermined or undecided. Hence, in all situations, partnership deed should form the basis for determination of remuneration payable to the working partners. Furthermore, in situations where the remuneration either so specified in the partnership deed or computed as per the method indicated therein falls short of the amount allowable under section 40(b)(v) of the Act, it would be restricted to the figure computed on the basis of the partnership deed.

(iv) While computing remuneration payable to the working partners under section 40(b)(v) of the Act, the remuneration should not exceed a particular aggregate amount which is based upon the figure of 'book profit'. The Explanation 3 to section 40(b) of the Act contains definition of 'book profit' for the purposes of determination of remuneration of the partners and provides that 'book profit' shall mean the net profit, as shown in the profit & loss account for the relevant previous year, computed in the manner laid down in Chapter IV-D as increased by the aggregate amount of the remuneration paid or payable to all the partners of the firm if such amount has been deducted while calculating the net profit. Therefore, while computing 'book profit' for purposes of section 40(b)(v) of the Act, all incomes such as capital gain, interest, rental income, income from other sources etc. which do not fall under the head 'profit or gain of business or profession', should be excluded.

(v) ADs are advised to apply the provisions of Chapter XVI of the Act in assessment of firms whenever required. It should be taken into consideration that under section 185 of the Act, any noncompliance by the firm or its partners with provisions of section 184 of the Act may result in denial of expenses such as remuneration, interest etc. payable to the partners which are otherwise allowable under the provisions of the Act.

(vi) It has also come to notice that some firms try to inflate the profits eligible for deduction under section 80IA of the Act by not claiming expenditure towards remuneration, salary, interest etc. which are payable to the partners. In such situations, Assessing Officers may examine these transactions in light of provisions of sub-section (10) of section 80IA of the Act which empower Assessing Officer to re-compute profit of the eligible business after excluding the profits of the related activity/business which produced the excessive profit.

(vii) While framing assessments in case of firms claiming carry forward and set off of losses, Assessing Officers are requested to verify such claims taking into consideration provisions of section 78 of the Act which disallow such a carry forward and set off in case of change in constitution of the firm or on succession.

(viii) Regarding the issue concerning possible action against the tax auditor for

	<p>furnishing incomplete information in the Tax-Audit Report and effective utilization of information in the Tax Audit Report by the Assessing Officers, it is reiterated that directions given earlier viz. Instruction No. 09/2008 dated 31.07.2008 of CSDT should be followed scrupulously by the field authorities.</p> <p>It is hereby clarified that this circular would also be applicable to limited scrutiny cases if the assessee is a registered firm.</p> <p>For details: https://www.incometaxindia.gov.in/communications/circular/circular_12_2019.pdf</p>	
15.	<p>Circular No. 14 dated 3th July 2019</p> <p>Clarification regarding taxability of income earned by a non-resident investor from off-shore investments routed through an Alternate Investment Fund</p> <p>The incidence of tax arising from off-shore investment made by a non-resident investor through the AIFs would depend on determination of status of income of non-resident investor as per provisions of section 5(2) of the Income-tax Act, 1961 (Act). As per section 5(2) of the Act, the income of a person who is non-resident, is liable to be taxed in India if it is received or is deemed to be received in India in such year by or on behalf of such person; or accrues or arises or is deemed to accrue or arise to him in India.</p> <p>Section 115UB of the Act ('Tax on income of investment fund and its unit holders) is the applicable provision to determine the income and tax-liability of investment funds & their investors. In this context, investment fund "is defined to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Thus, provisions of section 115UB apply only to Category I or Category II AIFs, as defined in SEBI's regulations.</p> <p>By an overriding effect over other provisions of the Act, sub-section (1) of section 115UB of the Act provides 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 investments made by the investment fund been made directly by him and not through the AIF.</p> <p>The matter has been considered by the Board. As section 115UB (1) of the Act provides that the investments made by Category I or Category II AIFs are</p>	<p>Lesson 1</p>

deemed to have been made by the investor directly, it is hereby clarified that any income in the hands of the non-resident investor from off-shore investments routed through the Category I or Category II AIF, being a deemed direct investment outside India by the non-resident investor, is not taxable in India under section 5(2) of the Act.

It is further clarified that loss arising from the off-shore investment relating to non-resident investor, being an exempt 1055, shall not be allowed to be set-off or carried-forward and set off against the income of the Category I or Category II AIF .

Further details:

https://www.incometaxindia.gov.in/communications/circular/circular_no_14_2019.pdf

16. **Circular No. 17 Dated: 8th August 2019**

Lesson
12

Further Enhancement of Monetary limits for filing of appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court - Amendment to Circular 3 of 2018 - Measures for reducing litigation

Appeals/SLPs in Income-tax matters	Monetary Limit (Rs.)
Before Appellate Tribunal	50,00,000
Before High Court	1,00,00,000
Before Supreme Court	20,00,00,000

Further, with a view to provide parity in filing of appeals in scenarios where separate order is passed by higher appellate authorities for each assessment year vis-a-vis where composite order for more than one assessment years is passed. para 5 of the circular is substituted by the following para:

“The Assessing Officer shall calculate the tax effect separately for every assessment year in respect of the disputed issues in the case of every assessee. If, in the case of an assessee, the disputed issues arise in more than one assessment year, appeal can be filed in respect of such assessment year or years in which the tax effect in respect of the disputed issues exceeds the monetary limit specified in para 3. No appeal shall be filed in respect of an assessment year or years in which the tax effect is less than the monetary limit specified in para 3.

Further, even in the case of composite order of any High Court or appellate authority which involves more than one assessment year and common issues in more than one assessment year, no appeal shall be filed in respect of an assessment year or years in which the tax effect is less than the monetary limit

	<p>specified in para 3. In case where a composite order / judgement involves more than one assessee, each assessee shall be dealt with separately.”</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_17_2019.pdf</p>	
17.	<p>Circular No. 18 Dated: 8th August, 2019</p> <p>Clarification in respect of filling-up of the ITR forms for the Assessment Year 2019-20</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_18_2019.pdf</p>	Lesson 10
18.	<p>Circular No. 19 Dated: 14th August, 20 19</p> <p>Generation/Allotment/Quoting of Document Identification Number in Notice/Order/Summons/letter/correspondence issued by the Income-tax Department</p> <p>With the launch of various e-governance initiatives, Income-tax Department is moving toward total computerization of its work. This' has led to a significant improvement in delivery of services and has also brought greater transparency in the functioning of the tax-administration. Presently, almost all notices and orders are being generated electronically on the Income Tax Business Application (ITBA) platform. However, it has been brought to the notice of the Central Board of Direct Taxes (the Board) that there have been some instances in which the notice, order, summons, letter and any correspondence (hereinafter referred to as "communication") were found to have been issued manually, without maintaining a proper audit trail of such communication. In order to prevent such instances and to maintain proper audit trail of all communication, the Board in exercise of power under section 119 of the Income-tax Act, 1961 (hereinafter referred to as "the Act"), has decided that no communication shall be issued by any income-tax authority relating to assessment, appeals, orders, statutory or otherwise, exemptions, enquiry, investigation, verification of information, penalty, prosecution, rectification, approval etc.. to the assessee or any other person, on or after the 1st day of October, 20 19 unless a computer-generated Document Identification Number (DIN) has been allotted and is duly quoted in the body of such communication</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_19_2019.pdf</p>	Lesson 10
19.	<p>Circular No. 21 Dated: 27th August, 2019</p> <p>Clarifications in respect of filling-up of the ITR forms for the Assessment Year 2019-20</p> <p>The Income-tax Return (ITR) forms for the Assessment Year (A.Y.) 2019-20 were notified vide notification bearing G.S.R. 279(E) dated the 01st day of April, 2019. Subsequently, instructions for filing ITR forms were issued and</p>	Lesson 10

	<p>the software utility for e-filing of all the ITR forms were also released. After notification of the ITR forms, various queries were raised by the stakeholders in respect of filling-up of the ITR forms. The queries were examined in the Board and a clarification was issued vide Circular No. 18 of 2019 dated 08.08.2019 to address the concerns raised.</p> <p>Subsequently, further representations have been received on certain issues relating to filing of ITR Forms. Accordingly, clarifications are issued in partial modification of Circular No. 18 of 2019.</p> <p>In ITR Form-2 and ITR Form-3, in Part-A General, at column (h), the taxpayer is required to state whether he was Director in a company at any time during the previous year. In case of an affirmative answer, the taxpayer is further required to disclose following information relating to each company in which he was a Director:-</p> <p>Name of Company PAN Whether its shares are listed or unlisted Director Identification Number (DIN)</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_21_19.pdf</p>	
20.	<p>Circular No. 22 Dated: 30th August 2019</p> <p>Consolidated circular for assessment of Startups</p> <p>In order to provide hassle-free tax environment to the Startups, a series of announcements have been made by the Hon'ble Finance Minister in her Budget Speech of 2019 and also on 23RD August, 2019. To give effect to these announcements, the Central Board of Direct Taxes (CBDT) has issued various circulars/ clarifications in the matter. This circular consolidates all these circulars and further clarifies the following:</p> <ul style="list-style-type: none"> • Procedure for pending assessment of the Startups, • Time limit for Completion of pending assessments of the Startups, • Procedure for addition made U/S 56 (2)(vii b) in the past assessment • Constitution of Startup cell <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_22_2019.pdf</p>	Lesson 10
21.	<p>Circular No. 23 Dated 6th September 2019</p> <p>Exception to monetary limits for filing appeals specified in any Circular issued under Section 268A of the Income-tax Act, 1961</p> <p>Section 268A of the Income-tax Act, 1961 (the Act), laying down monetary limits and other conditions for filing of departmental appeals before Income Tax Appellate Tribunal (ITA T), High Courts and SLPs/appeals before Supreme Court.</p>	Lesson 12

	<p>Several references have been received by the Board that in large number of cases where organised tax-evasion scam is noticed through bogus Long-Term Capital Gain (LTCG)/Short Term Capital Loss (STCL) on penny stocks and department is unable to pursue the cases in higher judicial fora on account of enhanced monetary limits. It has been reported that in large number of cases, ITA Ts and High Court have recognized the unique modus operandi involved in such scam and have passed judgements in favour of the revenue. However, in cases where some appellate fora have not given due consideration to position of law or facts investigated by the department, there is no remedy available with the department for filing further appeal in view of the prescribed monetary limits.</p> <p>In this context, Board has decided that notwithstanding anything contained in any circular issued U/S 268A specifying monetary limits for filing of departmental appeals before Income Tax Appellate Tribunal (IT AT), High Courts and SLPs/appeals before Supreme Court, appeals may be filed on merits as an exception to said circular, where Board, by way of special order direct filing of appeal on merit in cases involved in organised tax evasion activity.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_23_2019.pdf</p>	
22.	<p>Circular No. 24 Dated 9th September 2019</p> <p>Procedure for identification and processing of cases for prosecution under Direct Tax Laws</p> <p>Prosecution is a criminal proceeding. Therefore, based upon evidence gathered, offence and crime as defined in the relevant provision of the Act, the offence has to be proved beyond reasonable doubt. To ensure that only deserving cases get prosecuted the Central Board of Direct Taxes in exercise of powers under section 119 of the Act lays down the following criteria for launching prosecution in respect of the following categories of offences.</p> <p>I. Offences u/s 276B: Failure to pay tax to the credit of Central Government under Chapter XII-D or XVII-B Cases where non-payment of tax deducted at source is Rs. 25 Lakhs or below, and the delay in deposit is less than 60 days from the due date, shall not be processed for prosecution in normal circumstances. In case of exceptional cases like, habitual defaulters, based on particular facts and circumstances of each case, prosecution may be initiated only with the previous administrative approval of the Collegium of two CCIT/DGIT rank officers.</p> <p>II. Offences u/s 276BB: Failure to pay the tax collected at source. Same approach</p> <p>III. Offences u/s 276C(1): Willful attempt to evade tax, etc. Cases where the amount sought to be evaded or tax on under-reported income is</p>	Lesson 12

	<p>Rs. 25 Lakhs or below, shall not be processed for prosecution except with the previous administrative approval of the Collegium of two CCIT/DGIT rank officers. Further, prosecution under this section shall be launched only after the confirmation of the order imposing penalty by the Income Tax Appellate Tribunal.</p> <p>IV. Offences Ills 276CC: Failure to furnish returns of income. Cases where the amount of tax, which would have been evaded if the failure had not been discovered, is Rs. 25 Lakhs or below, shall not be processed for prosecution except with the previous administrative approval of the Collegium of two CCIT/DGIT rank officers.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular-24-2019-11-09-2019.pdf</p>	
23.	<p>Circular No. 25 Dated 9th September 2019</p> <p>Relaxation of time-Compounding of Offences under Direct Tax Laws-One-time measure</p> <p>The Central Board of Direct Taxes (CBDT) has been issuing guidelines from time to time for compounding of offences under the Direct Tax Laws, prescribing the eligibility conditions. One of the conditions for filing of Compounding application is that, it should be filed within 12 months from filing of complaint in the court.</p> <p>Cases have been brought to the notice of CBDT where the taxpayers could not apply for Compounding of the Offence, as the compounding application was filed beyond 12 months, in view of para 8(vii) of the Guidelines for Compounding of Offences under Direct Tax Laws, 2014 dated 23.12.2014 or in view of para 7(ii) of the Guidelines for Compounding of Offences under Direct Tax Laws, 2019 dated 14.06.2019.</p> <p>With a view to mitigate unintended hardship to taxpayers in deserving cases, and to reduce the pendency of existing prosecution cases before the courts, the CBDT clarifies that as a one-time measure, the condition that compounding application shall be filed within 12 months, is hereby relaxed, under the following conditions:</p> <ol style="list-style-type: none"> Such application shall be tiled before the Competent Authority i.e. the Pro CCIT/CCIT/Pr. DGIT/DGIT concerned, on or before 31.12.2019. Relaxation shall not be available in respect of an offence which is generally/normally not compoundable, in view of Para 8.1 of the Guidelines dated 14.06.2019. <p>For the purposes of this Circular, application can be filed in all such cases where-</p> <ol style="list-style-type: none"> prosecution proceedings are pending before any court of law for more 	<p>Lesson 12</p>

	<p>than 12 months, or</p> <p>b) any compounding application for an offence filed previously was withdrawn by the applicant solely for the reason that such application was filed beyond 12 months, or</p> <p>c) any compounding application for an offence had been rejected previously solely for technical reasons.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_25_2019.pdf</p>	
24.	<p>Circular No. 27 Dated: 26th September 2019</p> <p>Conduct of assessment proceedings through 'E-Proceeding' facility during financial year 2019-20</p> <p>The Central Board of Direct Taxes ('Board'), hereby directs as under:</p> <ol style="list-style-type: none"> i. In all cases (other than the cases covered under the E-Assessment scheme, 2019' notified by the Board), where assessment is to be framed under section 143(3) of the Act during the financial year 2019-20, it is hereby directed that such assessment proceedings shall be conducted electronically subject to exceptions in para below. Consequently, assesseees are required to produce/ cause to produce their response/evidence to any notice/ communication/ show-cause issued by the Assessing Officer electronically (unless specified otherwise) through their 'E-filing' account on the 'E-filing' portal. For smooth conduct of assessment proceedings through 'E-Proceeding', it is further directed that requisition of information in cases under ' E-Proceeding' should be sought after a careful scrutiny of case records. ii. In following cases, where assessment is to be framed during the financial year 2019- 20, 'E-Proceeding' shall not be mandatory: <ol style="list-style-type: none"> a. Where assessment is to be framed under section(s) 153A, 153C and 144 of the Act. In respect of assessments to be framed under section 147 of the Act, any relaxation from e-proceeding due to the difficulties in migration of data from ITO to ITBA etc. shall be dealt as per clause (f) below; b. In set-aside assessments; c. Assessments being framed in non-PAN cases; d. Cases where Income-tax return was filed in paper mode and the assessee concerned does not yet have an 'E-filing' account; e. In all cases at stations connected through the VSAT or with limited capacity of bandwidth (list of such stations shall be specified by the Pr. DGIT (System)); f. In cases covered under para 1 (i) above, the jurisdictional Pr. CIT/CIT, in extraordinary circumstances such as complexities of the case or administrative difficulties in conduct of assessment through 'E-Proceeding', can permit conduct of assessment proceedings through the conventional mode. It is hereby further directed that Pr.CIT/CIT is required to provide such relaxation only in extraordinary circumstances after examining the necessity for such relaxation and recording the reasons for providing such relaxations. 	<p>Lesson 11</p>

	<p>(i) The notices and departmental communications in such cases shall be strictly governed by the guidelines issued by CBDT vide its Circular No.19/2019 dated 14.08.2019 regarding generation/allotment/quoting of Document Identification Number (DIN).</p> <p>(ii) In cases where assessment proceedings are being carried out through the 'E- Proceeding' as per para 1 (i) above, personal hearing/ attendance may take place in following situation(s):</p> <ol style="list-style-type: none"> Where books of accounts have to be examined; Where Assessing Officer invokes provisions of section 131 of the Act; Where examination of witness is required to be made by the assessee or the Department; Where a show-cause notice contemplating any adverse view is issued by the Assessing Officer and assessee requests through their 'E-filing' account for personal hearing to explain the matter. However, the details pertaining to above shall be uploaded on ITBA subsequently. <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_27_2019.pdf</p>	
25.	<p>Circular No. 29 Dated: 2nd October, 2019</p> <p>Clarification in respect of option under section 115BAA of the income tax Act , 1961 inserted through The Taxation Laws (Amendment) Ordinance 2019</p> <p>Section 115BAA in the Income-tax Act, 1961 provides that a domestic company shall, at its option, pay tax at a lower rate of 22 percent for any previous year relevant to the Assessment Year beginning on or after 1st April 2020 subject to certain conditions including that the total income should be computed without claiming any deduction or exemption:</p> <p>The option is required to be exercised by the company before the due date of furnishing return of income and the option once exercised, cannot be subsequently withdraw and shall apply to all subsequent assessment.</p> <p>The Ordinance also amended section 115JB of the Act relating to Minimum Alternate Tax (MAT) so as at inter alia provide that the provisions of said section shall not apply to a person who has exercised the option referred to under newly inserted section 115BAA.</p> <p>Representations have been received from the stakeholders seeking clarification on following issues relating to exercise of option under section 115BAA:</p> <ol style="list-style-type: none"> Allowability of brought forward loss on account of additional depreciation: and Allowability of brought forward MAT credit. 	Lesson 2 & 8

These issues have been examined in the board and in order to provide clarity in the matter, the clarifications are issued as under:

As regards allowability of brought forward loss on account of additional depreciation, it may be noted that clause (i) of sub-section (2) of the newly inserted section 115 BAA inter alia, provides that the total income shall be computed without claiming any deduction under clause (iia) of sub-section (1) of section 32 (additional depreciation): and clause (ii) of the said sub - section provide that the total income shall be computed without claiming set off of any loss carried forward from any earlier assessment year if the same is attributable inter alia, to additional depreciation. Therefore, a domestic company which, would exercise option for availing benefit of lower tax rate under section 115BAA shall not be allowed to claim set off of any brought forward loss on account of additional depreciation for an Assessment Year for which the option has been exercised and for any subsequent Assessment Year. Further as there is no lime line within which option under section 115BAA can be exercised, it may be noted that a domestic company having brought forward losses on account of additional depreciation may if it so desires, exercise the option after set off of the losses so accumulated.

As regards allowability of brought forward MAT credit, it may be noted that as the provisions of section 115JB relating to MAT itself shall not be applicable to the domestic company which exercises option under section 115BAA, it is hereby clarified that the tax credit of MAT paid by the domestic company exercising option under section 115BAA of the Act shall not be available consequent to exercising of such option.

Further, as there is no lime line within which option under section 115BAA can be exercised, it may be noted that a domestic company having credit of MAT may, if it so desires, exercise the option after utilizing the said credit against the regular tax payable under the taxation regime existing prior to promulgation of the ordinance.

Further details:

https://www.incometaxindia.gov.in/communications/circular/circular_29_2019.pdf

26.	<p>Circular No. 32 Dated: 30th December, 2019</p> <p>Clarifications in respect of prescribed electronic modes under section 269SU of the Income-tax Act, 1961</p> <p>In furtherance to the declared policy objective of the Government to encourage digital economy and move towards a less-cash economy, a new provision namely Section 269SU was inserted in the Income-tax Act, 1961 vide the Finance (No. 2) Act 2019, which provides that every person having a business turnover of more than Rs 50 crore shall mandatorily provide facilities for accepting payments through prescribed electronic modes. The said electronic modes have been prescribed vide notification no. 105/2019 dated 30.12.2019. Further, Section 10A of the Payment and Settlement Systems Act 2007, inserted by the Finance Act, provides that no Bank or system provider shall impose any charge on a payer making payment, or a beneficiary receiving payment, through electronic modes prescribed under Section 269SU of the Act.</p>	Lesson 12
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	<p>In this connection, it may be noted that the Finance Act has also inserted section 271 DB in the Act, which provides for levy of penalty of five thousand rupees per day in case of failure by the specified person to comply with the provisions of section 269SU. In order to allow sufficient time to the specified person to install and operationalise the facility for accepting payment through the prescribed electronic modes, it is hereby clarified that the penalty under section 271 DB of the Act shall not be levied if the specified person installs and operationalises the facilities on or before 31" January, 2020.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/circular/circular_32_2019.pdf</p>	
27.	<p>Income-tax Deduction from salaries during the Financial Year 2019-20 under section 192 of the Income-tax Act, 1961 [Circular No. 4/2020 Dated 16th January, 2020]</p> <p>The Circular contains the rates of deduction of income-tax from the payment of income chargeable under the head "Salaries" during the financial year 2019-20 and explains certain related provisions of the Act and Income-tax Rules, 1962.</p> <p>https://www.incometaxindia.gov.in/communications/circular/circular_no_4_2020.pdf</p>	Lesson 10
28.	<p>CBDT - e-Assessment Scheme, 2019</p> <p>The National E-Assessment center has extended the time limit for filing of responses to notices issued under Section 142(1) of the Income Tax Act, 1961 under the e-assessment scheme 2019. For the notices issued up to December 24, 2019, the last date to file the response has been extended up to January 10, 2020.</p> <p>With a view to provide relief to the taxpayers and tax professionals and to facilitate compliance with respect to e-Assessment proceedings under E- assessment Scheme, 2019, the time limit for filing of the response to notices under section 142(1) of the Income-tax Act issued up to 24.12.2019 by the National e-Assessment Centre is extended up to 10.01.2020 or time given in such notices, whichever is later.</p> <p>https://www.incometaxindia.gov.in/Lists/Latest%20News/Attachments/369/Extension_of_time_limit_for_filing_response_24_12_19.pdf</p>	Lesson 11
29.	<p>Corrigendum to Circular No. 4 of 2020 dated 20th January,2020 regarding Income-Tax Deduction from Salaries during the Financial Year 2019-2020 under Section 192 of the Income-Tax Act, 1961</p> <p>In Circular No.04/2020 dated 16th January, 2020 on the above mentioned subject, it is to state that Para 3.1 under heading "Method of Tax Collection" is modified as below:</p> <p>For sentence 3 of Para 3.1:“No tax, however, will be required to be deducted at source in a case unless the estimated salary income including the value of perquisites, for the Financial Year exceeds Rs 2,50,000 or Rs 3,00,000 or Rs 5,00,000, as the case may be, depending upon the age of the employee.”</p> <p>May be read as: “No tax, however, will be required to be deducted at source in a case unless the estimated salary income including the value of perquisites is taxable after giving effect to the exemptions, deductions and relief as applicable.”</p>	Lesson 10

	<p>Accordingly, as per corrigendum issued, the TDS on salary is required to be deducted if estimated salary income including the value of perquisites is taxable after giving effect to the exemptions, deductions and relief as applicable.</p> <p>https://www.incometaxindia.gov.in/communications/circular/corrignedum_cir4_2020.pdf</p>	
30.	<p>Circular No. 8 of 2020 dated 13th April, 2020 -Clarification regarding short deduction of TDS/TCS due to increase in rates of surcharge by Finance (No.2) Act.</p> <p>The Finance Act, 2019 provided for increase in the rate of surcharge. The enhanced rates of surcharge were applicable from the 1st day of April, 2019 for previous year 2019-20 relevant to assessment year 2020-21. Accordingly, TDS/TCS under various provisions of the Income-tax Act is required to be deducted / collected after taking into account the enhanced rate of surcharge.</p> <p>Several cases have come to the notice of the Central Government wherein deductor / collectors were held to be an assessee in default for short deduction of TDS/short collection of TCS in cases where final transaction was done before laying of the Finance (No.2) Bill, 2019 in the Parliament, i.e. 5th July, 2019. Since the transaction was completed before the rates of enhanced surcharge were announced and the concerned deductee/payee is required to furnish their Income-tax return for the relevant assessment year, it has been requested that in such cases, deductor or collector should not be held to be an assessee in default under section 201 of the Income-tax Act.</p> <p>The Board clarified that a person responsible for deduction/collection of tax under any provision of the Income-tax Act will not be considered to be an assessee in default in respect of transactions where:</p> <ol style="list-style-type: none"> such transaction has been completed and entire payment has been made to the deductee/payee on or before 5th July, 2019 and there is no subsequent transaction between the deductor/collector and the deductee/payee in the financial year 2019-20 from which the shortfall of tax could have been deducted/collected by the deductor/collector; TDS has been deducted or TCS has been collected by such deductor/collector on such sum as per the rates in force as per the provisions prior to the enactment of the Act; such tax deducted or collected has been deposited in the account of Central Government by the deductor/collector on or before the due date of depositing the same; TDSITCS statement has been furnished by such person on before the due date of filing of the said statement. <p>The above relaxation does not absolve the deductee/payee to pay proper tax including enhanced surcharge by advance tax or self-assessment tax and file return of income after paying such tax.</p> <p>https://www.incometaxindia.gov.in/communications/circular/circular_8_2020.pdf</p>	Lesson 10
31.	<p>Clarifications in respect of prescribed electronic modes under section 269SU of the Income-tax Act, 1961 [Circular No. 12 dated 20th May, 2020]</p> <p>In furtherance to the declared policy objective of the Government to encourage digital transactions and move towards a less-cash economy, a new provision namely Section 269SU was inserted vide the Finance (No.2) Act 2019 as per which person carrying on business and having sales/turnover/gross receipts from business of more than Rs 50</p>	Lesson 4 Part III

	<p>crores in the immediately preceding previous year to mandatorily provide facilities for accepting payments through prescribed electronic modes.</p> <p>It is hereby further clarified that the provisions of section 269SU of the Act shall not be applicable to a specified person having only B2B transactions (i.e. no transaction with retail customer/consumer) if at least 95% of aggregate of all amounts received during the previous year, including amount received for sales, turnover or gross receipts, are by any mode other than cash.</p> <p>https://www.incometaxindia.gov.in/communications/circular/circular_no_12_2020.pdf</p>	
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INCOME TAX ACT, 1961 & RULES 1962

NOTIFICATIONS

Sr. No.	Updates	Lesson No.
1.	<p>NOTIFICATION NO. 97/2017 DATED 12TH DEC, 2017</p> <p>The Central Government hereby notifies, for the purposes of the clause 46 of Section 10 of the Income Tax Act, 1961, ‘Manipur State Rural Road Development Agency’, a body established by Government of Manipur, in respect of the following specified income arising to the body, namely:</p> <p>a) fund received for PMGSY from Ministry of Rural Development, Government of India; and b) interest received from Bank on above fund.</p> <p>This notification shall be effective subject to the conditions that Manipur State Rural Road Development Agency,-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the financial years 2015-2016, 2016-2017 and shall apply with respect to the financial years 2017-2018, 2018-2019 and 2019-2020.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification97_2017.pdf</p>	Lesson 3
2.	<p>NOTIFICATION NO. 98/2017 DATED 20TH DEC, 2017</p> <p>The Central Board of Direct Taxes hereby makes the (25th Amendment) Rules, 2017 further to amend the Income-tax Rules, 1962 which shall come into force from the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962, in rule 127, in sub-rule (2), after the proviso, the following proviso shall be inserted:</p> <p>“Provided further that where the communication cannot be delivered or transmitted to the address mentioned in item (i) to (iv) or any other address furnished by the addressee as referred to in first proviso, the communication shall be delivered or transmitted to the following address:</p> <p>i. the address of the assessee as available with a banking company or a co-operative bank to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of the said Act); or</p>	Lesson 11

	<ul style="list-style-type: none"> ii. the address of the assessee as available with the Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898); or iii. the address of the assessee as available with the insurer as defined in clause (9) of section 2 of the Insurance Act, 1938 (4 of 1938); or iv. the address of the assessee as furnished in Form No.61 to the Director of Income-tax (Intelligence and Criminal Investigation) or to the Joint Director of Income-tax (Intelligence and Criminal Investigation) under sub-rule (1) of rule 114D; or v. the address of the assessee as furnished in Form No.61A under sub-rule (1) of rule 114E to the Director of Income-tax (Intelligence and Criminal Investigation) or to the Joint Director of Income tax (Intelligence and Criminal Investigation); or vi. the address of the assessee as available in the records of the Government; or (vii) the address of the assessee as available in the records of a local authority as referred to in the Explanation below clause (20) of section 10 of the Act.” <p>For details:</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification98-2017.pdf</p>	
3.	<p>NOTIFICATION NO. 99/2017 DATED 22ND DEC, 2017</p> <p>The Central Government hereby notifies, for the purposes of the clause 46 of Section 10 of the Income Tax Act, 1961, the SEEPZ Special Economic Zone Authority, an authority constituted under the Special Economic Zone Act, 2005 by the Government of India, in respect of the following specified income arising to that authority, namely:</p> <ul style="list-style-type: none"> a) lease rentals/Service charges from various units operating in the SEZ at rates prescribed by the SEZ Authority; b) income by way of Gate Pass Entry Fees, Fine & Penalties from various units and other misc. income (Sale of garbage); and c) interest on Bank Deposits and Investments. <p>This notification shall be effective subject to the conditions that SEEPZ Special Economic Zone Authority:</p> <ul style="list-style-type: none"> a) shall not engage in any commercial activity; b) its activities and the nature of the specified income shall remain unchanged throughout the financial years; and c) it files return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the financial Years 2015-2016, 2016-2017 and shall apply with respect to the financial Years 2017-2018, 2018-2019 & 2019-2020.</p> <p>For details:</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification99_2017.pdf</p>	Lesson 3

<p>4.</p>	<p>NOTIFICATION NO. 100/2017 DATED 22ND DEC, 2017</p> <p>The Central Government hereby notifies, for the purposes of the clause 46 of Section 10 of Income Tax Act, 1961, the ‘Himachal Pradesh Computerization of Police Society’, a body established by the Government of Himachal Pradesh, in respect of the following specified income arising to that body, namely:</p> <ul style="list-style-type: none"> a. amount received in the form of Grant-in-aid; and b. interest accrued on CCTNS fund. <p>This notification shall be effective subject to the conditions that Himachal Pradesh Computerization of Police Society,-</p> <ul style="list-style-type: none"> a. shall not engage in any commercial activity; b. activities and the nature of the specified income shall remain unchanged throughout the financial years; and c. shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the financial Years 2013-2014, 2014- 2015, 2015-2016, 2016-2017 and shall apply with respect to the financial year 2017-2018.</p> <p>For details:</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification100_2017.pdf</p>	<p>Lesson</p> <p>3</p>
<p>5.</p>	<p>NOTIFICATION NO.1/2018 DATED 18TH JANUARY, 2018</p> <p>The Central Government hereby notifies for the purposes of the clause 46 of Section 10 of Income Tax Act, 1961, ‘West Bengal Electricity Regulatory Commission’, Kolkata, a commission constituted by the Government of West Bengal, in respect of the following specified income arising to that commission, namely:</p> <ul style="list-style-type: none"> a) income from the fund maintained in accordance with the provisions of the West Bengal Electricity Regulatory Commission (Manner of application of Fund) Rules, 2006; and b) income from the fees collected in accordance with the provisions of the West Bengal Electricity (fees for application for grant of license) Rules, 2005, notified by the Government of West Bengal. <p>This notification shall be effective subject to the conditions that West Bengal Electricity Regulatory Commission, Kolkata:</p> <ul style="list-style-type: none"> a) shall not engage in any commercial activity; b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the financial Years 2016-2017 and shall apply with respect to the Financial Years 2017-2018, 2018-2019, 2019-2020 and 2020-2021.</p> <p>For details:</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification1_2018.pdf</p>	<p>Lesson</p> <p>3</p>

6.	<p>NOTIFICATION NO.3/2018 DATED 18TH JANUARY, 2018</p> <p>The Central Government hereby notifies for the purposes of the clause 46 of Section 10 of Income Tax Act, 1961, the Central Registry for Securitization Asset Reconstruction and Security Interest of India, a body set up under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, in respect of the following specified income arising to that body, namely:</p> <ol style="list-style-type: none"> 1. fee income from Security Interest transactions; 2. fee income from transactions on Central KYC (CKYC) Records Registry; 3. interest income on fixed deposits and on saving bank account; and 4. RTI application fee. <p>This notification shall be effective subject to the conditions that Central Registry for Securitization Asset Reconstruction and Security Interest of India:</p> <ol style="list-style-type: none"> a. shall not engage in any commercial activity; b. activities and the nature of the specified income shall remain unchanged throughout the financial years; and c. shall file return of income in accordance with the provision of clause (g) of subsection (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the financial Years 2013-2014, 2014-2015, 2015-2016, 2016-2017 and shall apply with respect to the financial year 2017-2018.</p> <p>For details:</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification3_2018.pdf</p>	Lesson 3
7.	<p>NOTIFICATION NO.4/2018 DATED 19TH JANUARY, 2018</p> <p>The Central Board of Direct Taxes hereby makes the Tax Return Preparer (Amendment) Scheme, 2018 further amendments in the Tax Return Preparer Scheme, 2006, namely:</p> <p>It shall come into force from the date of its publication in the Official Gazette. In the Tax Return Preparer Scheme, 2006 (hereinafter referred to as the said Scheme), for paragraph 3, the following paragraph shall be substituted, namely:</p> <p>“3. An individual, who holds a bachelor degree from a recognised Indian University or institution, or has passed the intermediate level examination conducted by the Institute of Chartered Accountants of India or the Institute of Company Secretaries of India or the Institute of Certified Management Accountants of India, shall be eligible to act as Tax Return Preparer.”</p> <p>In the said Scheme, in paragraph 4,-</p> <p>(1) for clause (i), the following clauses shall be substituted, namely:-</p> <p>“(i) It shall invite application from persons,-</p> <ol style="list-style-type: none"> (a) having requisite educational qualifications specified in paragraph 3 or having appeared in the final year examination of the qualifying examination; and 	Lesson 10

	<p>(b) who is not below the age of twenty one years or more than forty-five years as on the 1st day of October of the year immediately preceding the date on which applications are invited.</p> <p>(ia) It shall require that the application under clause (i) shall be accompanied by a fee of two hundred and fifty rupees, and failing which the application shall be invalid.”.</p> <p>(2) for clause (v), the following clauses shall be substituted, namely-</p> <p>“(v) It shall enrol the persons who qualify the test for enrolment for each training centre separately.</p> <p>(va) It shall not enrol any person under clause (v), unless –</p> <p>(a) he makes a deposit of an amount of seven hundred and fifty rupees, which shall be nonrefundable; and</p> <p>(b) he produces a proof of having passed the qualifying examination as specified in paragraph 3.”.</p> <p>(3) clause (ix) shall be omitted.”.</p> <p>In the said Scheme, in paragraph 9, for sub-paragraph (1), the following sub-paragraphs shall be substituted, namely:-</p> <p>“(1) The Board may authorise the Resource Centre or the Partner Organisation to disburse to a Tax Return preparer, the following amount, namely:-</p> <p>(a) five per cent. of the tax paid on the income declared in the return of income for First Eligible Assessment Year which has been prepared and furnished by him;</p> <p>(b) three per cent. of the tax paid on the income declared in the return of income for the Second Eligible Assessment Year which has been prepared and furnished by him;</p> <p>(c) two per cent. of the tax paid on the income declared in the return of income for the Third Eligible Assessment Year which has been prepared and furnished by him.</p> <p>(1A) The amount of disbursement for any eligible person in relation to an eligible year shall not exceed,-</p> <p>(a) five thousand rupees in case of First Eligible Assessment Year;</p> <p>(b) three thousand rupees in case of Second Eligible Assessment Year; and</p> <p>(c) two thousand rupees in case of Third Eligible Assessment Year.”.</p> <p>For details:</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification4_2018.pdf</p>	
8.	<p>NOTIFICATION NO.8/2018 DATED 16TH FEBRUARY, 2018</p> <p>The Central Government hereby notifies for the purposes of the clause 46 of Section 10 of Income Tax Act, 1961, the ‘Maharashtra Electricity Regulatory Commission’, a Commission constituted by the State Government of Maharashtra, in respect of the following specified income arising to that Commission, namely:</p> <ol style="list-style-type: none"> 1) Fees for Annual Licence; 2) Interest on Fixed Deposit and Savings Account; 	<p>Lesson</p> <p>3</p>

	<p>3) Fees for Application / Petition filed; 4) Grants from Government of Maharashtra; 5) Fees for Documents; 6) Penalty for delayed payment of Annual Licence Fees; 7) Fees for RTI; 8) Sale of scrap.</p> <p>This notification shall be deemed to have been applied for the period 01.06.2011 to 31.03.2012 and for the financial years 2012-13 to 2014-15.</p> <p>This Notification shall be effective subject to the following conditions, namely:</p> <p>(a) the ‘Maharashtra Electricity Regulatory Commission’ does not engage in any commercial activity;</p> <p>(b) the activities and the nature of the specified income of ‘Maharashtra Electricity Regulatory Commission’ remain unchanged throughout the financial years; and</p> <p>(c) the ‘Maharashtra Electricity Regulatory Commission’ files returns of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Act, Income-tax Act, 1961.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification8_2018.pdf</p>	
9.	<p>NOTIFICATION NO.9/2018 DATED 16TH FEBRUARY, 2018</p> <p>The Central Government hereby notifies the Contributory Health Service Scheme of the Department of Atomic Energy for the purposes of the clause (a) of sub-section (2) of section 80D of the Income-tax Act, 1961 for the assessment year 2018-2019 and subsequent years.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification9_2018.pdf</p>	Lesson 6
10.	<p>NOTIFICATION NO.10/2018 DATED 19TH FEBRUARY, 2018</p> <p>In exercise of the powers conferred by clause (aa) and clause (ab) of sub-section (1) of section 12A read with section 295 of the Income tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the Income-tax (First Amendment) Rules, 2018 further to amend the Income-tax Rules, 1962. They shall come into force from the date of its publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962, in Part IV, for ‘rule 17A’, the following rule shall be substituted, namely:</p> <p>“Application for registration of charitable or religious trusts, etc.</p> <p>17A (1). An application under clause (aa) or clause (ab) of sub-section (1) of section 12A for registration of a charitable or religious trust or institution shall be made in Form No. 10A and accompanied by the following documents, namely:</p>	Lesson 2

	<p>a) where the trust is created, or the institution is established, under an instrument, self-certified copy of the instrument creating the trust or establishing the institution;</p> <p>b) where the trust is created, or the institution is established, otherwise than under an instrument, self-certified copy of the document evidencing the creation of the trust, or establishment of the institution;</p> <p>c) self-certified copy of registration with Registrar of Companies or Registrar of Firms and Societies or Registrar of Public Trusts, as the case may be;</p> <p>d) self-certified copy of the documents evidencing adoption or modification of the objects, if any;</p> <p>e) where the trust or institution has been in existence during any year or years prior to the financial year in which the application for registration is made, self certified copies of the annual accounts of the trust or institution relating to such prior year or years (not being more than three years immediately preceding the year in which the said application is made) for which such accounts have been made up;</p> <p>f) note on the activities of the trust or institution;</p> <p>g) self-certified copy of existing order granting registration under section 12A or section 12AA, as the case may be; and</p> <p>h) self-certified copy of order of rejection of application for grant of registration under section 12A or section 12AA, as the case may be, if any.</p> <p>Form No. 10A shall be furnished electronically,</p> <p>i. under digital signature, if the return of income is required to be furnished under digital signature;</p> <p>ii. through electronic verification code in a case not covered under clause (i).</p> <p>Form No. 10A shall be verified by the person who is authorised to verify the return of income under section 140, as applicable to the assessee.</p> <p>The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall specify the data structure, standards and procedure of furnishing and verification of Form No. 10A and be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to the said form so furnished.”</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_10_2018.pdf</p>	
11.	<p>NOTIFICATION NO.12/2018 DATED 22ND FEBRUARY, 2018</p> <p>The Central Board of Direct Taxes hereby makes the Centralized Communication Scheme, 2018 for centralized issuance of notice. It shall come into force on the date of its publication in the Official Gazette.</p> <p>Definitions- In this scheme, unless the context otherwise requires,</p>	<p>Lesson</p> <p>11</p>

- (a) “Act” means the Income-tax Act, 1961 (43 of 1961);
- (b) “Director General” means the Director General of Income-tax appointed under sub-section (1) of section 117 of the Act and authorised by the Board in this behalf;
- (c) “Principal Director General” means the Principal Director General of Income-tax appointed under subsection (1) of section 117 of the Act and authorised by the Board in this behalf;
- (d) “Designated authority” means the income-tax authority prescribed under sub-section (1) of Section 133C of the Act who is in charge of the Centralised Communication Centre;
- (e) “Portal” means the web portal of the Centralised Communication Centre.

The words and expressions used herein but not defined and defined in the Act shall have the meaning respectively assigned to them in the Act.

Issue and service of notice

- 1) The Centralised Communication Centre shall issue notice to any person requiring him to furnish information or documents for the purpose of verification of information in his possession.
- 2) The notice shall be issued under digital signature of the designated authority.
- 3) The notice shall be served by delivering a copy by electronic mail, or by placing a copy in the registered account on the portal followed by an intimation by Short Message Service.
- 4) The information or documents called for under sub-paragraph (1) shall be furnished on or before the date specified in the notice as specified in paragraph 4.
- 5) The designated authority shall also run sustained campaign to ensure compliance by way of sending electronic mails, Short Message Service, reminders, letters and outbound calls.

Response to notice: The Centralised Communication Centre may prescribe a machine readable structured format for furnishing the information or documents by the person in response to the notice issued under subparagraph (1) of paragraph 3. The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall specify the procedure, formats and standards for furnishing response to the notices.

No personal appearance: No person shall be required to appear personally or through authorised representative before the designated authority at the Centralised Communication Centre in connection with any proceedings.

Power to specify procedure and processes: The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall specify from time to time, procedures and processes for effective functioning of the Centralised Communication Centre, including the following matters, namely:

- a) format and procedure for issue of notice;
- b) receipt of any information or document from the addressee in response to notice;

	<ul style="list-style-type: none"> c) mode and format for issue of acknowledgment of the response furnished by the addressee; d) provision of web portal facility including login facility, tracking status of verification, display of relevant details, and facility of download; e) call centre to answer queries and provide support services, including outbound calls and inbound calls seeking information or clarification; f) managing administration functions such as receipt, scanning, data entry, storage and retrieval of information and documents in a centralised manner; g) grievance redressal mechanism in the Centralised Communication Centre. <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_12_2018.pdf</p>	
12.	<p>NOTIFICATION NO. 17/2018 DATED 6TH APRIL, 2018</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (Third Amendment) Rules, 2018 further to amend the Income-tax Rules, 1962. They shall come into force on the 1st day of April, 2019 and shall apply to the assessment year 2019-2020 and subsequent assessment years.</p> <p>In the Income-tax Rules, 1962, in rule 2BB, in sub-rule (2), in the Table, against serial number 10, the entries under columns (2) to (4) shall be omitted.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification17_2018.pdf</p>	Lesson 4(I)
13.	<p>NOTIFICATION NO. 23/2018 DATED 24TH MAY, 2018</p> <p>The Central Government hereby makes the Income-tax (6th Amendment), Rules, 2018 further to amend the Income-tax Rules, 1962. They shall come into force from the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962 (hereinafter referred to as the principal rules), in rule 11U, clause (a) shall be omitted. Further, In the principal rules, in rule 11UA, in sub-rule (2), in clause (b), the words “or an accountant” shall be omitted.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification23_2018.pdf</p>	Lesson 4(V)
14.	<p>NOTIFICATION NO. 24/2018 DATED 24TH MAY, 2018</p> <p>The provisions of clause (viib) of sub-section (2) of section 56 of the Income Tax Act, 1961 shall not apply to consideration received by a company for issue of shares that exceeds the face value of such shares, if the consideration has been received for issue of shares from an investor in accordance with the approval granted by the Inter-Ministerial Board of Certification under clause (i) of sub-para (3) of para 4 of the notification number G.S.R. 364(E), dated 11th April, 2018 and published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) dated the 11th April, 2018 issued by the Department of Industrial Policy and Promotion.</p> <p>This notification shall be deemed to have come into force retrospectively from the 11th April, 2018.</p>	Lesson 4(V)

	<p>For details: https://www.incometaxindia.gov.in/communications/notification/notification24_2018.pdf</p>	
15.	<p>NOTIFICATION NO. 25/2018 DATED 30TH MAY, 2018</p> <p>The organization M/s Indian Institute of Science Education and Research, Kolkata (PAN:- AAAAI2170E) has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 read with Rules 5C and 5E of the Income-tax Rules, 1962, from Assessment year 2018-2019 and onwards under the category of “University, College or other Institution” engaged in research activities subject to the following conditions, namely:</p> <p>(i) The sums paid to the approved organization shall be utilized for scientific research;</p> <p>(ii) The approved organization shall carry out scientific research through its faculty members or its enrolled students;</p> <p>(iii) The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under subsection (1) of section 139 of the said Act;</p> <p>(iv) The approved organization shall maintain a separate statement of donations received and amounts applied for scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above.</p> <p>The Central Government shall withdraw the approval if the approved organization:</p> <p>(a) fails to maintain separate books of accounts referred to in sub-paragraph (iii) of paragraph 1; or</p> <p>(b) fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph 1; or</p> <p>(c) fails to furnish its statement of the donations received and sums applied for scientific research referred to in sub-paragraph (iv) of paragraph 1; or</p> <p>(d) ceases to carry on its research activities or its research activities are not found to be genuine; or</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification25_2018.pdf</p>	Lesson 4(III)
16.	<p>NOTIFICATION NO. 26/2018 DATED 13TH JUNE, 2018</p> <p>The Central Government has notified the Cost Inflation Index “280” for the Financial Year 2018-19 i.e. Assessment Year 2019-20.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification26_2018.pdf</p>	Lesson 4(IV)

17.	<p>NOTIFICATION NO. 27/2018 DATED 18TH JUNE, 2018</p> <p>The Central Government hereby specifies the “Power Finance Corporation Limited 54EC Capital Gains Bond” issued by Power Finance Corporation Limited for the purpose of clause (iib) of the proviso to section 193 of the Income-tax Act, 1961.</p> <p>Provided that the benefit under the said proviso shall be admissible in the case of transfer of such bonds by endorsement or delivery, only if the transferee informs Power Finance Corporation Limited by registered post within a period of sixty days of such transfer.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification27-2018.pdf</p>	Lesson 4(IV)
18.	<p>NOTIFICATION NO. 28/2018 DATED 18TH JUNE, 2018</p> <p>The Central Government hereby specifies the “Indian Railway Finance Corporation Limited 54EC Capital Gains Bond” issued by Indian Railway Finance Corporation Limited for the purpose of clause (iib) of the proviso to section 193 of the Income-tax Act, 1961. Provided that the benefit under the said proviso shall be admissible in the case of transfer of such bonds by endorsement or delivery, only if the transferee informs Indian Railway Finance Corporation Limited by registered post within a period of sixty days of such transfer.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification28-2018.pdf</p>	Lesson 4(IV)
19.	<p>NOTIFICATION NO. 29/2018 DATED 22ND JUNE, 2018</p> <p>In a case where a foreign company is said to be resident in India on account of its Place of Effective Management “PoEM” being in India under sub-section (3) of section 6 of the Act in any previous year and such foreign company has not been resident in India in any of the previous years preceding the said previous year, then, notwithstanding anything contained in the Act, the provisions of the Act relating to the computation of total income, treatment of unabsorbed depreciation, set off or carry forward and set off of losses, collection and recovery and special provisions relating to avoidance of tax shall apply to the foreign company for the said previous year with exceptions, modifications and adaptations specified here under:</p> <p>(i) If the foreign company is assessed to tax in the foreign jurisdiction, and,—</p> <p>(a) where it is required to take into account depreciation for the purpose of computation of its taxable income, the written down value (hereinafter referred to as WDV) of the depreciable asset as per the tax record in the foreign country on the 1st day of the previous year shall be adopted as the opening WDV for the said previous year,</p> <p>(b) in cases not covered by (a), the WDV shall be calculated in the manner, as though the asset was installed, utilised and the depreciation was actually allowed as per the provisions of the laws of that foreign jurisdiction and the WDV so arrived at as on the 1st day of the previous year, shall be adopted to</p>	Lesson 2&8

be the opening WDV for the said previous year.

(ii) If the foreign company is not assessed to tax in the foreign jurisdiction, then WDV of the depreciable asset as appearing in the books of account as on the 1st day of the previous year maintained in accordance with the laws of that foreign jurisdiction shall be adopted as the opening WDV for the said previous year.

(iii) If the foreign company is assessed to tax in the foreign jurisdiction, its brought forward loss and unabsorbed depreciation as per the tax record shall be determined year wise on the 1st day of the said previous year.

(iv) If the foreign company is not assessed to tax in the foreign jurisdiction, its brought forward loss and unabsorbed depreciation as per the books of account prepared in accordance with the laws of that country shall be determined year wise on the 1st day of the said previous year.

(v) The brought forward loss and unabsorbed depreciation of the foreign company as arrived at paras (iii) or (iv), as the case may be, shall be deemed as loss and unabsorbed depreciation brought forward as on the 1st day of the said previous year and shall be allowed to be set off and carried forward in accordance with the provisions of the Act for the remaining period calculated from the year in which they occurred for the first time taking that year as the first year

Provided that the losses and unabsorbed depreciation of the foreign company shall be allowed to be set off only against such income of the foreign company which have become chargeable to tax in India on account of it becoming Indian resident.

(vi) In cases where the brought forward loss and unabsorbed depreciation referred to in para (iii) or (iv), as the case may be, originally adopted in India are revised or modified in the foreign jurisdiction due to any action of the tax or legal authority, the amount of the loss and unabsorbed depreciation shall be revised or modified for the purposes of set off and carry forward as referred to in para (v).

(vii) In cases where the accounting year does not end on 31st March, the foreign company shall be required to prepare profit and loss account and balance sheet for the period starting from the date on which the accounting year immediately following said accounting year begins, upto 31st March of the year immediately preceding the period beginning with 1st April and ending on 31st March during which the foreign company has become resident. The foreign company shall also be required to prepare profit and loss account and balance sheet for succeeding periods of twelve months, beginning from 1st April and ending on 31st March, till the year the foreign company remains resident in India on account of its PoEM.

(viii) For the purpose of carry forward of loss and unabsorbed depreciation in cases where the accounting year followed by the foreign company does not end on 31st March and the period starting from the date on which immediately following year begins upto 31st March of the year, immediately preceding the period beginning with 1st April and ending on 31st March during which it has become resident, is,—

(a) less than six months, it shall be included in that accounting year;

(b) equal to or more than six months, that period shall be treated as a separate

accounting year. Thus, if the accounting year followed by the foreign company is calendar year, the accounting year immediately preceding the accounting year in which the foreign company is held to be resident in India, shall be increased by three months, i.e., 1st January to 31st March; and if the accounting year followed by the foreign company is from 1st July to 30th June, the accounting year immediately preceding the accounting year in which the foreign company is held to be resident in India, shall be of nine months from 1st July to 31st March.

(ix) In cases covered under para (viii), loss and unabsorbed depreciation as per tax record or books of account, as the case may be, of the foreign company shall, be allocated on proportionate basis.

(x) Where more than one provision of Chapter XVII-B of the Act applies to the foreign company as resident as well as foreign company, the provision applicable to the foreign company alone shall apply.

(xi) Compliance to those provisions of Chapter XVII-B of the Act as are applicable to the foreign company prior to its becoming Indian resident shall be considered sufficient compliance to the provisions of said Chapter.

(xii) The provisions contained in sub-section (2) of section 195 of the Act shall apply in such manner so as to include payment to the foreign company.

(xiii) The foreign company shall be entitled to relief or deduction of taxes paid in accordance with the provisions of section 90 or section 91 of the Act.

(xiv) In a case where income on which foreign tax has been paid or deducted, is offered to tax in more than one year, credit of foreign tax shall be allowed across those years in the same proportion in which the income is offered to tax or assessed to tax in India in respect of the income to which it relates and shall be in accordance with the provisions of rule 128 of the Income-tax Rules, 1962.

Explanation.— For the purposes of this notification,—

(i) the term “Foreign jurisdiction” would mean the place of incorporation of the foreign company.

(ii) the rate of exchange for conversion into rupees of value expressed in foreign currency, wherever applicable, shall be in accordance with provision of rule 115 of the Income-tax Rules, 1962. B. the exceptions, modifications and adaptations referred to in para A shall not apply in respect of such income of the foreign company becoming Indian resident on account of its PoEM being in India which would have been chargeable to tax in India, even if the foreign company had not become Indian resident.

C. in a case where the foreign company is said to be resident in India during a previous year, immediately succeeding a previous year during which it is said to be resident in India; the exceptions, modifications and adaptations referred to in para A shall apply to the said previous year subject to the condition that the WDV, the brought forward loss and the unabsorbed depreciation to be adopted on the 1st day of the previous year shall be those which have been arrived at on the last day of the preceding previous year in accordance with the provisions of this notification.

	<p>D. any transaction of the foreign company with any other person or entity under the Act shall not be altered only on the ground that the foreign company has become Indian resident.</p> <p>E. subject to the above, the foreign company shall continue to be treated as a foreign company even if it is said to be resident in India and all the provisions of the Act shall apply accordingly.</p> <p>Consequently, the provisions specifically applicable to,— (i) a foreign company, shall continue to apply to it; (ii) non-resident persons, shall not apply to it; and (iii) the provisions specifically applicable to resident, shall apply to it.</p> <p>F. in case of conflict between the provision applicable to the foreign company as resident and the provision applicable to it as foreign company, the later shall generally prevail. Therefore, the rate of tax in case of foreign company shall remain the same, i.e., rate of income-tax applicable to the foreign company even though residency status of the foreign company changes from non-resident to resident on the basis of PoEM.</p> <p>This notification shall be deemed to have come into force from the 1st day of April, 2017.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification29_2018.pdf</p>	
20.	<p>NOTIFICATION NO. 38/2018 DATED 10TH AUGUST, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Insolvency and Bankruptcy Board of India’, New Delhi, a board established by the Central Government, in respect of the following specified income arising to that board, namely:-</p> <p>(a) Grants-in-aid received from Central Government;</p> <p>(b) Fees received under the Insolvency and Bankruptcy Code, 2016 (31 of 2016);</p> <p>(c) Fines collected under the Insolvency and Bankruptcy Code, 2016 (31 of 2016); and</p> <p>(d) Interest income accrued on (a), (b) and (c) above.</p> <p>This notification shall be effective subject to the conditions that Insolvency and Bankruptcy Board of India, New Delhi-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the financial year 2017-2018 and shall apply with respect to the financial years 2018-2019, 2019-2020, 2020-2021 and 2021-2022.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification38_2018.pdf</p>	<p>Lesson</p> <p>3</p>

21.	<p>NOTIFICATION NO. 39/2018 DATED 10TH AUGUST, 2018</p> <p>The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, Madhya Pradesh Real Estate Regulatory Authority, a body constituted by Government of Madhya Pradesh, in respect of the following specified income arising to that body, namely:-</p> <ul style="list-style-type: none"> (a) registration fees received under the Real Estate (Regulation and Development) Act, 2016; (b) application fees received under the Real Estate (Regulation and Development) Act, 2016; (c) penalties for violation of provisions contained in the Real Estate (Regulation and Development) Act, 2016; (d) late fee and compounding charges received under the Real Estate (Regulation and Development) Act, 2016; (e) grants-in-aid received from government; and (f) interest accrued on above amounts as per clause 75(1)(c) of the Real Estate (Regulation and Development) Act, 2016. <p>This notification shall be effective subject to the conditions that Madhya Pradesh Real Estate Regulatory Authority,-</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the financial year 2017-2018 and shall apply with respect to the financial years 2018-2019, 2019-2020, 2020-2021 and 2021-2022.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification39_2018.pdf</p>	Lesson 3
22.	<p>NOTIFICATION NO. 42/2018 DATED 30TH AUGUST, 2018</p> <p>In exercise of the powers conferred by clause (via) of section 28 read with section 295 of the Income-tax Act, 1961 (43 of 1961), hereinafter referred to as the Income-tax Act,</p> <p>The Central Government hereby makes the Income-tax (9th Amendment), Rules, 2018 which shall come into force from the 1st day of April, 2019 and shall apply in relation to assessment year 2019-20 and subsequent years.</p> <p>In the Income-tax Rules, 1962,</p> <ul style="list-style-type: none"> (a) in rule 11U, in clause (b), for sub-clause (ii), the following sub-clause shall be substituted, namely:— “(ii) in any other case,— <p>(A) in relation to an Indian company, the balance-sheet of such company (including the notes annexed thereto and forming part of the accounts) as drawn up on the valuation date which has been audited by the auditor of the company appointed under</p>	Lesson 4(III)

	<p>the laws relating to companies in force; and</p> <p>(B) in relation to a company, not being an Indian company, the balance-sheet of the company (including the notes annexed thereto and forming part of the accounts) as drawn up on the valuation date which has been audited by the auditor of the company, if any, appointed under the laws in force of the country in which the company is registered or incorporated;”;</p> <p>(b) after rule 11UAA, the following rule shall be inserted, namely:</p> <p>“11UAB. Determination of fair market value for inventory.(1) For the purposes of clause (via) of section 28 of the Act, the fair market value of the inventory,—</p> <p>(i) being an immovable property, being land or building or both, shall be the value adopted or assessed or assessable by any authority of the Central Government or a State Government for the purpose of payment of stamp duty in respect of such immovable property on the date on which the inventory is converted into, or treated, as a capital asset;</p> <p>(ii) being jewellery, archaeological collections, drawings, paintings, sculptures, any work of art, shares or securities referred to in rule 11UA, shall be the value determined in the manner provided in sub-rule (1) of rule 11UA and for this purpose the reference to the valuation date in the rule 11U and rule 11UA shall be the date on which the inventory is converted into, or treated, as a capital asset;</p> <p>(iii) being the property, other than those specified in clause (i) and clause (ii), the price that such property would ordinarily fetch on sale in the open market on the date on which the inventory is converted into, or treated, as a capital asset.”</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification42_2018.pdf.</p>	
23.	<p>NOTIFICATION NO. 44/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Uttar Pradesh Electricity Regulatory Commission’, Lucknow, a commission constituted under the Uttar Pradesh Electricity Reforms Act, 1999 (UP Act No.24 of 1999), in respect of the following specified income arising to the said Commission, namely:--</p> <p>(a) amount received in the form of Government grants; (b) amount received as licence fees & fines; and (c) interest on Government grants, licence fees & fines.</p> <p>This notification shall be effective subject to the conditions that Uttar Pradesh Electricity Regulatory Commission, Lucknow,-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-</p>	<p>Lesson</p> <p>3</p>

	<p>section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment years 2017-2018 and 2018-2019 and shall apply with respect to the assessment years 2019-2020, 2020-2021 and 2021-2022.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification44_2018.pdf </p>	
24.	<p>NOTIFICATION NO. 45/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income tax Act, 1961, 'Petroleum and Natural Gas Regulatory Board', New Delhi, a Board constituted by the Government of India, in respect of the following specified income arising to the said Board, namely:--</p> <p>(a) Grant received from Central Government; (b) All other grants, fees, penalty charges received; (c) All sums received from such other sources as may be approved by the Central Government as per section 38 and 39 of the Petroleum and Natural Gas Regulatory Board Act, 2006; and (d) Interest earned on deposits.</p> <p>This notification shall be effective subject to the conditions that Petroleum and Natural Gas Regulatory Board, New Delhi,-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of subsection (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification45_2018.pdf </p>	Lesson 3
25.	<p>NOTIFICATION NO. 46/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Rajasthan State Dental Council', Jaipur, a body constituted by the Government of Rajasthan, in respect of the following specified income arising to that body, namely:—</p> <p>(a) sale of application form; (b) renewal fees of Dentists, Dental Hygienists and Dental Mechanics; (c) fees of good standing; (d) Dentist provisional registration fees; (e) Additional qualification fees; (f) late fees; (g) no objection certificate fees; (h) re-issue of certificate fees (duplicate certificate fees); (i) Continuing Dental Education Programme fees; and (j) interest income accrued on above.</p>	Lesson 3

	<p>This notification shall be effective subject to the conditions that Rajasthan State Dental Council, Jaipur,—</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the assessment years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment years 2017-2018 and 2018-2019 shall apply with respect to the assessment years 2019-2020, 2020-2021 and 2021-2022.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification46_2018.pdf</p>	
26.	<p>NOTIFICATION NO. 47/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Kandla Special Economic Zone Authority’, Kutch, an authority constituted by the Central Government, respect of the following specified income arising to that authority, namely:-</p> <p>(a) Lease rent (charged as per Government prescribed rate) including interest and penalty;</p> <p>(b) Receipts from I-Card and permit fees/ gate pass;</p> <p>(c) Auction/Bid amount in respect of Plots/Buildings which fall vacant;</p> <p>(d) Transfer charges in respect of Plot/Building;</p> <p>(e) Processing fee for approval of Building Plans;</p> <p>(f) Site Usage charges from Service providers including user charges & water charges (including interest and penalty thereon);</p> <p>(g) License fee for Staff Quarters; and</p> <p>(h) Interest accrued on (a) to (g) above.</p> <p>This notification shall be effective subject to the conditions that Kandla Special Economic Zone Authority, Kutch,-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment year 2018-2019, and shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022 and 2022-2023.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification47_2018.pdf</p>	Lesson 3
27.	<p>NOTIFICATION NO. 48/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, ‘Gujarat Water Supply and Sewerage Board’, Gandhinagar, a Board constituted by Government of Gujarat, in respect of the</p>	Lesson 3

	<p>following specified income arising to that board, namely:-</p> <ul style="list-style-type: none"> (a) Grant received from state government; (b) Deposits received from Local Bodies; (c) Centage at rates prescribed by the Government of Gujarat; (d) Water charges (tariff fixed by the Govt. of Gujarat) collected from local bodies, farmer for Water supply; (e) Rent collected as per the provisions of Gujarat Water Supply and Sewerage Act, 1978; and (f) Interest on (a) to (e) above. <p>This notification shall be effective subject to the conditions that the Gujarat Water Supply and Sewerage Board,-</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the assessment years 2017-18 and 2018-19 and shall apply with respect to the assessment years 2019-20, 2020-21 and 2021-22.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification48_2018.pdf</p>	
28.	<p>NOTIFICATION NO. 49/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Tripura Electricity Regulatory Commission', a commission constituted by the State Government of Tripura, in respect of the following specified income arising to the said Commission, namely:--</p> <ul style="list-style-type: none"> (a) Grants received from State Government; (b) Annual License fee under Electricity Act, 2003; (c) Petition fees under Electricity Act, 2003; (d) Tender fee/Earnest money; and . (e) Interest on (a) to (d) above. <p>This notification shall be effective subject to the conditions that Tripura State Electricity Regulatory Commission –</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the assessment year 2018-19 and shall apply with respect to the assessment years 2019-20, 2020-21, 2021-22 and 2022-23.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification49_2018.pdf</p>	<p>Lesson</p> <p>3</p>

29.	<p>NOTIFICATION NO. 50/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘West Bengal State Council of Science & Technology’, Kolkata, a society constituted by the Government of West Bengal, in respect of the following specified income arising to that Society, namely:--</p> <p>(a) Grants received from Central & State Governments; (b) Course fees from Research Fellow; (c) Receipts from Sale of Maps & Patent searching report; (d) Receipts from Sale of plants; and (e) Interest earned on (a) to (d) above.</p> <p>This notification shall be effective subject to the conditions that West Bengal State Council of Science & Technology, Kolkata,-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of subsection (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment years 2016-17, 2017-18 and 2018-19 and shall apply with respect to the assessment years 2019-20 and 2020-21.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification50_2018.pdf</p>	Lesson 3
30.	<p>NOTIFICATION NO. 51/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Jharkhand State Electricity Regulatory Commission’, Ranchi, a commission constituted by the State government of Jharkhand, in respect of the following specified income arising to the said Commission, namely:—</p> <p>(a) Grants-in-aid from the State government of Jharkhand; (b) Petition fees; (c) License fees from Licensee under the Electricity Act 2003; (d) Application fees; (e) Fees for documents; (f) Fees received under the provisions of the Right to Information Act, 2005; and (g) Interest income on (a) to (f) above.</p> <p>This notification shall be effective subject to the conditions that Jharkhand State Electricity Regulatory Commission, Ranchi,-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the assessment years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment years 2019-2020, 2020-</p>	Lesson 3

	<p>2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification51_2018.pdf</p>	
31.	<p>NOTIFICATION NO. 52/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Tamil Nadu Water Supply and Drainage Board’, a board constituted under the Tamil Nadu Water Supply and Drainage Board Act, 1970 (Tamil Nadu Act 4 of 1971), in respect of the following specified income arising to that board, namely:-</p> <p>(a) Grant from Government/Local Bodies (Deficit on Operation and Maintenance of CWSS);</p> <p>(b) Investigation Charges for Water Supply Scheme and Under Ground Sewerage Scheme;</p> <p>(c) Centage at rates prescribed by the Government of Tamil Nadu;</p> <p>(d) Water charges (Water Tariff fixed by the Govt. of Tamil Nadu) collected from local bodies for bulk water supply;</p> <p>(e) Receipts from Pension and gratuity contribution;</p> <p>(f) Receipts from Hire Charges, sale of Tender Schedule, Geological Survey Income, Contractor/Firm Registration fees, Fine for slow progress, Forfeiture of Security Deposit, Supervision charges, Sale of Waste Papers, Sale of used Assets, Publication Subscription, Field Testing Kits, Water Testing Charges, Material Testing Charges, Fuel Charges from Local bodies for operation of Generator for CWSS ;</p> <p>(g) Interest earned on (a) to (f) above.</p> <p>This notification shall be effective subject to the conditions that Tamil Nadu Water Supply and Drainage Board –</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the Assessment years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification52_2018.pdf</p>	<p>Lesson 3</p>
32.	<p>NOTIFICATION NO. 53/2018 DATED 14TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, the State Load Dispatch Centre Unscheduled Interchange Fund- West Bengal State Electricity Transmission Company Limited (PAN AAIAS0980J), a trust constituted under the Electricity Act, 2003 (36 of 2003) in respect of the following specified income arising to that trust, namely:-</p> <p>(a) Residual money in the unscheduled interchange pool balance account;</p> <p>(b) Income incidental to or related to unscheduled interchange; and</p>	<p>Lesson 3</p>

	<p>(c) Interest on fixed deposits and auto-sweep accounts.</p> <p>This notification shall be effective subject to the conditions that the State Load Dispatch Centre Unscheduled Interchange Fund- West Bengal State Electricity Transmission Company Limited (PAN AAIAS0980J),-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment year 2018-2019 and shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022 and 2022-2023.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification53_2018.pdf</p>	
33.	<p>NOTIFICATION NO. 54/2018 DATED 18TH SEPTEMBER, 2018</p> <p>The organization M/s Indian Council of Medical Research (PAN:- AAEAT4818Q) has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5E of the Income-tax Rules, 1962 (said Rules), from Assessment year 2019-2020 and onwards under the category of “Other Institution” engaged in research activities subject to the following conditions, namely:-</p> <p>(i) The sums paid to the approved organization i.e. M/s Indian Council of Medical Research shall be utilized for scientific research. The Grants/Donations for undertaking scientific research which are extended to Non-ICMR Institutes by the approved organization shall not be eligible for benefit under section 35(1)(ii) of the said Act. However, any collaborative research activity carried out by an ICMR-institute by utilizing the Grants/Donations received by the approved organization shall not be covered under the said exclusion.</p> <p>(ii) The approved organization shall carry out scientific research through its faculty members or its enrolled students;</p> <p>(iii) The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under sub-section (1) of section 139 of the said Act;</p> <p>(iv) The approved organization shall maintain a separate statement of donations received and amounts applied for scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above.</p>	Lesson 4(III)

	<p>The Central Government shall withdraw the approval if the approved organization:-</p> <ul style="list-style-type: none"> (a) fails to maintain separate books of accounts referred to in sub-paragraph (iii) of paragraph 1; or (b) fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph 1; or (c) fails to furnish its statement of the donations received and sums applied for scientific research referred to in sub-paragraph (iv) of paragraph 1; or (d) ceases to carry on its research activities or its research activities are not found to be genuine; or (e) ceases to conform to and comply with the provisions of clause (ii) of sub-section (1) of section 35 of the said Act read with rules 5C and 5E of the said Rules. <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification54_2018.pdf</p>	
34.	<p>NOTIFICATION NO. 56/2018 DATED 26TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Chhattisgarh State Electricity Regulatory Commission', Raipur, a Commission constituted by the Government of Chhattisgarh, in respect of the following specified income arising to that Commission, namely:—</p> <ul style="list-style-type: none"> (a) Grants received from State Government; (b) Annual License fee under Electricity Act, 2003; (c) Petition fees under Electricity Act, 2003; (d) Penalty imposed under Electricity Act, 2003. <p>This notification shall be effective subject to the conditions that 'Chhattisgarh State Electricity Regulatory Commission', Raipur —</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the assessment years 2018-19 and shall apply with respect to the assessment years 2019-20, 2020-21, 2021-22 and 2022-23.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification56_2018.pdf</p>	Lesson 3
35.	<p>NOTIFICATION NO. 57/2018 DATED 26TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Uttarakhand Real Estate Regulatory Authority', Dehradun, an authority constituted by the Government of Uttarakhand, in respect of the following specified income arising to that authority, namely:-</p> <ul style="list-style-type: none"> (a) Grants-in-aid received from Government; (b) Registration fees received under the Real Estate (Regulation and Development) Act, 2016; 	Lesson 3

	<p>(c) Application fees received under the Real Estate (Regulation and Development) Act, 2016;</p> <p>(d) Penalties for violation of provisions contained in the Real Estate (Regulation and Development) Act, 2016;</p> <p>(e) Late fees received under the Real Estate (Regulation and Development) Act, 2016;</p> <p>(f) Fees received under the Right to Information Act, 2005;</p> <p>(g) Interest accrued on above amounts as per clause 75(1)(c) of the Real Estate (Regulation and Development) Act, 2016.</p> <p>This notification shall be effective subject to the conditions that Uttarakhand Real Estate Regulatory Authority, Dehradun,-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment years 2018-2019 and shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022 and 2022-2023.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification57_2018.pdf</p>	
36.	<p>NOTIFICATION NO. 58/2018 DATED 26TH SEPTEMBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Tamil Nadu Pollution Control board', a Board constituted by the State Government of Tamil Nadu, in respect of the following specified income arising to the said Board, namely:--</p> <p>(a) Consent fees;</p> <p>(b) Analysis fees or air ambient quality survey fees or noise level survey fees;</p> <p>(c) Reimbursement of the expense received from Central Pollution Control Board towards National Air Monitoring Programmes, Global Environment Monitoring Systems and Monitoring of Indian National Aquatic resources and like schemes;</p> <p>(d) Authorization fees (Bio Medical Waste Management Fees);</p> <p>(e) Cess re-imbursement and cess appeal fees;</p> <p>(f) Fees collected for training conducted by the Environment Training Institute of the Board where no profit element is involved and the activity is not commercial in nature;</p> <p>(g) Fees received under the Right to Information Act, 2005(22 of 2005);</p> <p>(h) Public hearing fees;</p> <p>(i) Sale of law books where no profit element is involved and the activity is not commercial in nature;</p> <p>(j) Interest on loans and advances given to staff of the Board;</p> <p>(k) Miscellaneous income such as sale of old or scrap items, tenders fees and other matters relating thereto; and</p> <p>(l) Interest on deposits.</p> <p>This notification shall be effective subject to the conditions that 'Tamil Nadu</p>	<p>Lesson</p> <p>3</p>

	<p>Pollution Control board, Chennai –</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification58_2018.pdf</p>	
37.	<p>NOTIFICATION NO. 60/2018 DATED 1ST OCTOBER, 2018</p> <p>The Central Government, with a view to specify the nature of acquisition in respect of which the provision of sub-clause (a) of clause (iii) of sub-section (1) of section 112A of the Income-tax Act shall not apply, hereby notifies the transactions of acquisition of equity share entered into (I) before the 1st day of October, 2004; or (II) on or after the 1st day of October, 2004 which are not chargeable to securities transaction tax under Chapter VII of the Finance (No. 2) Act, 2004 (23 of 2004), other than the following, namely:</p> <p>(a) where acquisition of existing listed equity share in a company whose equity shares are not frequently traded in a recognised stock exchange of India is made through a preferential issue:</p> <p>Provided that nothing contained in this clause shall apply to acquisition of listed equity shares in a company;</p> <p>(i) which has been approved by the Supreme Court, High Court, National Company Law Tribunal, Securities and Exchange Board of India or Reserve Bank of India in this behalf; (ii) by any non-resident in accordance with foreign direct investment guidelines issued by the Government of India; (iii) by an investment fund referred to in clause (a) of Explanation 1 to section 115UB of the Income-tax Act or a venture capital fund referred to in clause (23FB) of section 10 of the Income-tax Act or a Qualified Institutional Buyer; and (iv) through preferential issue to which the provisions of chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 does not apply.</p> <p>(b) where transaction for acquisition of existing listed equity share in a company is not entered through a recognised stock exchange in India:</p> <p>Provided that nothing contained in this clause shall apply to the acquisition of listed equity shares in a company which has been made in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), and is—</p> <p>(i) through an issue of share by a company other than the issue referred to in clause</p>	<p>Lesson 4(IV)</p>

(a);
(ii) by scheduled banks, reconstruction or securitisation companies or public financial institutions during their ordinary course of business;
(iii) approved by the Supreme Court, High Courts, National Company Law Tribunal, Securities and Exchange Board of India or Reserve Bank of India in this behalf;
(iv) under employee stock option scheme or employee stock purchase scheme framed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(v) by any non-resident in accordance with foreign direct investment guidelines of the Government of India;
(vi) in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
(vii) from the Government;
(viii) by an investment fund referred to in clause (a) to Explanation 1 to section 115UB of the Income-tax Act or a venture capital fund referred to in clause (23FB) of section 10 of the income-tax Act or a Qualified Institutional Buyer; and
(ix) by mode of transfer referred to in section 47 or section 50B or sub-section (3) of section 45 or subsection (4) of section 45 of the Income-tax Act, if the previous owner or the transferor, as the case may be, of such shares has not acquired them by any mode referred to in clause (a) or clause (b) or clause (c) [other than the transactions referred to in the proviso to clause (a) or clause (b)].

(c) acquisition of equity share of a company during the period beginning from the date on which the company is delisted from a recognised stock exchange and ending on the date immediately preceding the date on which the company is again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules made thereunder;

Explanation: For the purposes of this notification,

(a) “frequently traded shares” means shares of a company, in which the traded turnover on a recognised stock exchange during the twelve calendar months preceding the calendar month in which the acquisition and transfer is made, is at least ten per cent. of the total number of shares of such class of the company: Provided that where the share capital of a particular class of shares of the company is not identical throughout such period, the weighted average number of total shares of such class of the company shall represent the total number of shares;

(b) ‘listed’ means listed in a recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(c) “preferential issue” and “Qualified Institutional Buyer” shall have the meanings respectively assigned to them in sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) "public financial institution" and "scheduled bank" shall have the meanings respectively assigned to them in Explanation to clause (viia) of sub-section (1) of section 36 of Income-tax Act;

	<p>(e) “recognised stock exchange” shall have the same meaning assigned to it in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; and</p> <p>(f) “reconstruction company” and “securitisation company” shall have the meanings respectively assigned to them in sub-section (1) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002).</p> <p>This notification shall come into force with effect from the 1st day of April, 2019 and shall accordingly apply in relation to the assessment year 2019-20 and subsequent assessment years.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification60_2018.pdf</p>	
38.	<p>NOTIFICATION NO. 61/2018 DATED 8TH OCTOBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, “Hyderabad Metropolitan Water Supply and Sewerage Board”, Hyderabad, a board constituted by Government of Andhra Pradesh in respect of the following specified incomes arising to that board, namely.—</p> <ol style="list-style-type: none"> Grants received from state government; Water Cess; Sewerage Cess; Receipts from New connection charges, reconnection charges and disconnection charges; Interest and penalty on delayed payment of water cess; Receipts from supply of water via tankers; Income through sale of tender forms; Centage income; Rental income from renting of buildings and hoardings; Interest on consumption deposits with power companies, and Interest on fixed deposits with banks. <p>This notification shall be effective subject to the conditions that Hyderabad Metropolitan Water Supply and Sewerage Board –</p> <ol style="list-style-type: none"> shall not engage in any commercial activity; activities and the nature of the specified income shall remain unchanged throughout the financial years; and shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the Assessment year 2017-2018 and 2018-19 and shall apply with respect to the assessment years 2019-20, 2020-21 and 2021-22.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification61_2018.pdf</p>	<p>Lesson</p> <p>3</p>

39.	<p>NOTIFICATION NO. 62/2018 DATED 8TH OCTOBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Karnataka State Unorganised Workers Social Security Board’, Bengaluru, a board constituted by the Government of Karnataka, in respect of the following specified income arising to that board, namely.—</p> <p>a) Grant-in-Aid released by State Government; b) Interest earned on (a) above.</p> <p>This notification shall be effective subject to the conditions that Karnataka State Unorganised Workers Social Security Board, Bengaluru –</p> <p>a) shall not engage in any commercial activity; b) activities and the nature of the specified income remain unchanged throughout the financial years; and c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment year 2017-18 and 2018-19 and shall apply with respect to the assessment years 2019-20, 2020-21 and 2021-22.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification62_2018.pdf</p>	Lesson 3
40.	<p>NOTIFICATION NO. 63/2018 DATED 8TH OCTOBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Kerala State Electricity Regulatory Commission’, Thiruvananthapuram, a commission established by the Government of Kerala, in respect of the following specified income arising to that commission, namely:—</p> <p>(a) Grants and loans received from State Government of Kerala; (b) License fee under Electricity Act, 2003; (c) Petition fees under Electricity Act, 2003; (d) Interest earned from investment.</p> <p>This notification shall be effective subject to the conditions that Kerala State Electricity Regulatory Commission –</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment year 2018-19 and shall apply with respect to the assessment years 2019-20, 2020-21, 2021-22 and 2022-23.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification63_2018.pdf</p>	Lesson 3

41.	NOTIFICATION NO. 64/2018 DATED 8TH OCTOBER, 2018	Lesson
	<p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961 ‘Madhya Pradesh Electricity Regulatory Commission’, Bhopal, a Commission constituted by the State Government of Madhya Pradesh, in respect of the following specified income arising to the said Commission, namely:--</p> <p>(a) Amount received as petition fees; (b) Amount received as fines and charges; (c) Other incidental income received from sale of tender documents, processing fees, certified copying fees, sale of old newspapers, license fee, distribution of Tariff book, vehicle rent, interest on loans to staff; and (d) Interest earned on (a) to (c) above.</p> <p>This notification shall be effective subject to the conditions that Madhya Pradesh Electricity Regulatory Commission, Bhopal,-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment year 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-25.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification64_2018.pdf</p>	3
42.	NOTIFICATION NO. 65/2018 DATED 8TH OCTOBER, 2018	Lesson
	<p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘Real Estate Regulatory Authority, Punjab’, an authority constituted by the Government of Punjab, in respect of the following specified income arising to that authority, namely:-</p> <p>(a) Grants received from Government; (b) Levy collected under the Real Estate (Regulation and Development) Act, 2016 and the Punjab State Real Estate (Regulation and Development) Rules, 2017; (c) Interest earned on (a) and (b) above.</p> <p>This notification shall be effective subject to the conditions that Real Estate Regulatory Authority, Punjab,-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment year 2018-2019 and shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022 and 2022-2023.</p>	3

	For details: https://www.incometaxindia.gov.in/communications/notification/notification65_2018.pdf	
43.	<p>NOTIFICATION NO. 66/2018 DATED 8TH OCTOBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Uttaranchal Board of Technical Education, a board constituted by the State Act Uttaranchal Board of Technical Education Act, 2003, in respect of the following specified income arising to the said Board, namely:—</p> <p>a) Grants/subsidies received from Government/government bodies; b) Fees, Fines and Penalties collected as per the provisions of Uttaranchal Board of Technical Education Act, 2003; c) Receipts from sale of printed application forms and educational Material; d) Receipts from Disposal of assets and sale of Scrap; e) Rent received from let out of properties; f) Royalty or License Fees for providing technical knowledge and infrastructure; g) Interest earned on (a) to (f) above.</p> <p>This notification shall be effective subject to the conditions that Uttaranchal Board of Technical Education –</p> <p>a) shall not engage in any commercial activity; b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment year 2018-19 and shall apply with respect to the assessment years 2019-20, 2020-21, 2021-22 and 2022-23.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification66_2018.pdf</p>	Lesson 3
44.	<p>NOTIFICATION NO. 68/2018 DATED 22ND OCTOBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Kozhikode District Sports Council, Kozhikode', a body constituted under Section 9 of the Kerala Sports Act, 2000 (Act 2 of 2001), in respect of the following specified income arising to that body, namely:—</p> <p>(a) Grants from Government and State Sports Council; (b) Rent Collected from Stadium and shop rooms housed in Koyilandy stadium and VKK Mendon Indoor stadium; (c) Interest earned on (a) & (b) above.</p> <p>This notification shall be effective subject to the conditions that Kozhikode District Sports Council, Kozhikode—</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged</p>	Lesson 3

	<p>throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment years 2016-17, 2017-18 and 2018-19 and shall apply with respect to the assessment years 2019-20 and 2020-21</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification68_2018.pdf</p>	
45.	<p>NOTIFICATION NO. 69/2018 DATED 22ND OCTOBER, 2018</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'West Bengal Unorganised Sector Workers Welfare Board', Kolkata, a board constituted by the Government of West Bengal, in respect of the following specified income arising to that board, namely:—</p> <p>(a) Grant-in-Aid received from Government; (b) Registration fee and Monthly/yearly Subscription collected from the registered workers; and (c) Interest earned on (a) and (b) above.</p> <p>This notification shall be effective subject to the conditions that West Bengal Unorganised Sector Workers Welfare Board, Kolkata,-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment year 2018-2019 and shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022 and 2022-23.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification69_2018.pdf</p>	Lesson 3
46.	<p>NOTIFICATION NO. 71/2018 DATED 22ND OCTOBER, 2018</p> <p>The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Gujarat Real Estate Regulatory Authority', Gandhinagar, a body constituted by the Government of Gujarat, in respect of the following specified income arising to that body, namely:—</p> <p>(a) Grants and loans received from the State Government; (b) All fees received under the Real Estate (Regulation and Development) Act, 2016 and the Gujarat Real Estate (Regulation and Development) (General) Rules, 2017; (c) Sums realized by way of penalties under sub-section (2) of the section 76 of the Real Estate (Regulation and Development) Act, 2016; and (d) Interest accrued on (a) to (c) above.</p>	Lesson 3

	<p>This notification shall be effective subject to the conditions that Gujarat Real Estate Regulatory Authority, Gandhinagar,—</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification71_2018.pdf</p>	
47.	<p>NOTIFICATION NO. 75/2018 DATED 31ST OCTOBER, 2018</p> <p>The organization M/s Charutar Arogya Mandai, Gujarat (PAN:- AAA TC1264G) has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the Income tax Act, 1961, read with Rules 5C and 5E of the Income-tax Rules, 1962, from Assessment year 2019-2020 onwards in the category of 'University, College or other Institution', engaged in research activities, subject to the following conditions, namely:-</p> <p>(i) The sums paid to the approved organization shall be used to undertake scientific research;</p> <p>(ii) The approved organization shall carry out scientific research through its faculty members or enrolled students;</p> <p>(iii) The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under sub-section (I) of section 139 of the said Act;</p> <p>(iv) The approved organization shall maintain a separate statement of donations received and amounts applied for scientific research, such donations shall be used exclusively for core scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above.</p> <p>(v) Donations being received by the organization under clause (ii) of sub-section (I) of section 35 of the Act, shall be used exclusively for core scientific research only and not for hospital activities, activities related to treatment of patients, general educational activities (other than research) or any other object of the organization.</p> <p>(vi) The approved organization shall, by the due date of furnishing the return of income under sub-section (1) of section 139, furnish a statement to the Commissioner of Income-tax or Director of Income-tax containing a detailed note on the research</p>	Lesson 4(III)

	<p>work undertaken by it during the previous year; a summary of research articles published in national or international journals during the year; any patent or other similar rights applied for or registered during the year; programme of research projects to be undertaken during the forthcoming year and the financial allocation for such programme.</p> <p>The Central Government shall withdraw the approval if the approved organization:- fails to maintain separate books of accounts referred to in sub-paragraph (iii) of paragraph 1; or fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph I ; or fails to furnish its statement of the donations received and sums applied for scientific research referred to in sub-paragraph (iv) of paragraph 1; or ceases to carry on its research activities or its research activities are not found to be genuine; or ceases to conform to and comply with the provisions of clause (ii) of sub-section (I) of section 35 of the said Act read with rules 5C and 5E of the said Rules.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_75_2018.pdf</p>	
48.	<p>NOTIFICATION NO. 83/2018 DATED 26TH NOVEMBER, 2018</p> <p>The organization M/s Centre for Brain Research, Bangalore (pAN:AABTC7082K) has been approved by the Central Government for the purpose of clause (ii) of sub section (I) of section 35 of the Income tax Act, 1961, read with Rules 5C and 5D of the Income tax Rules, 1962, from Assessment year 2018-2019 onwards in the category of 'Scientific Research Association ', subject to the following conditions, namely:-</p> <p>(i) The sole objective of the approved 'Scientific Research Association' shall be to undertake scientific research;</p> <p>(ii) The approved organization shall carry out scientific research by itself;</p> <p>(iii) The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research reflect therein the amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under subsection (I) of section 139 of the said Act;</p> <p>(iv) The approved organization shall maintain a separate statement of donations received and amounts applied for scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above.</p> <p>The Central Government shall withdraw the approval if the approved organization fails to maintain separate books of accounts referred to in sub-paragraph (ii i) of paragraph I; or fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph 1; or fails to furnish its statement of the donations received and sums applied for scientific research referred to in sub-paragraph (iv) of paragraph I; or ceases to carry on its research activities or its research activities are not found to be genuine; or ceases to conform to and comply with the provisions of clause (ii) of sub-section (I) of section 35 of the said Act read with rules 5C and 5D of the said Rules.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification83_2018.pdf</p>	Lesson 4(III)
49.	NOTIFICATION NO. 84/2018 DATED 26TH NOV, 2018	Lesson

	<p>The organization M/s Thalassemia and Sickle Cell Society (PA AAATR4038K) has been approved by the Central Government for the purpose of clause (ii) of sub-section (I) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5D of the Income-tax Rules, 1962, from Assessment year 2018- 2019 onwards in the category of ' Scientific Research Association', subject to the following conditions, namely:-</p> <p>(i) The sole objective of the approved ' Scientific Research Association' shall be to undertake scientific research;</p> <p>(ii) The approved organization shall carry out scientific research by itself;</p> <p>(iii) The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under sub-section (I) of section 139 of the said Act;</p> <p>(iv) The approved organization shall maintain a separate statement of donations received and amounts applied for scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above.</p> <p>The Central Government shall withdraw the approval if the approved organization:-</p> <p>(a) fails to maintain separate books of accounts referred to in sub-paragraph (iii) of paragraph I; or</p> <p>(b) fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph I; or</p> <p>(c) fails to furnish its statement of the donations received and sums applied for scientific research referred to in subparagraph (iv) of paragraph I; or</p> <p>(d) ceases to carry on its research activities or its research activities are not found to be genuine; or</p> <p>(e) ceases to conform to and comply with the provisions of clause (ii) of sub-section (I) of section 35 of the said Act read with rules 5C and 5D of the said Rules.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification84_2018.pdf</p>	4(III)
50.	<p>NOTIFICATION NO. 01/2019 DATED 24TH JANUARY, 2019</p> <p>The 'Jubilee Centre for Medical Research'(JCMR) under the aegis of 'Jubilee Mission Hospital Trust' has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the said Act, read with Rules 5C and 5E of the Income tax Rules, 1962, from Assessment year 2019-2020 onwards in the category of 'University, College or other Institution', engaged in research activities, subject to the following conditions, namely:</p> <p>(i) The sums paid to JCMR shall be used to undertake scientific research;</p> <p>(ii) JCMR shall carry out scientific research through its faculty members or enrolled students;</p> <p>(iii) JCMR shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the</p>	Lesson 4(III)

	<p>amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under sub-section (1) of section 139 of the said Act;</p> <p>(iv) JCMR shall maintain a separate statement of donations received and amounts applied for scientific research, such donations shall be used exclusively for core scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above.</p> <p>(v) JCMR shall, by the due date of furnishing the return of income under sub-section (1) of section 139, furnish a statement to the Commissioner of Income-tax or Director of Income-tax containing-</p> <ul style="list-style-type: none"> • a detailed note on the research work undertaken by it during the previous year; • a summary of research articles published in national or international journals during the year; • any patent or other similar rights applied for or registered during the year; • Programme of research projects to be undertaken during the forthcoming year and the financial allocation for such programme. <p>The Central Government shall withdraw the approval if the approved organization:-</p> <p>(a) fails to maintain separate books of accounts referred to in sub-paragraph (iii) of paragraph 1; or</p> <p>(b) fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph 1; or</p> <p>(c) fails to furnish its statement of the donations received and sums applied for scientific research referred to in subparagraph (iv) of paragraph 1; or</p> <p>(d) ceases to carry on its research activities or its research activities are not found to be genuine; or</p> <p>(e) Ceases to conform to and comply with the provisions of clause (ii) of sub-section (1) of section 35 of the said Act read with rules 5C and 5E of the said Rules.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_1_2019.pdf</p>	
51.	<p>NOTIFICATION NO. 02/2019 DATED 24TH JANUARY, 2019</p> <p>In the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No. 68/2009 in F. No. 203/6/2009/ITA.II dated 15th of September, 2009, published in Part-II, Section 3, Sub-section (ii) of the Gazette of India vide number S.O. 2618 dated the 26th of September,</p>	Lesson 4(III)

	<p>2009.</p> <p>(i) <i>In paragraph 1 and in paragraph 2, clause (e): – for “clause (ii) read “clause (iii)”</i></p> <p>(ii) <i>in paragraph (1), clauses (i), (ii), (iii) and (iv) and in paragraph (2), clause (c):– for “scientific research” read “social science research”</i></p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_2_2019.pdf</p>	
52.	<p>NOTIFICATION NO. 4/2019 DATED 30TH JANUARY, 2019</p> <p>The Central Board of Direct Taxes hereby makes the Income–tax (15th Amendment) Rules, 2019 further to amend the Income-tax Rules, 1962 which shall come into force on the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962, for rule 12D, the following rule shall be substituted, namely:—</p> <p>“Prescribed income-tax authority under section 133C.</p> <p>12D. The prescribed income-tax authority under section 133C shall be an income-tax authority not below the rank of Assistant Commissioner of Income-tax who has been authorised by the Central Board of Direct Taxes to act as such authority for the purposes of that section.”</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_4_2019.pdf</p>	Lesson 12
53.	<p>NOTIFICATION NO. 5/2019 DATED 30TH JANUARY, 2019</p> <p>The Central Board of Direct Taxes hereby makes the Centralised Verification Scheme, 2019 for centralised issuance of notice and for processing of information or documents and making available the outcome of the processing to the Assessing Officer. It shall come into force on the date of its publication in the Official Gazette.</p> <p>Definitions in this scheme, unless the context otherwise requires,—</p> <p>(a) “Act” means the Income-tax Act, 1961 (43 of 1961);</p> <p>(b) “Centre” means the Centralised Verification Centre set up for centralised issuance of notice and for processing of information or documents and making available the outcome of the processing to the Assessing Officer;</p> <p>(c) “Director General” means the Director General of Income-tax appointed under sub-section (1) of section 117 of the Act and authorised by the Board in this behalf;</p> <p>(d) “Principal Director General” means the Principal Director General of Income-tax appointed under sub-section (1) of section 117 of the Act</p>	Lesson 10

- and authorised by the Board in this behalf;
- (e) “Designated Authority” means the income-tax authority authorised by the Board for the purposes of section 133C of the Act;
- (f) “portal” means the web portal used for the purposes of this scheme.

The words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

Application -This scheme shall be applicable to any information or documents, ____

(1) In possession of the Centre; or

(2) made available to the Centre, by —

- (i) the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems);
- (ii) the Director General of Income-tax (Risk Assessment);
- (iii) the Director of Income-tax (Intelligence and Criminal Investigation);
- (iv) the Commissioner of Income-tax in charge of the Centralised Processing Centre for processing of returns;
- (v) the Commissioner of Income-tax in charge of the Centralised Processing Cell for processing of statements of tax deducted at source; or
- (vi) any other authority, body or person,

in accordance with the orders issued by the Board under section 119 of the Act.

Issue and service of notice— The Centre may issue a notice to any person requiring him to furnish information or documents for the purposes of verification of the information or documents referred to in paragraph 3.

The notice shall be issued under digital signature of the Designated Authority.

The notice shall be served by delivering a copy by electronic mail or by placing a copy in the registered account on the portal followed by an intimation by Short Message Service.

The information or documents called for under sub-paragraph (1) shall be furnished on or before the date specified in the notice.

Response to notice—the response to the notice issued under sub-paragraph (1) of paragraph 4 shall be furnished in a machine readable format, in accordance with the procedures and processes referred to in paragraph 8.

Processing of information and documents: The Centre shall process the information or documents furnished by the person in response to the notice issued under sub-paragraph (1) of paragraph 4, in accordance with the procedures and processes referred to in paragraph 8.

The Centre shall make available the outcome of the processing referred to in sub-paragraph (1) to the Assessing Officer, in accordance with the orders issued by the Board under section 119 of the Act.

	<p>No personal appearance: No person shall be required to appear personally or through authorised representative before the Designated Authority at the Centre in connection with any proceedings. Power to specify procedure and processes—The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall specify from time to time, procedures and processes in regard to the following matters, for effective functioning of the Centre, namely:</p> <ul style="list-style-type: none"> (a) format and procedure for issuance of the notice; (b) receipt of any information or document from the person in response to the notice; (c) mode and formats for issue of acknowledgment of the response furnished by the person; (d) provision of web portal facility including login facility, tracking status of verification, display of relevant details, and facility of download; (e) accessing, processing and verification of information and response including documents submitted during the verification process; (f) format and data structure for making available the outcome of verification to the Assessing Officer; (g) call centre to answer queries and provide support services, including outbound calls and inbound calls seeking information or clarification; (h) receipt, scanning, data entry, storage and retrieval of information or documents in a centralised manner; (i) Grievance redressal mechanism in the Centre. <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_5_2019.pdf</p>	
54.	<p>NOTIFICATION NO. 6/2019 DATED 30TH JANUARY, 2019</p> <p>The Central Government hereby notifies for the purposes of the clause (46) of section 10 of the Income-tax Act, 1961, 'Joint Electricity Regulatory Commission (for the State of Goa and Union Territories except Delhi)', a commission constituted by the Government of India, in respect of the following specified income arising to that Commission, namely:—</p> <ul style="list-style-type: none"> (a) Petition fees; (b) Licence fees; and (c) Interest earned on (a) and (b) above. <p>This notification shall be effective subject to the conditions that Joint Electricity Regulatory Commission (for the State of Goa and Union Territories except Delhi)—</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) Shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the assessment years 2017-2018 and 2018-2019 and shall apply with respect to the assessment years 2019-2020, 2020-2021 and 2021-2022.</p>	<p>Lesson</p> <p>3</p>

	<p>Explanatory Memorandum: It is certified that no person is being adversely affected by giving retrospective effect to this notification.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification6_2019.pdf</p>	
55.	<p>NOTIFICATION NO. 8/2019 DATED 31ST JANUARY, 2019</p> <p>The Central Government hereby notifies M/s. BSE Limited, Mumbai (PAN: AACCB6672L) as a 'recognised association' for the purpose of clause (iii) in the Explanation of clause (e) of the proviso to sub-section (5) of Section 43 of the Income-tax Act, 1961 read with sub-rule (4) of Rule 6DDD of the Income-tax Rules, 1962, with effect from 01.10.2018 (the date of commencement of trading in commodity derivative segment) subject to fulfillment of following conditions in respect of trading in derivatives, namely;</p> <ul style="list-style-type: none"> (i) The Exchange shall have the approval of the Forward Markets Commission established under the Forward Contracts (Regulation) Act, 1952 (74 of 1952) [merged with Securities and Exchange Board of India vide Gazette Notification No. S.O. 2630(E) dated 24.09.2015] in respect of trading in derivatives and shall function in accordance with the guidelines or conditions laid down by it; or (ii) it shall ensure that the particulars of the client (including unique client identity number and PAN) are duly recorded and stored in its databases; or (iii) it shall maintain a complete audit trail of all transactions (in respect of derivative market) for a period of seven years on its system; or (iv) it shall ensure that transactions (in respect of derivative market) once registered in the system are not erased; (v) it shall ensure that the transactions (in respect of derivative market) once registered in the system are modified only in cases of genuine error and maintain data regarding all transactions (in respect of derivative market) registered in the system which have been modified and submit a monthly statement in Form No. 3BC to the Director General of Income-tax (Intelligence and Criminal Investigation), New Delhi within fifteen days from the last day of each month to which such statement relates. <p>This notification shall remain in force until the approval granted by the Securities and Exchange Board of India is withdrawn or expires; or this notification is rescinded by the Central Government as provided in sub-rule (5) of rule 6DDD of the Income Tax Rules, 1962, whichever is earlier.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_8_2019.pdf</p>	<p>Lesson 4(III)</p>

56.	<p>NOTIFICATION NO. 9/2019 DATED 31ST JANUARY, 2019</p> <p>The Central Government hereby makes following amendment to the notification number S.O. 2088(E) dated the 24th May, 2018 under clause (ii) of the proviso to clause (viib) of sub-section (2) of section 56 of the Income-tax Act, 1961:</p> <p>In the said notification for the words, brackets, figures, and letters “consideration received by a company for issue of shares that exceeds the face value of such shares, if the consideration has been received for issue of shares from an investor in accordance with the approval granted by the Inter-Ministerial Board of Certification under clause (i) of sub-para (3) of para 4 of the notification number G.S.R. 364(E), dated 11th April, 2018 and published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) dated the 11th April, 2018 issued by the Department of Industrial Policy and Promotion”, the words, letters, figures and brackets “consideration received by a company from an investor for issue of shares that exceeds the face value of such shares, if such issue of shares is approved by the Central Board of Direct Taxes under para 4 of notification number G.S.R. 364(E) dated 11th April, 2018 and published in the Gazette of India, Extraordinary, Part II Section 3, Sub-section (i) dated the 11th April, 2018 issued by Department of Industrial Policy and Promotion as modified by notification number 34(E) dated 16th January, 2019 and published in the Gazette of India, Extraordinary, Part II Section 3, Sub-section (i) dated the 16th January, 2019” shall be substituted.</p> <p>This notification shall be deemed to have come into force retrospectively from the 16th January, 2019.</p> <p>Explanatory Memorandum: By giving retrospective effect to the present notification, no body shall be affected adversely.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_9_2019.pdf</p>	Lesson 4(V)
57.	<p>NOTIFICATION NO. 13/2019 DATED 5TH MARCH, 2019</p> <p>The Central Government, hereby notifies that the provisions of clause (viib) of sub-section (2) of section 56 of the said Act shall not apply to consideration received by a company for issue of shares that exceeds the face value of such shares, if the said consideration has been received from a person, being a resident, by a company which fulfils the conditions specified in para 4 of the notification number G.S.R. 127(E), dated the 19th February, 2019 issued by the Ministry of Commerce and Industry in the Department for Promotion of Industry and Internal Trade and published and files the declaration referred to in para 5 of the said notification of the Department for Promotion of Industry and Internal Trade.</p> <p>This notification shall be deemed to have come into force retrospectively from the 19th February, 2019.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_13_2019.pdf</p>	Lesson 4(V)

58.	<p>NOTIFICATION NO. 14/2019 DATED 6TH MARCH, 2019</p> <p>On consideration of application of M/s Agricultural Development Trust, Baramati, Pune (‘ADT’) (PAN: AAATB7892F) dated 10.03.2018 for approval under section 35(1)(ii) of Income Tax Act,1961(‘said Act’) wherein approval for the following three units under its aegis namely ‘Shardabai Pawar Mahila Arts, Commerce and Science College, College of Agriculture and Allied Sciences & Krishi Vigyan Kendra, Baramati’ has been sought in the category of ‘University, College or other Institution’, it is hereby notified for general information that ‘the said three units under the aegis of ‘Agricultural Development Trust, Baramati, Pune’ have been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the said Act, read with Rules 5C and 5E of the Income-tax Rules, 1962 (said Rules), from Assessment year 2018-2019 onwards in the category of ‘University, College or other Institution’, engaged in research activities, subject to the following conditions, namely:</p> <ol style="list-style-type: none"> (i) The sums paid to approve units of ADT shall be used to undertake scientific research; (ii) Approved units of ADT shall carry out scientific research through its faculty members or enrolled students; (iii) Approved units of ADT shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under sub-section (1) of section 139 of the said Act; (iv) Approved units of ADT shall maintain a separate statement of donations received and amounts applied for scientific research, such donations shall be used exclusively for core scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above. (v) Approved units of ADT shall, by the due date of furnishing the return of income under sub-section (1) of section 139, furnish a statement to the Commissioner of Income-tax or Director of Income-tax containing: <ul style="list-style-type: none"> • a detailed note on the research work undertaken by it during the previous year; • a summary of research articles published in national or international journals during the year; • any patent or other similar rights applied for or registered during the year; • programme of research projects to be undertaken during the forthcoming year and the financial allocation for such 	Lesson 4(III)
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	<p>programme.</p> <p>The Central Government shall withdraw the approval if the approved organization:</p> <ul style="list-style-type: none"> (a) fails to maintain separate books of accounts referred to in sub-paragraph (iii) of paragraph 1; or (b) fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph 1; or (c) fails to furnish its statement of the donations received and sums applied for scientific research referred to in sub-paragraph (iv) of paragraph 1; or (d) Ceases to carry on its research activities or its research activities are not found to be genuine; or (e) Ceases to conform to and comply with the provisions of clause (ii) of sub-section (1) of section 35 of the said Act read with rules 5C and 5E of the said Rules. <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_14_2019.pdf </p>	
59.	<p>NOTIFICATION NO. 16 DATED 8TH MARCH, 2019</p> <p>The Central Government, having regard to the maximum amount of any gratuity payable to employees, hereby specifies twenty lakh rupees as the limit for the purposes of sub-clause (iii) of clause (10) of section 10 of the Income-tax Act, 1961 in relation to the employees who retire or become incapacitated prior to such retirement or die on or after the 29th day of March, 2018 or whose employment is terminated on or after the said date.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_16_2019.pdf </p>	Lesson 4(I)
60.	<p>NOTIFICATION NO. 22 /2019 DATED 14TH MARCH, 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Prayagraj Mela Pradhikaran, Prayagraj', an authority constituted by the State Government of Uttar Pradesh, in respect of the following specified income arising to that authority, namely:</p> <ul style="list-style-type: none"> (a) Grant-in-aid received from any Central Government, State Government or other authority; (b) Tolls on the parking of vehicle or entering any vehicle or any person bringing goods for sale or for demonstration/ advertisement into the Mela area; (c) Fee on the registration of activity of business, trade or profession; (d) Fee on the services provided to individual as service charge; (e) Any other charge and fee in Mela Area levied by authority as per the provisions of the Uttar Pradesh Prayagraj Mela Authority, Allahabad Act, 2017 	Lesson 3

	<p>(U. P. Act No. 5 of 2018); and</p> <p>(f) Interest earned on (a) to (e) above.</p> <p>This notification shall be effective subject to the conditions that Prayagraj Mela Pradhikaran, Prayagraj,</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification22_2019.pdf</p>	
61.	<p>Notification No. 24/2019 Dated 19th March, 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Andhra Pradesh Electricity Regulatory Commission', Hyderabad, a Commission constituted under the Andhra Pradesh Electricity Reforms Act, 1998 (Government of Andhra Pradesh Act 30 of 1998), in respect of the following specified income arising to that Commission, namely:—</p> <p>(a) Licence fee received under the Electricity Act, 2003;</p> <p>(b) Grants-in-Aid received from Government; and</p> <p>(c) Interest earned on (a) & (b) above.</p> <p>This notification shall be effective subject to the conditions that Andhra Pradesh Electricity Regulatory Commission, Hyderabad,-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) Shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment year 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification24_2019.pdf</p>	Lesson 3
62.	<p>NOTIFICATION NO. 25 /2019 DATED 19TH MARCH, 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Visakhapatnam Special Economic Zone Authority', an authority constituted by the Central Government, in respect of the following specified income arising to that authority, namely:—</p> <p>(a) Lease Rent (charged as per Government prescribed rate);</p>	Lesson 3

	<p>(b) Receipts from I-Card and Permit fees;</p> <p>(c) Allotment fee in respect of Standard Design Factories;</p> <p>(d) Auction/bid amount in respect of Plots/Building which fall vacant;</p> <p>(e) Transfer charges in respect of Plot/Building;</p> <p>(f) Fee for Issue of Form-I for exemption of Building Plans;</p> <p>(g) Processing fee for approval of Building Plans, conveying NOC's etc.;</p> <p>(h) Site usage charges from Service Providers;</p> <p>(i) License fee for allotment of Staff Quarters to the Staff; and</p> <p>(j) Interest earned on (a) to (i) above.</p> <p>This notification shall be effective subject to the conditions that Visakhapatnam Special Economic Zone Authority,-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall be deemed to have been applied for the assessment year 2018-2019, and shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022 and 2022-2023.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification25_2019.pdf</p>	
63.	<p>NOTIFICATION NO. 26/2019 DATED 20TH MARCH, 2019</p> <p>The Central Government hereby notifies the Housing and Urban Development Corporation Ltd. (HUDCO), New Delhi for the purpose of for the purpose of sub-clause (f) of clause (iii) of sub-section (3) of section 194A of the Income-tax Act.</p> <p>For details: incometaxindia.gov.in/communications/notification/notification_26_2019.pdf</p>	Lesson 10
64.	<p>NOTIFICATION NO. 27/2019 DATED 20TH MARCH 2019</p> <p>The Central Government hereby notifies the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) as the regulation for the purposes of clause (e) of sub-section (9) of section 9A of the Income-tax Act, 1961.</p> <p>This notification shall come into force from the date of its publication in the Official Gazette.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification27_2019.pdf</p>	Lesson 1

65.	<p>Notification No. 28/2019 Dated 26th March 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Odisha Electricity Regulatory Commission', Bhubaneswar, a commission established by the State Government of Odisha, in respect of the following specified income arising to that commission, namely:-</p> <ul style="list-style-type: none"> (a) Amount received in the form of Government grants; (b) Amount received as Licence fee from the licensees; (c) Amount received as application processing fee; and (d) Interest earned on (a) to (c) above. <p>This notification shall be effective subject to the conditions that Odisha Electricity Regulatory Commission, Bhubaneswar,-</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) Shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall be deemed to have been applied for the assessment years 2018-2019 and shall apply with respect to the assessment years 2019-2020, 2020-2021 and 2021-2022.</p> <p>Explanatory Memorandum: It is certified that no person is being adversely affected by giving retrospective effect to this notification.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification28_2019.pdf</p>	Lesson 3
66.	<p>Notification No. 33 /2019 Dated 9th April, 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Mysore Palace Board', Karnataka, a board constituted by the Government of Karnataka, in respect of the following specified income arising to that board, namely:-</p> <ul style="list-style-type: none"> (a) Income from Palace or proceeds of any property vested in the Board; (b) All fees and charges levied by the Board under the Mysore Palace (Acquisition and Transfer) Act, 1998 and forming part of the Board fund; (c) Rent received from the stalls let out to Government Agencies; and (d) Interest earned on (a) to (c) above. <p>This notification shall be effective subject to the conditions that Mysore Palace Board, Karnataka,-</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) Shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. 	Lesson 3

	<p>This notification shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification33_2019.pdf</p>	
67.	<p>Notification No. 34/2019 Dated 9th April 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Telangana State Electricity Regulatory Commission', Hyderabad, a commission constituted by the State Government of Telangana, in respect of the following specified income arising to that Commission, namely:—</p> <ul style="list-style-type: none"> (a) Grants and loans received from the government of Telangana; (b) All fees and sums received by Telangana State Electricity Regulatory Commission, Hyderabad under the Electricity Act, 2003 (36 of 2003); and (c) Interest earned on (a) & (b) above. <p>This notification shall be effective subject to the conditions that Telangana State Electricity Regulatory Commission, Hyderabad—</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall apply with respect to the assessment year 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification34_2019.pdf</p>	Lesson 3
68.	<p>Notification No. 35 /2019 Dated 9th April 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Kerala Headload Workers Welfare Board', Kochi (PAN AAJJK1176F), a Board constituted by the State Government of Kerala, in respect of the following specified income arising to that Board, namely:—</p> <ul style="list-style-type: none"> (a) Amount received in the form of grants-in-aid and loan from Government; (b) Levy collected under the Kerala Headload Workers Act, 1978 (20 of 1980), Kerala Headload Workers rules 1981 and schemes there under; (c) Registration fees collected from members registered with the board as beneficiaries; (d) Sums received as deposit from employers as per Para 27 of Kerala Headload Workers (regulation of employment and welfare) Scheme 1983 formulated under section 13 of the Kerala Headload Workers Act, 1978 (20 of 1980); 	Lesson 3

	<p>(e) Contribution from the members as defined in the Kerala Headload Workers Act, 1978 (20 of 1980), Kerala Headload Workers Rules 1981 and Scheme there under;</p> <p>(f) Interest on loans and advances given to staff of the board and workers;</p> <p>(g) Sums received as wages from employers as per Para 24(a) and 24(b) of Kerala Headload Workers (Regulation of employment and welfare) Scheme 1983 formulated under section 13 of the Kerala Headload Workers Act, 1978 (20 of 1980); and</p> <p>(h) Interest earned on (a) to (g) above.</p> <p>This notification shall be effective subject to the conditions that Kerala Headload Workers Welfare Board, Kochi—</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment year 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification35_2019.pdf</p>	
69.	<p>NOTIFICATION NO. 41/2019 DATED 22ND MAY 2019</p> <p>The Central Board of Direct Taxes hereby makes Income-tax (4th Amendment) Rules, 2019 which shall come into force from the date of its publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962, in Appendix II, in Form No. 15H in Part II, in note 10, the following proviso shall be inserted, namely:</p> <p>“Provided that such person shall accept the declaration in a case where income of the assessee, who is eligible for rebate of income-tax under section 87A, is higher than the income for which declaration can be accepted as per this note, but his tax liability shall be nil after taking into account the rebate available to him under the said section 87A.”.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification41_2019.pdf</p>	Lesson 10
70.	<p>Notification No. 42/2019 Dated 23rd May 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, ‘All India Council for Technical Education’, New Delhi, a Council established by the Central Government, in respect of the following specified income arising to that council, namely:</p> <p>(a) Grants/subsidies received from the Government/ Govt. bodies;</p> <p>(b) Regulatory Charges;</p>	Lesson 3

	<p>(c) RTI fee and Examination fee; (d) CMAT/GPAT fee; (e) Receipts from sale of forms, materials and tender fee; (f) Receipts from disposal of scrap; and (g) Interest earned on (a) to (f) above.</p> <p>This notification shall be effective subject to the conditions that All India Council for Technical Education, New Delhi-</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment year 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification42_2019.pdf</p>	
71.	<p>Notification No. 44/2019 Dated 04th June 2019</p> <p>Procedure for online submission of statement of deduction of tax under subsection (3) of section 200 and statement of collection of tax under proviso to subsection (3) of section 206E of the Income-tax Act, 1961 read with rule 31A (5) and rule 31AA(5) of the Income-tax Rules, 1962 respectively</p> <ol style="list-style-type: none"> 1. The provisions relating to the statement of deduction of tax under subsection (3) of section 200 and the statement of collection of tax under proviso to sub-section (3) of section 206C of the Income-tax Act, 1961 are prescribed under Rule 31A and Rule 31AA of the Income-tax Rules, 1962 respectively. As per sub-rule (5) of rule 31A and sub-rule (5) of rule 31M of the Rules, the Director General of Income tax (Systems) shall specify the procedures, formats and standards for the purposes of furnishing and verification of the statements and shall be responsible for the day to day administration in relation to furnishing and verification of the statements in the manner so specified. 2. In exercise of power conferred by sub-rule (5) of rule 31A and sub-rule (5) of rule 31M of the Rules, the Principal Director General of Income-tax (Systems) hereby lays down the following procedures of registration in the e-filing portal, the manner of the preparation of the statements and submission of the statements as follows: 3. The deductors / collectors will have the option of online filing of e-TDS/TCS returns through e-filing portal or submission at TIN Facilitation Centres. Procedure for filing e- TDS/TCS statement online through e-filing portal is as under: <ol style="list-style-type: none"> a. Registration: The deductor/collector should hold valid TAN and is required to be registered in the e-filing website (https://www.incometaxindiaefiling.gov.in) as "Tax Deductor & Collector" to file the "e-TDS/e-TCS Return". In case of an office 	<p>Lesson 10</p>

	<p>of the government, the Treasury Officer can register as an external agency user.</p> <p>b. Preparation: The Return Preparation Utility (RPU) to prepare the TDS/TCS Statement and File Validation Utility (FVU) to validate the Statements can be downloaded from the tin.nsdl website (https://www.tin-nsdl.com). The statement is required to be uploaded as a zip file and submitted using either Digital Signature Certificate (DSC) or Electronic Verification Code (EVC). For DSC mode, the signature for the zip file can be generated using the DSC Management Utility available under Downloads in the e-Filing website</p> <p>c. Alternatively, deductor/collector can e-Verify using EVC.</p> <p>d. Submission: The deductor/collector is required to login to the e-filing website using TAN and go to TOS ..., Upload TOS. The deductor/collector is required to upload the "Zip" file along with either the signature file (generated as explained in para (b) above) or EVC. In case of External agency user, TDS/TCS return can be filed for the deductors/collectors under their jurisdiction using Digital Signature Certificate.</p> <p>4. EVC can be generated using one of the following modes:</p> <ol style="list-style-type: none"> Net Banking - Principal contact person's net banking login (linked to the registered PAN) can be used to generate the EVC for the TAN of the deductor / collector. Aadhaar OTP - The principal contact person's PAN can be linked with AADHAAR to use this option. Bank Account Number - The principal contact person can use his pre validated bank account details to avail this option. Demat Account Number - The principal contact person can use his pre validated demat account details to avail this option. <p>This pre generated EVC can be used to e-Verify the TDS return.</p> <p>5. Once uploaded, the status of the statement shall be shown as "Uploaded". The uploaded file shall be processed and validated. Upon validation, the status shall be shown as either "Accepted" or "Rejected" which will reflect within 24 hours from the time of upload. The status of uploaded file is visible at TDS -7 View Filed TDS. In case the submitted file is "Rejected", the rejection reason shall be displayed.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_44_2019.pdf</p>	
72.	<p>NOTIFICATION NO. 45/2019 DATED 20TH JUNE 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Central Silk Board', Bengaluru, PAN: AAALC0093M a Board constituted by the Central Government, in respect of the following specified income arising to that Board, namely:</p> <p>(a) Grants/Funds received from the Centre/State/NGO or any other</p>	<p>Lesson</p> <p>3</p>

	<p>Statutory body by Central Silk Board;</p> <p>(b) Compensation received on account of sale, disposal, auction or acquisition of movable and immovable properties of Central Silk Board;</p> <p>(c) Royalty or any other income received for the technologies patented and intellectual property rights owned by Central Silk Board;</p> <p>(d) Penalties and Levies collected under Government Statutes;</p> <p>(e) Fees/charges/ receipt received on account of services rendered by Central Silk Board as per the provisions of the Central Silk Board Act, 1948 (LXI of 1948) as amended by the Central Silk Board (Amendment) Act, 2006 (42 of 2006) and the Central Silk Board Rules, 1955 as amended by the Central Silk Board (Amendment) Rules, 2015; and</p> <p>(f) Interest earned on (a) to (e) above.</p> <p>This notification shall be effective subject to the conditions that Central Silk Board, Bengaluru,-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment year 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification45_2019.pdf</p>	
73.	<p>Notification No. 46 Dated 20th June, 2019</p> <p>The Central Government hereby notifies, for the purposes of clause (42) of section 10 of the Income-tax Act, 1961, 'International Sericultural Commission', Bengaluru, (PAN: AAAGI0020F) a body constituted under a treaty entered into by the Central Government, in respect of the following specified income arising to the said body, namely:-</p> <p>(a) Membership Fee received from Member Countries and Associate Members;</p> <p>(b) donations or grants received from United Nations, Inter-Governmental agencies, and Government of Member countries;</p> <p>(c) registration fees for participating in international events organised by International sericultural Commission; and</p> <p>(d) Interest earned on (a) to (c) above.</p> <p>This notification shall be deemed to have been applied for the assessment year 2014-15 and subsequent assessment years.</p> <p>Explanatory Memorandum: It is hereby certified that no person is likely to be prejudicially affected by this notification being given retrospective effect.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification46_2019.pdf</p>	<p>Lesson</p> <p>3</p>

74.	<p>Notification No. 48/2019 Dated 26th June 2019</p> <p>The organization M/s. Manipal Academy of Higher Education, Manipal, Karnataka (PAN:- AAAJN0078Q) has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5E of the Income-tax Rules, 1962 (said Rules), from Assessment year 2015-16 and onwards in the category of 'University, College or other Institution', subject to the following conditions, namely:-</p> <ol style="list-style-type: none"> (i) The sums paid to the approved organization shall be used to undertake scientific research; (ii) The approved organization shall carry out scientific research through its faculty members or enrolled students; (iii) The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the amounts used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under sub-section (1) of section 139 of the said Act; (iv) The approved organization shall maintain a separate statement of donations received and amounts applied for scientific research, such donations shall be used exclusively for core scientific research and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above. (v) Donations being received by the approved organization under clause (ii) of sub-section (1) of section 35 of the Act, shall be used exclusively for core scientific research only and not for hospital activities, activities related to treatment of patients, general educational activities (other than research), clinical trial activities or any other object of the organization. (vi) The approved organization shall, by the due date of furnishing the return of income under sub-section (1) of section 139, furnish a statement to the Commissioner of Income-tax or Director of Income-tax containing- <ul style="list-style-type: none"> • a detailed note on the research work undertaken by it during the previous year; • a summary of research articles published in national or international journals during the year; • any patent or other similar rights applied for or registered during the year; • Programme of research projects to be undertaken during the forthcoming year and the financial allocation for such programme. <p>The Central Government shall withdraw the approval if the approved organization:-</p>	<p>Lesson 4(III)</p>
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	<p>(a) fails to maintain separate books of accounts referred to in sub-paragraph (iii) of paragraph 1; or</p> <p>(b) fails to furnish its audit report referred to in sub-paragraph (iii) of paragraph 1; or</p> <p>(c) fails to furnish its statement of the donations received and sums applied for scientific research referred to in subparagraph (iv) of paragraph 1; or</p> <p>(d) ceases to carry on its research activities or its research activities are not found to be genuine; or</p> <p>(e) ceases to conform to and comply with the provisions of clause (ii) of sub-section (1) of section 35 of the said Act read with rules 5C and 5E of the said Rules.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification_48_2019.pdf</p>	
75.	<p>Notification No.49/2019 Dated 27th June 2019</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Karnataka Electricity Regulatory Commission', Bengaluru (PAN AAAGK0112L), a commission established by the Government of Karnataka, in respect of the following specified income arising to that Commission:</p> <p>(a) Grant by Government of Karnataka;</p> <p>(b) Annual Fees;</p> <p>(c) Tariff Application Fees;</p> <p>(d) Power Purchase Agreement processing fees;</p> <p>(e) Fines and Penalties (if levied);</p> <p>(f) Miscellaneous receipts like copying charges of various documents sale of retail tariff orders sale of regulations, RTI application fees etc.; and</p> <p>(g) Interest earned on (a) to (f) above.</p> <p>This notification shall be effective subject to the conditions that Karnataka Electricity Regulatory Commission, Bengaluru -</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>This notification shall apply with respect to the assessment year 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.</p> <p>For details: https://www.incometaxindia.gov.in/communications/notification/notification49_2019.pdf</p>	Lesson 3
76.	<p>Notification No. 56 /2019 Dated 2nd August, 2019</p> <p>The Central Government hereby for the purpose of clause (46) of section 10 of the Income-tax Act, 1961 notifies 'Bangalore Water Supply and Sewerage</p>	Lesson 3

	<p>Board', Bengaluru (PAN AAALB0015G) a Board constituted by the Government of Karnataka, in respect of the following specified income arising to that Board:</p> <ul style="list-style-type: none"> (a) Water Charges; (b) Sanitary and Borewell Charges; (c) Special Sanitary Charges; (d) Meter Charge; (e) Bulk Water Charges; (f) Rent; and (g) Interest on surplus amount earned out of the above. <p>This notification shall be effective subject to the conditions that Bangalore Water Supply and Sewerage Board, Bengaluru,-</p> <ul style="list-style-type: none"> (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall apply with respect to the assessment year 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/notification/notification_56_2019.pdf</p>	
77.	<p>Notification No. 59/2019 Dated 30th August, 2019</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (Fifth Amendment) Rules, 2019 which shall come into force from the 1ST day of September, 2019.</p> <p>In the Income-tax Rules, 1962, in rule 114,</p> <p>(i) after sub-rule (1), the following sub-rules shall be inserted, namely: __</p> <p>“(1A) Any person, who has not been allotted a permanent account number but possesses the Aadhaar number and has furnished or intimated or quoted his Aadhaar number in lieu of the permanent account number in accordance with sub-section (5E) of section 139A, shall be deemed to have applied for allotment of permanent account number and he shall not be required to apply or submit any documents under this rule.</p> <p>(1B) Any person, who has not been allotted a permanent account number but possesses the Aadhaar number may apply for allotment of the permanent account number under sub-section (1) or subsection (1A) or sub-section (3) of section 139A to the authorities mentioned in sub-rule (2) by intimating his Aadhaar number and he shall not be required to apply or submit any documents under this rule.</p> <p>(1C) The Principal Director General of Income-tax (Systems) or Director</p>	<p>Lesson 10</p>

	<p>General of Income-tax (Systems) shall on receipt of information under sub-rule (1A) or sub-rule (1B), as the case may be, authenticate the Aadhaar number for that purpose.”;</p> <p>(ii) after sub-rule (6), the following sub-rule shall be inserted, namely:</p> <p>“(7) The Principal Director General of Income-tax (Systems) or Director General of Income-tax (Systems) shall lay down the formats and standards along with procedure for,</p> <ul style="list-style-type: none"> (a) furnishing or intimation or quoting of Aadhaar number under sub-rule (1A); or (b) intimation of Aadhaar number under sub-rule (1B); or (c) authentication of Aadhaar number under sub-rule (1C); or (d) obtaining demographic information of an individual from the Unique Identification Authority of India, <p>for ensuring secure capture and transmission of data and shall also be responsible for evolving and implementing appropriate security, archival and retrieval policies in relation to furnishing or intimation or quoting or authentication of Aadhaar number or obtaining of demographic information of an individual from the Unique Identification Authority of India, for allotment of permanent account number and issue thereof.”</p> <p>Further details: https://www.incometaxindia.gov.in/communications/notification/notification59_2019.pdf</p>	
78.	<p>Notification No. 62/2019 Dated 12th September, 2019</p> <p>For the purposes of giving effect to the E-assessment Scheme, 2019 made under sub-section (3A) of section 143 of the Act, the Central Government hereby makes the following directions, namely:</p> <p>The provisions of clause (7A) of section 2, section 92CA, section 120, section 124, section 127, section 129, section 131, section 133, section 133A, section 133C, section 134, section 142, section 142A, section 143, section 144A, section 144BA section 144C and Chapter XXI of the Act shall apply to the assessment made in accordance with the said Scheme subject to the following exceptions, modifications and adaptations, namely: -</p> <p>“A. (1) The assessment shall be made as per the following procedure, namely:—</p> <ul style="list-style-type: none"> (i) the National e-assessment Centre shall serve a notice on the assessee under sub-section (2) of section 143, specifying the issues for selection of his case for assessment; (ii) the assessee may, within fifteen days from the date of receipt of notice referred to in sub-clause (i), file his response to the National e-assessment Centre; (iii) the National e-assessment Centre shall assign the case selected for 	<p>Lesson 11</p>

the purposes of assessment under this Scheme to a specific assessment unit in any one Regional e-assessment Centre through an automated allocation system;

- (iv) where a case is assigned to the assessment unit, it may make a request to the National e-assessment Centre for—
 - a. obtaining such further information, documents or evidence from the assessee or any other person, as it may specify;
 - b. conducting of certain enquiry or verification by verification unit; and
 - c. seeking technical assistance from the technical unit;
- (v) where a request for obtaining further information, documents or evidence from the assessee or any other person has been made by the assessment unit, the National e-assessment Centre shall issue appropriate notice or requisition to the assessee or any other person for obtaining the information, documents or evidence requisitioned by the assessment unit;
- (vi) where a request for conducting of certain enquiry or verification by the verification unit has been made by the assessment unit, the request shall be assigned by the National e-assessment Centre to a verification unit through an automated allocation system;
- (vii) where a request for seeking technical assistance from the technical unit has been made by the assessment unit, the request shall be assigned by the National e-assessment Centre to a technical unit in any one Regional e-assessment Centre through an automated allocation system;
- (viii) the assessment unit shall, after taking into account all the relevant material available on the record, make in writing, a draft assessment order either accepting the returned income of the assessee or modifying the returned income of the assessee, as the case may be, and send a copy of such order to the National e-assessment Centre;
- (ix) the Assessment unit shall, while making draft assessment order, provide details of the penalty proceedings to be initiated therein, if any;
- (x) the National e-assessment Centre shall examine the draft assessment order in accordance with the risk management strategy specified by the Board, including by way of an automated examination tool, whereupon it may decide to –
 - a. finalise the assessment as per the draft assessment order and serve a copy of such order and notice for initiating penalty proceedings, if any, to the assessee, alongwith the demand notice, specifying the sum payable by, or refund of any amount due to, the assessee on the basis of such assessment; or
 - b. provide an opportunity to the assessee, in case a modification

is proposed, by serving a notice calling upon him to show cause as to why the assessment should not be completed as per the draft assessment order; or

c. assign the draft assessment order to a review unit in any one Regional e-assessment Centre, through an automated allocation system, for conducting review of such order;

(xi) the review unit shall conduct review of the draft assessment order, referred to it by the National e-assessment Centre whereupon it may decide to—

a. concur with the draft assessment order and intimate the National e-assessment Centre about such concurrence; or

b. suggest such modification, as it may deem fit, to the draft assessment order and send its suggestions to the National e-assessment Centre;

(xii) the National e-assessment Centre shall, upon receiving concurrence of the review unit, follow the procedure laid down in sub-paragraph (a) or sub-paragraph (b) of paragraph (x), as the case may be;

(xiii) the National e-assessment Centre shall, upon receiving suggestions for modifications from the Review unit, communicate the same to the Assessment unit;

(xiv) the assessment unit shall, after considering the modifications suggested by the Review unit, send the final draft assessment order to the National e-assessment Centre;

(xv) The National e-assessment Centre shall, upon receiving final draft assessment order, follow the procedure laid down in sub-paragraph (a) or sub-paragraph (b) of paragraph (x), as the case may be;

(xvi) The assessee may, in a case where show-cause notice under sub-paragraph (b) of paragraph (x) has been served upon him, furnish his response to the National e-assessment Centre on or before the date and time specified in the notice;

(xvii) The National e-assessment Centre shall, -

a. in a case where no response to the show-cause notice is received, finalise the assessment as per the draft assessment order, as per the procedure laid down in sub-paragraph (a) of paragraph (x); or

b. in any other case, send the response received from the assessee to the assessment unit;

(xviii) The assessment unit shall, after taking into account the response furnished by the assessee, make a revised draft assessment order and send it to the National e-assessment Centre;

(xix) The National e-assessment Centre shall, upon receiving the revised draft assessment order, -

a. in case no modification prejudicial to the interest of the assessee is proposed with reference to the draft assessment order, finalise the assessment as per the procedure laid down in sub-

	<p>paragraph (a) of paragraph (x); or</p> <p>b. in case a modification prejudicial to the interest of the assessee is proposed with reference to the draft assessment order, provide an opportunity to the assessee, as per the procedure laid down in sub-paragraph (b) of paragraph (x);</p> <p>c. the response furnished by the assessee shall be dealt with as per the procedure laid down in paragraphs (xvi), (xvii) and (xviii);</p> <p>(xx) The National e-assessment Centre shall, after completion of assessment, transfer all the electronic records of the case to the Assessing Officer having jurisdiction over such case., for –</p> <p>(a) imposition of penalty;</p> <p>(b) collection and recovery of demand;</p> <p>(c) rectification of mistake;</p> <p>(d) giving effect to appellate orders;</p> <p>(e) submission of remand report, or any other report to be furnished, or any representation to be made, or any record to be produced before the Commissioner (Appeals), Appellate Tribunal or Courts, as the case may be;</p> <p>(f) proposal seeking sanction for launch of prosecution and filing of complaint before the Court;</p> <p>(xxi) Notwithstanding anything contained in paragraph (xx), the National e-assessment Centre may at any stage of the assessment, if considered necessary, transfer the case to the Assessing Officer having jurisdiction over such case.</p> <p>B. (1) A person shall not be required to appear either personally or through authorised representative in connection with any proceedings under this Scheme before the income-tax authority at the National e-assessment Centre or Regional e-assessment Centre or in any unit set-up under this Scheme.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/notification/notification_62_2019.p df</p>	
79.	<p>Notification No. 63/2019/Dated 12th September, 2019</p> <p>The Central Government vide this notification hereby notifies the Cost Inflation Index for the FY 2019-20 as “289”</p> <p>This notification shall come into force with effect from the 1st day of April, 2020 and shall accordingly apply to the Assessment Year 2020-2021 and subsequent years.</p> <p>Further details: https://www.incometaxindia.gov.in/communications/notification/notification_63_2019.p df</p>	Lesson 4(IV)
80.	<p>Notification No. 64/2019 Dated 13th September, 2019</p> <p>The Central Government hereby notifies that where the variation between the arm’s length price determined under section 92C of the said Act and the price at which the international transaction or specified domestic transaction has actually been undertaken does not exceed 1% of the latter in respect of wholesale trading and 3% of the latter in all other cases, the price at which the international transaction or specified domestic transaction has actually</p>	Lesson 14

	<p>been undertaken shall be deemed to be the arm's length price for assessment year 2019-2020.</p> <p>Explanation.- For the purposes of this notification, "wholesale trading" means an international transaction or specified domestic transaction of trading in goods, which fulfils the following conditions, namely:-</p> <ul style="list-style-type: none"> i purchase cost of finished goods is eighty percent or more of the total cost pertaining to such trading activities; and ii average monthly closing inventory of such goods is ten percent or less of sales pertaining to such trading activities. <p>Explanatory Memorandum: It is certified that none will be adversely affected by the retrospective effect being given to the notification.</p> <p>Further details:</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_64_2019.pdf</p>	
81.	<p>Notification No. 67/2019 Dated 17th September, 2019</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (8th Amendment) Rules, 2019 which shall come into force from the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962, in Part II,-</p> <p>(a) after rule 10UC, the following shall be inserted, namely:-</p> <p style="text-align: center;"><i>"DE.- Approving Panel</i></p> <p>10UD. Reference to the Approving Panel.- A reference under sub-section (4) of section 144BA to an Approving Panel shall be,-</p> <ul style="list-style-type: none"> ii made in Form No 3CEIA along with a copy of Form No 3CEI and such other documents which the Principal Commissioner or the Commissioner deems fit; and iii submitted in four sets, either in Hindi or English. <p>10UE. Procedure before the Approving Panel- (1) A reference received under rule 10UD shall be caused to be circulated by the Chairperson of the said Panel among the other members within seven days from the date of receipt of such reference.</p> <p>(xii) The Chairperson of the Approving Panel shall cause to be issued the notice to the Assessing Officer and the assessee affording an opportunity of being heard specifying therein the date and place of hearing.</p> <p>(2) The meetings of the Approving Panel shall take place at such place as the Approving Panel may decide.</p> <p>10UF. Remuneration.- (1) For attending the meeting of an Approving Panel, the Chairperson and other members of the said Panel shall be entitled</p>	Lesson 10

	<p>to-</p> <ul style="list-style-type: none"> i a sitting fee of six thousand rupees per day; and ii travelling allowances including transportation charges for local travel and daily allowances (including accommodation) as admissible to an officer of the rank of Special Secretary to the Government of India. <p>Further details: https://www.incometaxindia.gov.in/communications/notification/notification_67_2019.pdf</p>	
82.	<p>Notification No. 70/2019 Dated New Delhi, the 20th September, 2019</p> <p>Exemption to Commission Agent or trading operating under APMC under clause (v) of the proviso to section 194N of the Income Tax Act, 1961</p> <p>The Central Government after consultation with the Reserve Bank of India, hereby specifies the commission agent or trader, operating under Agriculture Produce Market Committee (APMC), and registered under any Law relating to Agriculture Produce Market of the concerned State, who has intimated to the banking company or co-operative society or post office his account number through which he wishes to withdraw cash in excess of rupees one crore in the previous year along with his Permanent Account Number (PAN) and the details of the previous year and has certified to the banking company or co-operative society or post office that the withdrawal of cash from the account in excess of rupees one crore during the previous year is for the purpose of making payments to the farmers on account of purchase of agriculture produce and the banking company or co-operative society or post office has ensured that the PAN quoted is correct and the commission agent or trader is registered with the APMC, and for this purpose necessary evidences have been collected and placed on record.</p> <p>The notification shall be deemed to have come into force with effect from the 1st day of September, 2019.</p> <p>Explanatory Memorandum: It is certified that no person is being adversely affected by giving retrospective effect to this notification.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_70_2019.pdf</p>	Lesson 10
83.	<p>Notification No. 74/ 2019 Dated 27th September, 2019</p> <p>The Central Board of Direct Taxes, hereby makes the Income-tax (10th Amendment) Rules, 2019 which shall be deemed to have come into force with effect from the 1st day of September, 2019.</p> <p>In the Income-tax Rules, 1962, in rule 37BA, after sub-rule (3), the following sub-rule shall be inserted, namely:-</p> <p>“(3A) Notwithstanding anything contained in sub-rule (1), sub-rule (2) or sub-rule (3), for the purposes of section 194N, credit for tax deducted at source shall be given to the person from whose account tax is deducted and paid to the Central Government account for the assessment year relevant to the previous year in which such tax deduction is made”</p>	Lesson 10

	<p>Explanatory Memorandum: It is certified that no person is being adversely affected by giving retrospective effect to the present rules.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_74_2019.pdf</p>	
84.	<p>Notification No. 76 /2019/ Dated 30th September, 2019</p> <p>Amendment in Rule 10CB in respect of computation of interest pursuant to secondary adjustment u/s 92CE of the Income Tax Act, 1961</p> <p>The Central Board of Direct Taxes hereby Income-tax (11th Amendment) Rules, 2019 which shall come into force with effect from the date of the publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962, in rule 10CB</p> <p>(I) for the words “excess money” occurring at both the places, the words “excess money or part thereof” shall be substituted;</p> <p>(II) in sub-rule (1), —</p> <p>(A) for clause (iii), the following clause shall be substituted, namely: —</p> <p>“(iii) in a case where primary adjustment to transfer price is determined by an advance pricing agreement entered into by the assessee under section 92CC of the Act in respect of a previous year, -</p> <p>ii from the date of filing of return under sub-section (1) of section 139 of the Act if the advance pricing agreement has been entered into on or before the due date of filing of return for the relevant previous year;</p> <p>iii from the end of the month in which the advance pricing agreement has been entered into if the said agreement has been entered into after the due date of filing of return for the relevant previous year”;</p> <p>(B) for clause (v), the following clause shall be substituted, namely: —</p> <p>“from the date of giving effect by the Assessing Officer under rule 44H to the resolution arrived at under mutual agreement procedure, where the primary adjustment to transfer price is determined by such resolution under a Double Taxation Avoidance Agreement entered into under section 90 or section 90A of the Act”;</p> <p>(III) after sub-rule (2), the following sub-rule shall be inserted, namely:—</p> <p>“(3) The interest referred to in sub-rule (2) shall be chargeable on excess money or part thereof which is not repatriated—</p> <p>a) in cases referred to in clause (i), in sub-clause (a) of clause (iii) and clause (iv) of sub-rule (1), from the due date of filing of return under sub-section (1) of section 139 of the Act;</p> <p>b) in cases referred to in clause (ii) of sub-rule (1), from the date of the order of Assessing Officer or the appellate authority, as the case may</p>	<p>Lesson 14</p>

	<p>be;</p> <p>c) in cases referred to in sub-clause(b) of clause (iii) of sub-rule(1), from the end of the month in which the advance pricing agreement has been entered into by the assessee under section 92CC of the Act;</p> <p>d) in cases referred to in clause (v) of sub-rule (1), from the date of giving effect by the Assessing Officer under rule 44H to the resolution arrived at under mutual agreement procedure.”;</p> <p>(IV) for the Explanation, the following Explanation shall be substituted, namely: “Explanation- For the purposes of this rule, — A. “International transaction” shall have the same meaning as assigned to it in section 92B of the Act; B. The rate of exchange for the calculation of the value in rupees of the international transaction denominated in foreign currency shall be the telegraphic transfer buying rate of such currency on the last day of the previous year in which such international transaction was undertaken and the “telegraphic transfer buying rate” shall have the same meaning as assigned in the Explanation to rule 26.”</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_76_2016.pdf</p>	
85.	<p>Notification No. 78 /2019 Dated 9th October, 2019</p> <p>The Central Government hereby for the purpose of clause (46) of section 10 of the Income-tax Act, 1961 notifies ‘Kerala Bamboo, Kattuvalli and Pandanus Leaf Workers’ Welfare Fund Board’ (PAN AAAJK1244Q), a Board constituted by the Government of Kerala, in respect of the following specified income arising to that Board:</p> <ol style="list-style-type: none"> Government grant received for Scheme and Non Scheme Pension; Contributions received from Employees and Employers; Registration Fees; Passbook charges collected; Cost of duplicate identity card issued; Fine collected; and Interest earned on (a) to (f) above. <p>This notification shall be effective subject to the conditions that Kerala Bamboo, Kattuvalli and Pandanus Leaf Workers’ Welfare Fund Board,-</p> <ol style="list-style-type: none"> shall not engage in any commercial activity; activities and the nature of the specified income shall remain unchanged throughout the financial years; and shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. <p>This notification shall apply with respect to the assessment years 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_78_2019.pdf</p>	Lesson 3

86.	<p>Notification No. 82/2019 Dated 21st October, 2019</p> <p>The Central Government hereby notifies the Core Settlement Guarantee Funds set up by the Multi Commodity Exchange Clearing Corporation Limited, Mumbai for the purposes of the clause (23EE) of section 10 of the Income-tax Act, 1961 for the assessment year 2019-2020 and subsequent years.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_no82_2019.pdf</p>	Lesson 3
87.	<p>Notification No. 83/2019 Dated 21st October, 2019</p> <p>The Central Government hereby notifies the infrastructure debt fund namely, the 'IDFC Infrastructure Finance Limited (PAN:AADCI5030Q)' for the purpose of clause (47) of section 10 of the Income Tax Act, 1961, for the assessment year 2020-2021 and subsequent assessment years subject to the following conditions, namely:—</p> <ol style="list-style-type: none"> that the infrastructure debt fund shall conform to and comply with the provisions of the Income-tax Act, 1961, rule 2F of the Income-tax Rules, 1962 and the conditions provided by the Reserve Bank of India in this regard; that the infrastructure debt fund shall file its return of income as required by sub-section (4C) of section 139 of the Income-tax Act, 1961 on or before the due date. <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_no83_2019.pdf</p>	Lesson 3
88.	<p>Notification No. 88/2019 Dated 5th November, 2019</p> <p>The Central Board of Direct Taxes hereby makes the following amendments in the notification published in the Official Gazette <i>vide</i> number S.O. 2752(E), dated the 22nd October, 2014 namely:-</p> <p>In the said notification, in Schedule-I, against the entries in serial number 67,-</p> <ol style="list-style-type: none"> in column (3), for the words "Jammu, Jammu and Kashmir", the words "Jammu, the Union territory of Jammu and Kashmir and the Union territory of Ladakh" shall be substituted; in column (4), for the words "All districts of State of Jammu and Kashmir", the words "All districts of the Union territory of Jammu and Kashmir and of the Union territory of Ladakh" shall be substituted; <p>In Schedule –II, against the entries in serial number 8, in column (4), for the words "State of Jammu and Kashmir" the words "the Union territory of Jammu and Kashmir and the Union territory of Ladakh" shall be substituted.</p> <p>This notification shall be deemed to have come into force with effect from the 31st day of October, 2019.</p> <p>Explanatory Memorandum: It is hereby certified that no person is being</p>	Lesson 1

	adversely affected by giving retrospective effect to this notification. For Details: https://www.incometaxindia.gov.in/communications/notification/notification_88_2019.pdf	
89.	Notification No. 93 /2019 Dated 5th November, 2019 The Central Board of Direct Taxes hereby makes the following amendments in the notification published in the Official Gazette <i>vide</i> number S.O. 2914(E), dated the 13th November, 2014 namely:- In the said notification, in the Schedule, against the entries in serial number 4, in column (6), for the words “Jammu and Kashmir”, the words “the Union territory of Jammu and Kashmir and the Union territory of Ladakh” shall be substituted. This notification shall be deemed to have come into force with effect from the 31st day of October, 2019. Explanatory Memorandum: It is hereby certified that no person is being adversely affected by giving retrospective effect to this notification. For Details: https://www.incometaxindia.gov.in/communications/notification/notification_93_2019.pdf	Lesson 1
90.	Notification No. 94 /2019 Dated 5th November, 2019 The Central Board of Direct Taxes hereby makes the following amendments in the notification published in the Official Gazette <i>vide</i> number S.O. 3125(E), dated the 10th December, 2014 namely: - In the said notification, in Schedule –II, against the entries in serial number 6, in column (4), for the words “Jammu and Kashmir”, the words “the Union territory of Jammu and Kashmir, Union territory of Ladakh” shall be substituted. This notification shall be deemed to have come into force with effect from the 31st day of October, 2019. Explanatory Memorandum: It is hereby certified that no person is being adversely affected by giving retrospective effect to this notification. For Details: https://www.incometaxindia.gov.in/communications/notification/notification_94_2019.pdf	Lesson 1
91.	Notification No. 96/2019 Dated 11th November, 2019 The Central Government hereby makes the Income tax Amendment (13TH Amendment), Rules, 2019 which shall come into force from the 1ST day of April, 2020. In the Income-tax Rules, 1962, after rule 11UAB, the following rule shall be inserted from the 1ST day of April, 2020 and shall be applicable for assessment year commencing on the 1ST day of April, 2020 and subsequent assessment years, namely: Prescribed class of persons for the purpose of clause (XI) of the	Lesson 4(V)

	<p>proviso to clause (x) of sub-section (2) section 56.</p> <p>11UAC.The provisions of clause (x) of sub-section (2) of section56 shall not apply to any immovable property, being land or building or both, received by a resident of an unauthorised colony in the National Capital Territory of Delhi, where the Central Government by notification in the Official Gazettee, regularised the transactions of such immovable property based on the latest Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration for conferring or recognising right of ownership or transfer or mortgage in regard to such immovable property in favour of such resident.</p> <p>Explanation. – For the purposes of this rule,—</p> <p>(a) “resident” means a person having physical possession of property on the basis of a registered sale deed or latest set of Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration in respect of a property in unauthorised colonies and includes their legal heirs but does not include tenant, licensee or permissive user;</p> <p>(b)“unauthorized colony” means a colony or development comprising of a contiguous area, where no permission has been obtained for approval of layout plan or building plans and has been identified for regularization of such colony in pursuance to the notification number S.O. 683(E), dated the 24th March, 2008, of the Delhi Development Authority, published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (ii), dated the 24th March, 2008.’.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_96_2019.pdf</p>	
92.	<p>Notification No, 99/2019 Dated 27th November, 2019</p> <p>M/s International Centre for Research in Agroforestry, South Asia Regional Programme, NASC Complex, Delhi (ICRAF) (PAN:- AAATI48o3K) has been approved by the Central Government for the purpose of clause (ii) of sub-section (I) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5D of the Income-tax Rules, 1962 (said Rules), from Assessment year 2019-2020 onwards in the category of 'Scientific Research Association' , subject to the certain conditions.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_no_99_2019.pdf</p>	Lesson 4(III)
93.	<p>Notification No.100 Dated 27th November, 2019</p> <p>The Central Government hereby notifies M/s National Stock Exchange of India Limited, Mumbai (PAN: AAACN1797L) as a 'recognized association' for the purpose of clause (iii) in the Explanation of clause (e) of</p>	Lesson 4(III)

	<p>the proviso to sub-section (5) of Section 43 of the Income-tax Act, 1961 (43 of 1961) read with sub-rule (4) of Rule 6DDD of the Income-tax Rules, 1962, subject to fulfilment of certain conditions in respect of trading in derivatives.</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_no_100_2019_9.pdf</p>	
94.	<p>Notification No. 103/2019 Dated 13th December, 2019</p> <p>The Central Government hereby specifies that the persons who have made a declaration under sub-section (1) of section 183, but have not made payment of the tax and surcharge payable under section 184 and penalty payable under section 185 of the said Act, in respect of the undisclosed income, on or before the due date notified by the Central Government vide notification number S.O. 1830 (E), dated the 19th May, 2016, (as subsequently amended vide notification number S.O. 2476 (E), dated the 20th July, 2016), may make the payment of such amount on or before the 31st day of January, 2020, along with interest on such amount, at the rate of 1% for every month or part of a month comprised in the period commencing on the date immediately following the said due date as so notified and ending on the date of such payment.</p> <p>This notification shall be deemed to have come into force with effect from the 1st day of June, 2016</p> <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_103_2019.pdf</p>	Lesson 10
95.	<p>Notification No.105/2019 Dated 30th December, 2019</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (16th Amendment) Rules, 2019 which shall come into force from 1st day of January, 2020.</p> <p>In the Income-tax Rules, 1962, after rule 119A, the following rule shall be inserted, namely:</p> <p>“119AA. Modes of payment for the purpose of section 269SU. - Every person, carrying on business, if his total sales, turnover or gross receipts, as the case may be, in business exceeds fifty crore rupees during the immediately preceding previous year shall provide facility for accepting payment through following electronic modes, in addition to the facility for other electronic modes of payment, if any, being provided by such person, namely:—</p> <ul style="list-style-type: none"> i Debit Card powered by RuPay; ii Unified Payments Interface (UPI) (BHIM-UPI); and iii Unified Payments Interface Quick Response Code (UPI QR Code) (BHIM-UPI QR Code), <p>For Details: https://www.incometaxindia.gov.in/communications/notification/notification_105_2019.pdf</p>	Lesson 4(III)& 10

96.	<p>Notification No. 8/2020 Dated 29th January, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (3rd Amendment) Rules, 2020 which shall come into force on the date of their publication in the Official Gazette.</p> <p>In the Income-tax Rules, 1962 (i) after rule 6ABB, the following rule shall be inserted and shall be deemed to have been inserted from the 1st day of September, 2019, namely:-</p> <p>“Other electronic modes</p> <p>6ABBA. The following shall be the other electronic modes for the purposes of clause (d) of first proviso to section 13A, clause (f) of sub-section (8) of section 35AD, sub-section (3), sub-section (3A), proviso to subsection (3A) and sub-section (4) of section 40A, second proviso to clause (1) of Section 43, sub-section (4) of section 43CA, proviso to sub-section (1) of section 44AD, second proviso to sub-section (1) of section 50C, second proviso to sub-clause (b) of clause (x) of sub-section (2) of section 56, clause (b) of first proviso of clause (i) of Explanation to section 80JJAA, section 269SS, section 269ST and section 269T, namely:-</p> <ul style="list-style-type: none"> (a) Credit Card; (b) Debit Card; (c) Net Banking; (d) IMPS (Immediate Payment Service); (e) UPI (Unified Payment Interface); (f) RTGS (Real Time Gross Settlement); (g) NEFT (National Electronic Funds Transfer), and (h) BHIM (Bharat Interface for Money) Aadhar Pay”; <p>Accordingly, rule 6ABBA specify other electronic mode of payment as specify above for the purpose of various section specified above.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_08_2020.pdf</p>	<p>Lesson 4 Part III</p>
97.	<p>Notification No. 7/2020 Dated 28th January, 2020</p> <p>M/s. Institute of Pesticide Formulation Technology, Gurugram (PAN: AAATIo389Q) has been approved by the Central Government for the purpose of clause (ii) of sub-section (1) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5D of the Income-tax Rules, 1962 (said Rules), from Assessment year 2019-2020 and onwards under the category of “Research Association” subject to the certain conditions.</p> <p>Accordingly, any donation made to M/s. Institute of Pesticide Formulation Technology for conducting scientific research will qualify for deduction u/s 35(1)(ii) of the Income Tax Act, 1961.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_07_2020.pdf</p>	<p>Lesson 3</p>
98.	<p>CBDT has issued a Procedure of PAN allotment through Common Application Form (CAF) along with registration of Foreign Portfolio Investors (FPIs) with SEBI under the Department of Economic Affairs and KYC for opening Bank and Demat Account [Notification No. 11/2020 Dated 7th February, 2020]</p> <p>A Common Application Form (CAF) for the purpose of registration, the opening of bank and Demat accounts and application for Permanent Account Number (PAN) has been notified for the Foreign Portfolio Investors (FPIs) in India by the Ministry of Finance, Department of Economic Affairs (SEBI). Application for allotment of Permanent Account Number (PAN) will be uploaded in CAF as specified by the Ministry of Finance, Department of Economic Affairs (SEBI). After due examination and generation of FPI Registration certificate, SEBI will forward data in form 49AA to prescribed Income Tax Authority through the signature of Authorised Signatories of its Designated Depository Participants (DDPs).</p>	<p>Lesson 10</p>

	https://www.incometaxindia.gov.in/communications/notification/notification_11_2020.pdf	
99.	<p>Notification No. 10/2020 Dated 12th February, 2020</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (4th Amendment) Rules, 2020 which shall come into force on the 1st day of April, 2020.</p> <p>In the Income-tax Rules, 1962, after rule 21AD, the rule 21AE and 21AF has been inserted, namely:</p> <p>“21AE. Exercise of option under sub-section (5) of section 115BAA - The option to be exercised in accordance with the provisions of sub-section (5) of section 115BAA by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-IC.</p> <p>21AF. Exercise of option under sub-section (7) of section 115BAB. The option to be exercised in accordance with the provisions of sub-section (7) of section 115BAB by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2020, shall be in Form No. 10-ID.</p> <p>Accordingly, the domestic company opting for concessional rate of tax as specified in section 115BAA / 115BAB shall filed Form No. 10-IC / 10-ID electronically as specified in rule 21AE / 21AF of the Income Tax Rules, 1962.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_10_2020.pdf</p>	Lesson 8
100.	<p>Notification No. 12/2020 Dated 17th February, 2020</p> <p>The Central Government, hereby makes the Income tax Amendment (6th Amendment), Rules, 2020 which shall come into force from the 1st day of April, 2020.</p> <p>In the Income-tax Rules, 1962, in rule 11UAC, in the Explanation, for clause (b), the following clause shall be substituted, namely:</p> <p>“(b) “unauthorised colony” means a colony or development comprising of a contiguous area, where no permission has been obtained for approval of layout plan or building plans and has been identified for regularisation of such colony in pursuance to the notification number S.O. 683(E), dated the 24th March, 2008, of the Delhi Development Authority.</p> <p>Accordingly, section 56(2)(x) shall not apply to immovable property being land or building or both, received by a resident of an unauthorised colony in the National Capital Territory of Delhi where the Central Government by notification in the Official Gazettee, regularised the transactions of such immovable property based on the latest Power of Attorney, Agreement to Sale, Will, possession letter and other documents including documents evidencing payment of consideration for conferring or recognising right of ownership or transfer or mortgage in regard to such immovable property in favour of such resident.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_12_2020.pdf</p>	Lesson 4 Part IV

101.	<p>Notification No. 24/2020 [Dated 8th May, 2020]</p> <p>The Central Government hereby notifies “SHRI RAM JANMABHOOMI TEERTH KSHETRA” (PAN: AAZTS6197B) to be place of historic importance and a place of public worship of renown for the purposes of the section 80(G)(2)(b) from the year F.Y. 2020-2021, relevant to the Assessment Year 2021-2022.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_24_2020.pdf</p>	<p>Lesson</p> <p>3</p>
102.	<p>Notification No. 26/2020 [Dated May 21, 2020]</p> <p>The Central Government hereby notifies, for the purposes of clause (46) of section 10, ‘Kerala Cooperative Development and Welfare Fund Board’, Trivandrum (PAN AACTT3875A), a Board constituted by the Government of Kerala, in respect of the following specified income arising to that Board, namely:</p> <ol style="list-style-type: none"> Membership Fees; Annual Renewal Fees; Risk Fund Contribution and Assistance; and Interest earned on (a) to (c) above. <p>This notification shall be effective subject to the conditions that Kerala Cooperative Development and Welfare Fund Board,-</p> <ol style="list-style-type: none"> shall not engage in any commercial activity; activities and the nature of the specified income shall remain unchanged throughout the financial years; shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961; and shall file the audit report along with return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied. <p>This notification shall apply with respect to the assessment years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024.</p> <p>Accordingly, the Kerala Cooperative Development and Welfare Fund Board has been notified by the Central Government for the purpose of Section 10(46) and is eligible for exemption under Income Tax Act, 1961 subject to conditions as mentioned above.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_26_2020.pdf</p>	<p>Lesson</p> <p>3</p>
103.	<p>Notification No. 27/2020 [Dated May 27, 2020]</p> <p>The Central Government hereby notifies, for the purposes of clause (46) of section 10, “Cochin Special Economic Zone Authority”, Kochi (PAN AAAGC0659L), a authority constituted by the Government of India, in respect of the following specified income arising to that Authority, namely:</p> <ol style="list-style-type: none"> Lease rent (charged as per Government prescribed rate); Interest from banks on RDRs; Receipts from I-Card and permit fee; Allotment Fee in respect of Standard Design Factories (SDF); Auction/Bid amount in respect of Plots/Buildings which fall vacant; Transfer charges in respect of Plot/Building; Fee for issue of Form-I for exemption of Building Plans; Processing fee for approval of Building Plans; Usage charges from Service provided; License fee for allotment of Staff Quarters to the Staff; 	<p>Lesson</p> <p>3</p>

	<p>k. Integrated Water Management Systems (IWMS) (Water Treatment Plant (WTP), Common Effluent Treatment Plant (CETP), Incinerator, Biogas Plant) charges/fees/fine etc.;</p> <p>l. Power Distribution Business; and</p> <p>m. From the sale of miscellaneous scrap/waste.</p> <p>This notification shall be effective subject to the conditions that Cochin Special Economic Zone Authority, Kochi,-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>(d) Shall file the audit report along with the return, duly verified by the accountant as provided in explanation to section 288 (2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.</p> <p>This notification shall be deemed to have been applied for the assessment years 2018-2019 and 2019-2020 and shall apply with respect to the assessment years 2020-2021, 2021-2022 and 2022-2023.</p> <p>Accordingly, the Cochin Special Economic Zone Authority has been notified by the Central Government for the purpose of Section 10(46) and is eligible for exemption under Income Tax Act, 1961 subject to conditions as mentioned above.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_27_2020.pdf</p>	
104.	<p>Notification No. 28/2020 [Dated May 27, 2020]</p> <p>The Central Government hereby notifies, for the purposes of clause (46) of section 10, ‘‘Uttarakhand Environment Protection & Pollution Control Board’, Dehradun(PAN AAALU0160D), a Board constituted by the Government of Uttarakhand, in respect of the following specified income arising to that Board, namely:</p> <p>(a) consent fee;</p> <p>(b) no objection certificate fee;</p> <p>(c) bio medical waste fee;</p> <p>(d) hazardous fee;</p> <p>(e) stack/analysis fee;</p> <p>(f) bank guarantee forfeited;</p> <p>(g) income against RTI application charges;</p> <p>(h) reimbursement of the expense received from Central Pollution Control Board towards National Air Monitoring Programmes;</p> <p>(i) monitoring fees;</p> <p>(j) interest from savings accounts & FDRs;</p> <p>(k) public hearing fee;</p> <p>(l) interest from house loan advance to staff; and</p> <p>(m) income by sale of old scrap items and tender fee etc.</p> <p>This notification shall be effective subject to the conditions that Uttarakhand Environment Protection and Pollution Control Board,-</p> <p>(a) shall not engage in any commercial activity;</p> <p>(b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and</p> <p>(c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.</p> <p>(d) shall file the Audit report along with the Return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a</p>	<p>Lesson</p> <p>3</p>

	<p>certificate from the chartered accountant that the above conditions are satisfied.</p> <p>This notification shall apply with respect to the assessment years 2020-2021, 2021-2022, 2022-2023, 2023-2024 and 2024-2025.</p> <p>Accordingly, the Uttarakhand Environment Protection & Pollution Control Board has been notified by the Central Government for the purpose of Section 10(46) and is eligible for exemption under Income Tax Act, 1961 subject to conditions as mentioned above. https://www.incometaxindia.gov.in/communications/notification/notification_28_2020.pdf</p>															
105.	<p>Notification No. 30/2020 [Dated May 28, 2020]</p> <p>The Central Board of Direct Taxes hereby makes the Income-tax (11th Amendment) Rules, 2020 which shall come into force from the 1st day of June, 2020.</p> <p>(i) rule 31AB shall be omitted;</p> <p>(ii) after rule 114H, the rule I shall be inserted, namely:-</p> <p>“Annual Information Statement</p> <p>The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) or any person authorised by him shall, under section 285BB of the Income-tax Act,1961, upload in the registered account of the assessee an annual information statement in Form No. 26AS containing the information specified in column (2) of the table below, which is in his possession within three months from the end of the month in which the information is received by him:</p> <table><tr><td>Sl. No</td><td>Nature of information</td></tr><tr><td>(i)</td><td>Information relating to tax deducted or collected at source</td></tr><tr><td>(ii)</td><td>Information relating to specified financial transaction</td></tr><tr><td>(iii)</td><td>Information relating to payment of taxes</td></tr><tr><td>(iv)</td><td>Information relating to demand and refund</td></tr><tr><td>(v)</td><td>Information relating to pending proceedings</td></tr><tr><td>(vi)</td><td>Information relating to completed proceedings</td></tr></table> <p>The Board may also authorise the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) or any person authorised by him to upload the information received from any officer, authority or body performing any function under any law or the information received under an agreement referred to in section 90 or section 90A of the Income-tax Act,1961 or the information received from any other person to the extent as it may deem fit in the interest of the revenue in the annual information statement referred to in sub-rule (1).</p> <p>Accordingly, the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) or any person authorised by him shall required to upload an annual information statement containing the information as specified above in the registered account of the assessee.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_30_2020.pdf</p>	Sl. No	Nature of information	(i)	Information relating to tax deducted or collected at source	(ii)	Information relating to specified financial transaction	(iii)	Information relating to payment of taxes	(iv)	Information relating to demand and refund	(v)	Information relating to pending proceedings	(vi)	Information relating to completed proceedings	<p>Lesson</p> <p>10</p>
Sl. No	Nature of information															
(i)	Information relating to tax deducted or collected at source															
(ii)	Information relating to specified financial transaction															
(iii)	Information relating to payment of taxes															
(iv)	Information relating to demand and refund															
(v)	Information relating to pending proceedings															
(vi)	Information relating to completed proceedings															

106.	Notification No. 32/2020 [Dated June 12, 2020] <table><tr><th>Financial Year</th><th>Cost Inflation Index</th></tr><tr><td>2020-210</td><td>301</td></tr></table> <p>This notification shall come into force with effect from 1st day of April, 2021 and shall accordingly apply to the assessment year 2021-22 and subsequent years. https://www.incometaxindia.gov.in/communications/notification/notification_32_2020.pdf</p>	Financial Year	Cost Inflation Index	2020-210	301	Lesson 4 Part IV
Financial Year	Cost Inflation Index					
2020-210	301					
107.	Notification No. 33/2020 [Dated June 23, 2020] <p>The Central Government hereby notifies for the purposes of the section 10(46), ‘Greater Noida Industrial Development Authority’, (PAN AAALG0129L), an authority constituted by the State Government of Uttar Pradesh, in respect of the following specified income arising to that Commission, namely:</p> <p>(a) Grants received from the State Government; (b) Moneys received from the disposal/90 years lease of immovable properties; (c) Moneys received by the way of lease rent & fees or any other charges from the disposal/90 years lease of immovable properties; (d) The amount of interest earned on the funds deposited in the banks; (e) The amount of interest/penalties received on the deferred payment received from the Allotees of various immovable properties; and (f) Water, sewerage and other municipal charges from the Allotees of various immovable properties.</p> <p>This notification shall be effective subject to the conditions that Greater Noida Industrial Development Authority</p> <p>(a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. (d) shall file the Audit report along with the Return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.</p> <p>This notification shall be deemed to have been applied for the period from 01-06-2011 to 31-03-2012 in the assessment year of 2012-2013 and also from the assessment years 2013-2014, 2014-2015, 2015-2016 and 2016-2017.</p> <p>Accordingly, the Greater Noida Industrial Development Authority’ has been notified by the Central Government for the purpose of Section 10(46) and is eligible for exemption under Income Tax Act, 1961 subject to conditions as mentioned above. https://www.incometaxindia.gov.in/communications/notification/notification_33_2020.pdf</p>	Lesson 3				
108.	Notification No. 34/2020 [Dated June 23, 2020] <p>The Central Government hereby notifies for the purposes of the section 10(46), ‘Maharashtra Electricity Regulatory Commission, a commission established by the State Government of Maharashtra, in respect of the following specified income arising to that Commission, namely:</p> <p>(a) Grants from Government of Maharashtra; (b) Fees for annual licence; (c) Interest on Fixed Deposit and Savings Account;</p>	Lesson 3				

	<p>(d) Fees for application/petition filed; (e) Fees for Documents; (f) Penalty for delayed payment of Annual Licence Fees; (g) Fees for RTI; (h) Sale of Scrap; (i) Interest on Loans and Advances given to employees; (j) Fees for annual performance review; (k) Fees for determination of tariff; and (l) Fees for initial licence</p> <p>This notification shall be effective subject to the conditions that Maharashtra Electricity Regulatory Commission, Mumbai, (a) shall not engage in any commercial activity; (b) activities and the nature of the specified income shall remain unchanged throughout the financial years; and (c) shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961. (d) shall file the Audit report along with the Return, duly verified by the accountant as provided in explanation to section 288(2) of the Income-tax Act, 1961 along with a certificate from the chartered accountant that the above conditions are satisfied.</p> <p>This notification shall apply with respect to the assessment years 2021-2022, 2022-2023, 2023-2024, 2024-2025 and 2025-2026.</p> <p>Accordingly, Maharashtra Electricity Regulatory Commission' has been notified by the Central Government for the purpose of Section 10(46) and is eligible for exemption under Income Tax Act, 1961 subject to conditions as mentioned above. https://www.incometaxindia.gov.in/communications/notification/notification_34_2020.pdf</p>	
109.	<p>Notification No. 36/2020 Dated June 25, 2020</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Karnataka & Andhra Pradesh Real Estate Regulatory Authority' in respect of the specified income arising to that Authority subject to certain conditions. https://www.incometaxindia.gov.in/communications/notification/notification_36_2020.pdf</p>	Lesson 3
110.	<p>Notification No. 37/2020 Dated June 25, 2020</p> <p>The Central Government hereby notifies for the purposes of clause (46) of section 10 of the Income-tax Act, 1961, 'Odisha & Jharkhand Real Estate Regulatory Authority' in respect of the specified income arising to that Authority subject to certain conditions. https://www.incometaxindia.gov.in/communications/notification/notification_37_2020.pdf</p>	Lesson 3
111.	<p>Income-tax (14th Amendment) Rules, 2020 [Notification No. 40/2020 Dated June 29, 2020]</p> <p>The Central Board of Direct Taxes (CBDT) notify the Income Tax (14th Amendment) Rules, 2020, to further amend the Income Tax Rules, 1962 as per which Rule 11UAC has been substituted, which relates to the right of ownership for the purpose of mortgage along with all the documents, certain class of persons shall be excluded from the provision for sub-section (2) the government regularised the transactions of such immovable property. https://www.incometaxindia.gov.in/communications/notification/notification_40_2020.pdf</p>	Lesson 4 Part V

<p>112.</p>	<p>Notification under proviso to section 9A(3) of the Income-tax Act, 1961 [Notification No. 41/2020 Dated June 30, 2020]</p> <p>The Central Government hereby notifies that the conditions specified in clauses (e), (f) and (g) of the sub-section (3) of section 9A of the Income-tax Act, 1961 shall not apply in case of an investment fund set up by a Category-I foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, made under the Securities and Exchange Board of India Act, 1992</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_41_2020.pdf</p>	<p>Lesson 2</p>
<p>113.</p>	<p>Income-tax (15th Amendment) Rules, 2020 [Notification No. 42/2020 Dated June 30, 2020]</p> <p>The Section 50CA provides that consideration received for transfer of an unquoted share computed in prescribed manner shall be full consideration even if it is less than fair market value.</p> <p>The Central Board of Direct Taxes has issued the Income-tax (15th Amendment) Rules, 2020 to add Rule 11UAD which provides that the provisions of Section 50CA shall not apply to transfer of any movable property, being unquoted shares, of a company and its subsidiary and the subsidiary of such subsidiary in certain situation.</p> <p>https://www.incometaxindia.gov.in/communications/notification/notification_42_2020.pdf</p>	<p>Lesson 4 Part IV</p>

TAX RATES FY 2019-20, AY 2020-21

TAX RATES FOR FY 2019-20 i.e. AY 2020-21

Tax Rates for Different types of person depending upon various parameters:

1. For:

- Resident Individual of the age below 60 years
- Non Residents Individual
- Hindu undivided family
- Association of Persons
- Body of Individuals (other than Co-operative society)
- Artificial Juridical Person

Total Income (Rs.)	Tax Rate	Tax liability (Rs.)
Upto 2,50,000	Nil	Nil
2,50,001 – 5,00,000	5%	5% of (Total Income – 2,50,000)
5,00,001 – 10,00,000	20%	20% of (Total Income – 5,00,000) + 12,500
Above 10,00,000	30%	30% of (Total Income – 10,00,000) + 1,12,500

2. Applicable for Resident individual of the age of 60 years or more but less than eighty years at any time during the previous year

Total Income (Rs.)	Tax Rate	Tax liability (Rs.)
Upto 3,00,000	Nil	Nil
3,00,001 – 5,00,000	5%	5% of (Total Income – 3,00,000)
5,00,001 – 10,00,000	20%	20% of (Total Income – 5,00,000) + 10,000
Above 10,00,000	30%	30% of (Total Income – 10,00,000) + 1,10,000

3. Applicable for Resident Individual of the age of 80 years or more at anytime during the previous year

Total Income (Rs.)	Tax Rate	Tax liability (Rs.)
Upto 5,00,000	Nil	Nil
5,00,001 – 10,00,000	20%	20% of (Total Income – 5,00,000)
Above 10,00,000	30%	30% of (Total Income – 10,00,000) + 1,00,000

CBDT has clarified vide Circular No. 28/2016 27.07.2016, that a person born on 1st April would be considered to have attained a particular age on 31st March, the day preceding the anniversary of his birthday.

Therefore a resident individual, whose 60th / 80th birthday falls on 1st April, 2020 would be treated as having attained the age of 60 years/80 years in the P. Yr. 2019-20.

4. For Firm and Local Authorities:

	Types of person	Tax Rates
i.	Firms (including LLP)	30% of total Income
ii.	Local Authorities	30% of total Income

Note: Entity or individual other than a company whose adjusted total income exceeds Rs. 20 lakhs is liable to pay Alternate Minimum tax @18.5%.

5. For Companies

<i>Domestic Company</i>	<i>Assessment Year 2020-21</i>
Where it opted for Section 115BAA [This benefit shall be available when total income of the company is computed without claiming specified deductions, incentives, exemptions and additional depreciation available under the Income-tax Act.]	22%
Where it opted for Section 115BAB [This regime shall be available only for the manufacturing companies incorporated in India on or after 01-10-2019. Hence, old companies will not be able to take the benefit of this section.]	15%
Where it has not opted for Section 115BAA and the Total Turnover or Gross receipts of the company in the last previous year does not exceeds 400 crore rupees	25%
Any other domestic company	30%
Foreign Company	40%

6. For Co-operative Society:

	Income Slabs	Tax Rates
i.	Where the taxable income does not exceed Rs. 10,000/-	10% of the income
ii.	Where the taxable income exceeds Rs. 10,000/- but does not exceed Rs. 20,000/-	Rs. 1,000/- + 20% of income in excess of Rs. 10,000/-
iii	Where the taxable income exceeds Rs. 20,000/-	Rs. 3.000/- + 30% of the amount by which the taxable income exceeds Rs. 20,000/-

Surcharge

	Types of person	Income Slab	Surcharge Rates
i.	Individuals, HUF, AOP, BOI	If Income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore	10% of income tax
		If income exceeds Rs. 1 crore but does not exceed Rs. 2 crore	15% of income tax
		If income exceeds Rs. 2 crore but does not exceed Rs. 5 crore	25% of income tax
		If total income exceeds Rs. 5 crore	37% of income tax
ii	Firm / Local Authority / Co-operative Society	If income exceeds Rs. 1 crore	12% of income tax
iii.	Domestic Companies*	If income exceeds Rs. 1 crore but does not exceed Rs. 10 crores	7% of income tax
		If income exceeds Rs. 10 crore	12% of income tax
iv.	Foreign company	If income exceeds Rs. 1 crore but does not exceed Rs. 10 crores	2% of income tax
		If income exceeds Rs. 10 crore	5% of income tax

*Note: The rate of surcharge in case of a company opting for taxability under Section 115BAA or Section 115BAB shall be 10% irrespective of amount of total income.

Cess

The Rate of Health and Education Cess for FY 2019-20 is 4%

Rebate under section 87A

An assessee, being an individual resident in India, whose total income does not exceed Rs. 5,00,000 shall be entitled to a deduction, from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to 100% of such income-tax or an amount of Rs. 12,500, whichever is less.

AMENDMENTS MADE BY FINANCE ACT, 2018

The amendments under the Income tax Act, 1961 (“the Act”) are as under:

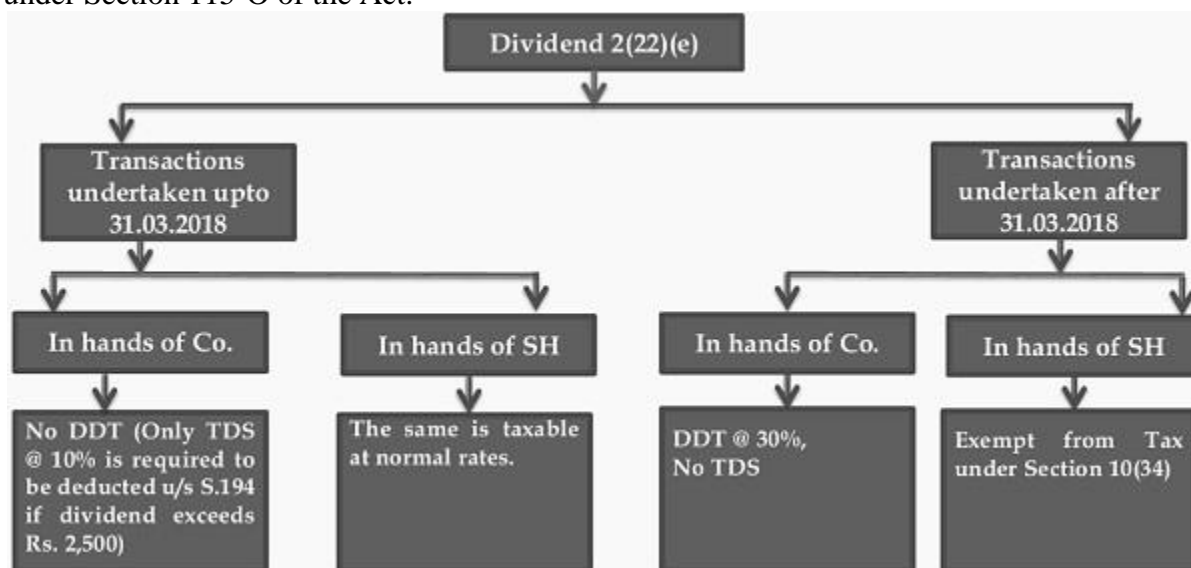
- Amendments relating to Corporates
- Amendments relating to Individuals
- Amendments relating to Trusts
- Amendments relating to ICDS
- Amendments having impact on Foreign Currency Inflows
- Common Amendments

AMENDMENTS RELATING TO CORPORATES

1) APPLICATION OF DDT TO DEEMED DIVIDENDS

Section 115-O and related sections have been amended in order to provide that dividends referred to in Section 2(22)(e) of the Act are also part of Section 115-O and chargeable to DDT @ 30% (instead of 20.5553%). However, no change has been made in Section 115BBDA and Section 10(34) of the Act.

Post Amendment, It can be inferred that, Deemed Dividend u/s 2(22)(e) is chargeable to DDT @ 30% in hands of closely held company. Since Section 115BBDA of the Act do not cover above dividend, hence the same is wholly exempt from tax under Section 10(34) of the Act even exceeds Rs. 10 lakhs. Further, TDS under Section 194 of the Act is not required to be deducted since such dividend is now covered under Section 115-O of the Act.



2. PLUGGING OF LACUNA IN CASE OF AMALGAMATION

The same can be understood with the help of following example:



Now, Suppose Amalgamated Company say “A Ltd.” has taken over Amalgamating Company say “B Ltd” in the scheme of Amalgamation.

Since, B Ltd. is a profit making Company and hence, there will arise “Goodwill” (in most situation) to A Ltd. post amalgamation (assuming in the nature of purchase). Now, while reducing of capital by A Ltd., Section 2(22)(d) do not arise since A Ltd. is having losses even after amalgamating B Ltd.

Before amendment, the shareholders of A Ltd. enjoy cash by reduction of capital without implying Section 2(22)(d) of the Act.

Finance Act, 2018 has made the amendment and provided that at the time of reduction of capital by amalgamated company, accumulated profits of amalgamating company on amalgamation date will also be included.

3. DEDUCTIONS FROM INCOME OF FARM PRODUCER COMPANIES

New Section inserted for 100% deduction: A new Section 80PA has been inserted under the Act in order to provide that 100% of the gross total income of Producer Company shall be exempt if following conditions are satisfied:

- Turnover in the relevant previous year is less than Rs. 100 crores;
- Such Producer Company shall be engaged in marketing, processing of agricultural produce of members, purchase of agricultural implements, seeds, livestock for the use of members.
- Deduction can be taken from FY 2018-19 to FY 2024-25.

Important Points: Producer Company means a body corporate having objects or activities in relation to production, marketing, selling, export of agriculture produce of member, providing machinery, education, consultancy to members in relation to production activities.

4. EXEMPTION ON SALE OF STOCK OF CRUDE OIL BY FOREIGN COMPANY

The provisions of Section 10(48), 10(48A) and 10(48B) of the Income tax Act, 1961 exempts the following Incomes of a foreign company:

- Income received in India on account of Sale of crude oil as per the agreement approved by the Central Government – Section 10(48).
- Income accrue or arise in India on account of storage of crude oil in India and sale of crude oil therefrom in India as per the agreement approved by Central Government – Section 10 (48A).
- Income accrue or arise in India on account of Sale of leftover stock after the expiry of agreement approved by Central Government – Section 10 (48B).

Now Finance Act, 2018 has made the amendment that even in case of termination of agreement, exemption benefit under Section 10(48B) will be available to such foreign company.

5. BENEFITS TO COMPANIES UNDER INSOLVENCY PROCEEDINGS

Provisions before Amendment

- The provisions of Section 79 of the Income tax Act, 1961 provides that NO LOSS can be carried forward and set off in case of change in shareholding by more than 51% from the loss year to set off year. For Example, If Loss relates to FY 2015-16 which is tested for set off in FY 2018-19, at-least 51% of the voting power of shareholders must be same in both years.
- Further, Section 115JB allows the benefit of brought forward losses **OR** Unabsorbed depreciation (as per books), whichever is lower from the Book Profits computed under the provisions of Minimum Alternate Tax (MAT).
- Companies which are under the Insolvency proceedings are under a lose-lose situation due to above two provisions since upon taken over by others, losses will be lapsed. Further, if any of the loss or unabsorbed depreciation as per books is NIL, then there would be no benefit under MAT.

Amendment made by Finance Act, 2018

- Section 79 of the Act has been amended in order to provide that the provisions of Non Carry forward of loss will not be applicable in case of a Company whose resolution plan has been approved under Insolvency and Bankruptcy Code, 2016 (IBC, 2016).
- For Example, If Loss relates to FY 2015-16 which is tested for set off in FY 2018-19, no testing is required to be made for 51% criteria in case of Companies under Insolvency.
- Section 115JB of the Act has been amended in order to provide that in place of “Lower of Brought Forward Loss or Unabsorbed Depreciation”, “Aggregate of Brought Forward Loss **and** Unabsorbed Depreciation” will be allowed to a Company whose resolution plan has been approved. This will benefit the acquisitions of Companies which are under the proceedings of IBC, 2016.

AMENDMENTS IN RELATION TO INDIVIDUALS

1. Amendments made under the head Salaries [Section 16 and Section 17]: Finance Act, 2018 has introduced Standard Deduction amounting to INR 40,000 from Gross Salary as a benefit to the Salaried Employees. Now, total three deductions are available under the head Salaries:

It has further **withdrawn** the benefit of medical reimbursement which was earlier available to the extent of INR 15,000. Further, Exemption upto INR 19,200 w.r.t. transportation allowance for commuting between office and residence has also been withdrawn. The above amendments will apply for Salary Income earned from F.Y. 2018-19 onwards.

2. Enhancement of quantum of deduction of Medical Insurance: Section 80D of the Act has been amended in order to provide that the deduction in respect of Senior Citizen will now be available with a new cap of INR 50,000 instead of INR 30,000. Further, the benefit of deduction in respect of medical expenditure is also available in case of Senior Citizen having age ≥ 60 years.

♦ For HUF also, the deduction has been increased from INR 30,000 to INR 50,000. However, the limit of INR 25,000 is intact for Individuals and family members in case the age is < 60 years.

♦ Post Amendment, the maximum deduction which can be allowed under this section can be INR 1,00,000 if all the insured persons are Senior Citizens. Further, amount paid for insurance taken for more than one year will now be allowed proportionately.

3. Enhancement of quantum of deduction for specified disease

Section 80DDB of the Act provides for a deduction to a resident Individual and HUF for medical treatment of specified disease of dependent amounting to INR 60,000 in case of Senior Citizen and INR 80,000 in case of Very Senior Citizen. Post Amendment, the deduction which can be allowed under this section can be INR 1,00,000 for any type of Senior Citizen.

4. Interest Income of Senior Citizens: Section 80TTA of the Act provides that deduction amounting to INR 10,000 (maximum) is allowed to an Individual or HUF for Interest Income earned on saving account. Section 80TTA is not applicable on Interest Income earned on Fixed Deposits/ Time Deposits.

Now, **Finance Act, 2018** has inserted a new Section 80TTB in order to provide that Senior Citizens are allowed a deduction of upto INR 50,000 in respect of Income earned by such Senior Citizens from

Deposits (Saving Account, Fixed Deposits and Time Deposits). Further, in case of Senior Citizens, TDS will be deducted if the Income exceeds INR 50,000. (Amendment made in Section 194A). No deduction under Section 80TTA shall be allowed to such Senior Citizens. Only those deposits are covered which are held with Banking Company, Post Office or Cooperative Societies.

5. Amendments in relation to Trust:

Applicability of Section 40A(3), 40A(3A) and Section 40(a)(ia) in case of Trusts: Income of a religious and charitable trust registered under the Act is taxable under the head “Other Sources”. Now, **Finance Act, 2018** has made an amendment in order to provide that provisions of Section 40A(3), 40A(3A) and 40(a)(ia) shall also apply to religious or charitable trusts.

Accordingly, no deduction is allowable for any expenditure:

- Exceeding INR 10,000 made to a person in a day by cash mode; or
- Payment of Outstanding Balance exceeding INR 10,000 to a person in a day by cash mode;
- 30% of the amount of expense will be disallowed in case such trust do not deduct any TDS on payments being made to residents.

The same applies to trusts governed by Section 10(23C) and Section 11 & 12 of the Act.

AMENDMENTS RELATING TO ICDS

Income Computation and Disclosure Standards (ICDS) provides the accounting treatment to be given to certain transactions under the head “PGBP” and “Other Sources”.

The provisions of ICDS have overruled certain judicial precedents given by Hon’ble Supreme Court and various High Courts. Hon’ble Delhi High Court in the case of writ petition filed by Chamber of Tax Consultants (CTC) have struck down certain provisions of the ICDS ruling that the same cannot overrule the landmark judgments given by various courts. The reason for such struck down is that the provisions of ICDS have been introduced vide Rules which have been framed by Central Board of Direct Taxes (CBDT) and do not have any statutory backing from parliament.

Finance Act, 2018 has made some amendments under the Income tax Act, 1961 in order to give the statutory backing to the treatment prescribed by ICDS. Some new sections and provisions have been inserted which have concluded the treatments as below:

1. Mark to Market loss computed in accordance with ICDS shall be allowed as deduction from the Income under PGBP – **Section 36(1)(xviii)**.
2. Foreign Exchange Gains/Losses arising on account of change in rates of exchange shall be allowed as deduction in accordance with ICDS. This means that loss and gains of capital nature other than Section 43A are also taxed or allowed as deduction in the year of realization or restatement, as the case may be – **Section 43AA**.
3. Income from Construction Contracts or Service Incomes shall be determined as per percentage of completion method (PCM) (except service contracts for a period of upto 90 days which can be recognized on full completion)– **Section 43CB**;
4. Inventory shall be valued at Cost or NRV whichever is lower computed in manner as per ICDS – **Section 145A**.
5. Listed Securities shall be valued at Cost or NRV whichever is lower (in case held as stock) – **Section 145A**
6. Unlisted/ Unquoted Securities shall be valued at initial cost – **Section 145A**.
7. Interest on compensation or enhanced compensation shall be taxable on receipt basis – **Section 145B**

8. Escalation claims and Export incentives shall be recognized as Income when reasonable certainty is achieved – **Section 145B**.

9. Subsidy, Grant, Cash Incentives, Duty Drawback etc. are recognized as Income of the year in which such amount is received – **Section 145B**.

The amendments are retrospective and applicable from FY 2016-17 onwards.

AMENDMENTS HAVING IMPACT ON FOREIGN CURRENCY INFLOWS

1. Amendment relating to Presence of Digital Companies and Dependent Agents: Before Amendment, what we see is only **physical presence** of Non-resident or his dependent agent for the purpose of determining Income accruing or arising in India.

Finance Act, 2018 has made an amendment under Section 9 of the Act in order to provide that significant economic presence will also be deemed as “Business Connection” for the purpose of Section 9.

Significant Economic Presence means transactions in respect of goods, services or property carried out by a non-resident in India including downloading of software etc. if such transactions exceed the prescribed amount **OR** by way of soliciting or interacting with prescribed users by digital means.

Amendment has been made for extending the dependency of agent not only who concludes contracts but also who substantially negotiates contracts on behalf of Nonresident.

2. Long-term Capital Gain to FIIs: Before Amendment, Section 10(38) exempts the income of any person arising from long term capital gains on sale of listed shares, units of equity oriented fund etc. The same also includes LTCG of FIIs from such securities.

Finance Act, 2018 has made an amendment under Section 115AD of the Act in order to provide that 10% tax will be levied in case such LTCG exceeds Rs. 1 lakh.

OTHER AMENDMENTS

1. Introduction of LTCG tax on Sale of Listed Securities: Before amendment, Section 10(38) of the Act provides that LTCG arising on transfer of listed equity shares or units of equity oriented fund is exempt from tax provided:

- STT has been paid; and
- transaction of both purchase and sale has been taken on recognized stock exchange.

In order to take the same under tax net, **Finance Act, 2018** has introduced **Section 112A** of the Act in order to provide that:

- Tax @ 10% of the LTCG shall be charged.
- The tax will be charged only if LTCG of such nature exceeds Rs. 1 lakh.
- No Benefit of indexation shall be allowed on such gains.

No tax will be levied if the sale has been made till March 31, 2018 since the budget is applicable from April 01, 2018. If the asset is acquired on or after February 01, 2018, actual cost will be considered for the purpose of calculation.

If the asset is acquired on or before January 31, 2018, then cost of acquisition shall be

- Actual Cost of Acquisition; **OR**
- Lower of Sale Value or Fair Market Value;

Whichever is higher.

The restriction upto “lower of sale value” is provided so that no long term capital loss shall arise on such computation.

Example:

Investment Amount	Investment Date	Redemption Amount	Redemption Date	Taxability
2,00,000	31.01.2017	3,60,000	28.03.2018	Not Taxable
2,00,000	31.03.2017	4,00,000	03.04.2018	10% of Gain
1,00,000	25.06.2017	1,90,000	30.06.2018	Not Taxable
2,00,000	15.01.2018	3,50,000	31.08.2018	15% u/s Section 111A
3,00,000	10.12.2017	4,20,000	15.12.2018	10% of Gain

2. DDT on dividend paid by MF on Equity Oriented Units: Section 115R of the Income tax Act, 1961 provides that a Mutual Fund is required to pay DDT on dividend distributed by it to the unit holders at the rate of 38.83% (25% plus Surcharge plus Cess after grossing up) on Income distributed to Individual or HUF and 49.92% (30% plus Surcharge plus Cess after grossing up) on Income distributed to any other person.

Section further provides that no DDT is required to be paid in respect of amounts paid to holders of units of equity oriented funds.

Finance Act, 2018 has made an amendment under the Act in order to provide that the amount paid to holders of units of equity oriented funds shall be chargeable to DDT @ 12.94%. (i.e. 10% plus Surcharge plus cess after grossing up).

3. Incentives for Employment Generation: Deduction is allowed @ 30% of the additional employee cost incurred during the previous year for 3 consecutive years i.e. total 90% deduction will be allowed under this Section. Deduction is allowed only if the following conditions are satisfied:

- There should be an increase in number of employees in current year vis-à-vis preceding financial year.
- Salary or wage shall be paid other than cash mode.
- Only those employees will be treated as additional employees whose salary is upto INR 25,000; **AND** Contributing in provident fund; **AND** Employed for 240 days or more in the year (150 days or more for apparel industry).

Finance Act, 2018 has made an amendment to Section 80JJAA of the Act in order to provide that benefit of 150 days or more will also be available to **shoes and leather industry**. Further, Employed days (240/150) can be completed subsequent to joining year also.

4. Rationalization of Section 43CA, Section 50C and Section 56

♦ **Section 43CA:** It provides that in case the consideration for transfer of stock in trade, being land or building, is less than the stamp duty value, then Stamp Duty Value shall be deemed to be the sale price of such stock – **Section for PGBP.**

♦ **Section 50C:** It provides that in case the consideration received or receivable from transfer of a capital asset, being land or building, is less than the stamp duty value, then Stamp Duty Value shall be deemed to be the full value of consideration – **Section for Capital Gains.**

♦ **Section 56(2)(x):** It provides that in case a person receives any immovable property at a value less than the stamp duty value by INR 50,000, then the balance shall be treated as Income from other sources – **Section for Other Sources.**

Finance Act, 2018 has made an amendment under the above sections in order to provide that difference upto 5% between actual consideration and stamp duty value shall be ignored. The amendments are effective from F.Y. 2018-19 onwards.

5. Provisions relating to conversion of stock into capital asset: Income tax law currently provides provisions for conversion of capital asset into stock in trade. The taxability in such cases shall be as under:

- Fair Market Value on the date of conversion shall be the full value of consideration to be taken for capital gains purpose.
- Actual Cost of capital asset shall be taken as the cost of acquisition of such stock.
- Period of holding will be the period starting from acquisition date to conversion date.
- The Capital Gains are taxable in the year in which stock will be sold.

New Provisions have been introduced for the vice-versa cases of conversion of stock-in-trade into capital assets. The taxability in such cases shall be the Fair Market Value on the date of conversion shall be deemed to be the Sale price under the head PGBP. Cost will be considered as actual cost of purchase of stock-in trade.

6. Amendment under presumptive taxation scheme in case of Goods Carriage – Section 44AE: Section 44AE of the Act provides a presumptive taxation scheme for the transporters having upto ten (10) vehicles at any time during the previous year. It provides that such transporters have an option to declare Income @ 7,500 per month or part thereof per vehicle.

Finance Act, 2018 has made an amendment in Section 44AE of the Act in order to provide that for vehicles **having more than 12MT gross weight**, then instead of INR 7,500 per month per vehicle, INR 1,000 per tonne capacity per month per vehicle shall be deemed as Income.

7. Measures to Promote Start-ups: Section 80-IAC of the Income tax Act, 1961 provides 100% deduction to start-ups for 3 consecutive years out of seven years if it is incorporated between 01.04.2016 to 31.03.2018 and the turnover is upto INR 25 crores per year between 01.04.2016 to 31.03.2021.

Finance Act, 2018 has made an amendment in order to provide that start-ups **incorporated between 01.04.2019 to 31.03.2021** can also avail the benefit of this Section. Further, turnover limit of INR 25 crores is applicable for first seven years from start date. Start-up can be of such type which can generate employment or create wealth substantially.

8. Mandatory Application of PAN in certain cases: Section 139A of Act has been amended in order provide that PAN is mandatory for such non-individual entities which enters into financial transaction valuing more than INR 2.50 lakhs. Further, PAN is also mandatory for the authorized signatories of such entities irrespective of their financial transactions and income.

9. Trading in Agriculture Commodities: Amendment has been made under Section 43(5) of the Act in order to provide that trading in agriculture commodities will also be considered as non-speculative transaction instead of speculative transaction. Post Amendment, loss from trading in agricultural commodities can also be set off from other non-speculative business losses. Further, such loss can now be carried forward for 8 AYs instead of 4 AYs.

10. New Scheme for Scrutiny Assessment: The Government is introducing e-assessment scheme for all assessment proceedings under the Act.

11. Prosecution relating to failure to furnish return of income: Section 276CC of the Act provides that in case an assessee fails to furnish Return of Income upto the end of assessment year, then he shall be liable to following:

- Imprisonment of 6 Months – 7 Years with fine: If tax evaded exceeds INR 25 lakhs;
- Imprisonment of 3 Months – 2 Years with fine: If tax evaded is upto INR 25 lakhs.

The above provisions are not applicable if tax amount is less than INR 3,000. Finance Act, 2018 has made an amendment under the Act in order to provide that the limit of INR 3,000 is not applicable to a Company in order to mandate all companies to file Return of Income.

Note: Copy of the Amendments made by the Finance Act, 2018 is available at following weblink: <http://egazette.nic.in/writereaddata/2018/184302.pdf>. Students are advised to go through the detailed amendment made by Finance Act, 2018.

AMENDMENTS MADE BY FINANCE ACT, 2019

Income under the Head Salary

- i. Standard Deduction [Section 16(ia)]: There is an amendment u/s 16(ia) where standard deduction is enhanced to Rs. 50,000 from Rs. 40,000. The benefit of increased standard deduction shall be available to salaries persons and pensioner.
- ii. Deduction of up to 10% of salary is allowed under Section 80CCD in respect of contribution made by an employer to NPS. The limit has been proposed to be increased to 14% of salary in case of Central Government's employees.

Income from house property: There is an amendment in section 23 where tax payer is allowed to opt two house as a self occupied house (earlier it was allowed only one house) and balance he has to offer as let out. U/s 24, the tax payer, can now claim interest for both the house. However, the aggregate monetary limit for the deduction would remain the same i.e. Rs. 2,00,000.

Capital Gains:

- i. There is an amendment u/s 54 where any capital gain arising on sale of long term residential house and capital gain does not exceed Rs. 2 crore, tax payer is allowed to invest in two residential house in India (earlier it was allowed in one house) and capital gain will be taxed accordingly. This option is given once in life time to tax payer.
- ii. The sunset date for transfer of residential house property, for claiming exemption under Section 54GB in respect of investment made in eligible start-ups, has been extended from 31st March, 2019 to 31st March, 2021. Further, the conditions of minimum shareholding or voting rights has been relaxed from 50% to 25%.

Deduction:

- i. A new Section 80EEA has been inserted to provide for deduction of up to Rs. 1.50 lakhs for interest on loan taken from any financial institution for acquisition of a residential house property whose stamp duty value does not exceed Rs. 45 lakhs.
- ii. A new section 80EEB has been inserted to provide for a deduction of Rs. 1.5 lakhs in respect of interest on loan taken for purchase of an electric vehicle from any financial institution.

Deduction at source (TDS) & Procedural Compliances (ITR Filing)

- i. There is an amendment u/s 194A(3)(i) where interest limit is enhanced from Rs. 10,000 to Rs. 40,000 in case of payer is bank, co-operative society and post office. If the payee is senior citizen, the limit is Rs. 50,000.
- ii. There is an amendment u/s 194-I Rent where monetary limit enhanced to Rs. 2,40,000 from Rs. 1,80,000. Accordingly, if the rent payment does not exceed Rs. 2,40,000 in a financial year, deductor is not require to deduct the TDS.
- iii. A new Section 194N has been inserted to require deduction of tax at source at the rate of 2% if aggregate of cash withdrawn during the financial year from any account maintained with a banking company or cooperative bank or post office exceeds Rs. 1 crore.

- iv. Application under Section 195(2) and 195(7) for lower or nil deduction of tax from sum paid or payable to non-residents person can be filed electronically.
- v. A new Section 194M has been inserted to require any individual or HUF (who is not required to deduct tax under Section 194C or 194J) to deduct tax at source from sum paid to a contractor or professional, if aggregate payment during the year exceeds Rs. 50 lakh. The tax can be deposited under this provision without any requirement to obtain TAN.
- vi. As per Section 194-IA, a buyer is required to deduct tax at source from the consideration paid to buy an immovable property. An explanation has been inserted that 'consideration for immovable property' shall include all charges paid towards club membership fee, car parking fee, electricity and water facility fees, maintenance fee, or any other charges of similar nature, which are incidental to transfer of the immovable property.
- vii. Benefit of first proviso of Section 201(1) has been extended in case of failure to deduct tax at source from sum paid to non-residents. Thus, a deductor shall not be deemed to be an assessee in default even if he fails to deduct tax from sum paid to a non-resident, if such non-resident discloses such income in his return of income and pays tax due on such income and a certificate from a Chartered Accountant is furnished to this effect.
- viii. Furnishing of return of income shall be mandatory under Section 139 if an individual has deposited Rs. 1 crore or more in current account, or he has incurred expenditure of Rs. 2 lakhs or more on foreign travel, or he has incurred expenditure of Rs. 1 lakh or more on electricity consumption.
- ix. Income-tax return can be filed using Aadhaar Number, if person hasn't been allotted PAN. If a person has linked his Aadhaar number with PAN, he may also furnish his Aadhaar number in place of PAN in the Income-tax return.
- x. PAN allotted to a person shall be deemed to be invalid, if he failed to intimate the Aadhaar to the Dept.
- xi. There are various provisions in the Act which requires a person to make payment by account payee cheque/draft or ECS. In order to encourage other electronic modes of payment, the Government has proposed to amend relevant provisions to include other electronic modes of payment.
- xii. Tax shall be deductible under Section 194DA at the rate of 5% only on the income component of life insurance pay-out. The existing rate of TDS was 1% on the gross amount.
- xiii. ITR filing is mandatory, if total income of assessee before claiming the benefit of capital gain exemption under sections 54, 54B, 54EC, 54F, 54G, 54GA and 54GB, doesn't exceeds the maximum amount not chargeable to tax.

Penalties & Offences: In case of failure to file an Income-tax return, the prosecution proceedings are initiated under Section 276CC if the tax payable by the assessee is Rs. 3,000 or more. This threshold limit has been increased to Rs. 10,000.

Transfer Pricing: Constituent entity of an International group shall now be required to keep and maintain information and document under Section 92D and file required form even when there is no international transaction is undertaken by such constituent entity.

Other Amendments:

- i. A taxpayer has been allowed to withdraw 60% of total amount from NPS as tax free. Currently, the exemption is allowed only up to 40% of the total corpus amount.

- ii. Relief under Section 89 shall be considered while computing the tax liability under Section 140A, section 143, section 234A, section 234B, and section 234C to avoid genuine hardships to the taxpayers who are claiming such relief.
- iii. Every person, carrying on business, shall, provide facility for accepting payment through electronic modes if his turnover or gross receipts exceeds Rs. 50 crores. The Payment and Settlement Systems Act, 2007 is proposed to be amended to provide that no bank or system provider shall impose any charge upon anyone, either directly or indirectly, for using the electronic modes of payment.
- iv. Section 12AA has been amended to provide that at the time of granting of registration to a trust or institution the Pr. CIT or CIT shall also satisfy himself that the applicant trust or institution also satisfy the requirements of any other law which is material for the purpose of achieving its objects.
- v. The Pr. CIT or CIT has been empowered to cancel the registration under Section 12AA, if after granting registration it has been noticed that the trust or institution has violated requirements of any other law which was material for the purpose of achieving its objects.
- vi. Section 115QA which requires payment tax on distributed income in case of buy-back of shares has proposed to be extended to listed companies as well.
- vii. Any sum of money paid, or any property situated in India transferred, on or after July 5, 2019 by a person resident in India to a person outside India shall be deemed to accrue or arise in India under Section 9.

Note: Copy of the Amendments made by the Finance Act, 2019 is available at following weblink: <http://egazette.nic.in/WriteReadData/2019/209695.pdf>. Students are advised to go through the detailed amendment made by Finance Act, 2019.